



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

April 11, 1980

MEMORANDUM FOR: THE PRESIDENT  
FROM: CHARLES W. DUNCAN, JR.  
JOHN C. SAWHILL  
SUBJECT: Weekly Activity Report  
Week of April 7-11, 1980

I. Energy Conservation

- . The White House Task Force on Energy Conservation Outreach met on Monday, co-chaired by Anne Wexler, Al McDonald and myself. We moved the Presidential event in the transportation conservation campaign to April 29. We agreed that I should include a transportation conservation meeting with business leaders on my trip next week to the Pacific Northwest which will be helpful in preparing for the national event. Resource problems are very difficult, but we will do the best we can.

A master calendar of conservation events in the five participating agencies has been set up and is being updated weekly. The taskings for the transportation campaign have been put on the White House computer. Public service announcements (television and radio) have been agreed on and should be produced by the Ad Council within six weeks. Materials to be inserted into speeches by Presidential appointees have been prepared and distributed.

- . We completed a review of first quarter (calendar year) output objectives for each of our 479 individual DOE conservation projects: 421 were on target, 41 were delayed, 10 were cancelled, and 7 were accelerated. We have completed, and will issue next week, an objectives paper for DOE solar programs setting quarterly output targets for each of our 1,462 solar projects. We will use the same audit system.
- . The Emergency Building Temperature Restrictions will expire on April 16. Our interim report indicates that there has been an 81 percent compliance rate and energy savings during the 1979-1980 heating season of approximately 317,000 barrels per day, oil equivalent. Extending the restrictions requires a finding by the President of a "severe energy supply interruption" and perhaps resubmission of the plan to the Congress. The restrictions should be extended, if possible, because not to do so would send the wrong signal to the American people. The required action is being discussed with White House staff.
- . A plan for a series of regional White House Conferences on Community Energy Self-Help activities this fall has been sent to White House staff for review.
- . DOE's five regional Power Marketing Administrations that distribute electricity generated by government-owned hydro facilities are beginning a conservation marketing program that I believe will produce significant

results. I will be discussing this during my visit to the Bonneville Power Marketing Administration next Tuesday.

- . The standby gasoline rationing plan is still at OMB.

### Legislative items

- . EMB and ESC--no progress this week because of the recess. We are working with the staffs on the conservation and gasohol titles.
- . Energy Management Partnership Act--DOE's proposed amendments, approved by OMB, were transmitted to the Committees. No hearings have been scheduled yet by the authorizing committees; the House and Senate Appropriations Committees hearings are scheduled for April 30 and May 5 respectively. We will encounter some difficulty in getting this enacted before the end of the session.
- . Resolutions of Disapproval on the crude oil import fee have been introduced in the House (Congressman Emery) and Senate (Senator Dole). Several bills have been introduced in the House to amend the Trade Expansion Act to revoke the President's authority to impose an import fee without Congressional approval, one of which has 113 cosponsors. We believe there will be no Congressional action to block the import fee before it goes into effect on May 15, but we will have to work hard until the end of the session to avoid adverse legislation.

### Gas pricing

- . The Canadians have transmitted their findings with respect to imported oil prices on April 1 that are the basis for setting gas prices effective July 1 under our recent understanding with them. A price increase of \$0.30 (to \$4.77 per mcf) is possible; I am pressing them for zero increase.
- . I reported on the Algerian situation by separate memo earlier in the week.

### Regulatory Reform:

- . We have identified a number of regulations that can be simplified or eliminated in order to reduce the burden on the public of our regulatory system. We have also designed a gradual dismantling of our regulations related to price controls so that when the statutory authorization expires in September, 1981 there will not be a massive change in business conditions. We are coordinating these changes closely with White House staff because each regulation has a constituency interested in its continuation. Propane deregulation, which I favor, is being held in abeyance under this system, and we will not proceed until there is a consensus that the time is right to do so.

### Trips

- . John Sawhill was in North and South Carolina this week, meeting with the Governors, State legislators, and civic leaders on a variety of energy issues, particularly conservation. He will be in Pennsylvania next Monday doing a series of coal-related events, including some sponsored by Carter-Mondale. I will be in Oregon, Washington, and Utah next week to work on conservation and will also include two Carter-Mondale events.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

April 4, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: CHARLES W. DUNCAN, JR. *with Bateman*  
JOHN C. SAWHILL *(acting)*

SUBJECT: Weekly Activity Report:  
Week of March 29, 1980 - April 4, 1980

- Mexico: I visited Mexico this week and had very productive talks with President Lopez Portillo, Foreign Minister Castaneda, Secretary of Patrimony Oteyza, and Director General Diaz Serrano of PEMEX, among others. We discussed a broad range of energy issues with emphasis on cooperation in research and development on alternate fuel technologies such as solar and geothermal energy, and on transfers of hydroelectricity along the border. In addition to establishing a useful working relationship between our Governments on energy matters, the meetings increased our respective understandings of the political sensitivities associated with energy issues in each country. I will send you a more complete discussion of my talks in my trip report.
- Energy Conservation: The work of the Interagency Conservation Action Group will be carried on by a White House Task Force on Energy Conservation Outreach, which I will co-chair. Subject to your approval, the Task Force has set April 14 for the kickoff of a major transportation conservation campaign. You will meet with the chief executive officers of major corporations and the heads of transportation-related associations and will ask them to commit themselves to specific ridesharing and driver awareness efforts. You will also announce a new energy efficiency awards program. Further details should reach you next week. Following the kickoff event, five members of the Cabinet, accompanied by members of your senior staff, will travel to major cities to promote the program with additional employers.
- Utility Oil Backout Legislation: The first hearings were held on this legislation. John Sawhill testified before John Dingell's Energy and Natural Resources Subcommittee of the House Committee on Interstate Commerce. He was joined by representatives from the Environmental Protection Agency and the Council on Environmental Quality. The testimony went well; the Subcommittee focused more on fiscal questions than it did on the environmental issues.

On a related matter, DOE's Economic Regulatory Administration issued six more proposed prohibition orders under the Fuel Use Act to force conversion from oil. Three were directed to the New England Power Company's Salem (Massachusetts) Harbor generating station and three were issued to the Navy's Naval Ordnance Station at Indian Head, Maryland. These conversions would save over 9,500 barrels of oil per day. They bring the total of proposed prohibition orders and negotiated voluntary conversions under the Fuel Use Act to thirty, with savings of about 165,000 barrels of oil per day.

#### 4. Legislative Matters:

° S. 932: The Conferees on S. 932, the Energy Security Act, will not meet again until after Congress reconvenes on April 15. The joint staff will continue to try to reach agreement on all outstanding issues. The major issues concerning Title IX, the Solar Bank, have been resolved. Several important issues remain outstanding on Title V, Conservation. There appears to be progress on the gasohol provisions, Titles II and III, but the Conference has not yet reached agreement.

° Energy Mobilization Board: Limited progress was made by the conferees. The House offered a compromise position to the Senate that will be considered by the staffs next week. This position would allow the President to waive substantive federal law, subject to the approval of Congress within sixty days, expressed through a joint resolution adopted under modified procedures. The reaction of some important Senate conferees was promising and there is hope of a staff compromise during the recess.

° Gasoline Rationing: Senator Johnston's proposed legislation to provide a gasoline tax and rebate system instead of coupon rationing will not be introduced until after the recess. Our Office of Policy and Evaluation has prepared an analysis of this proposal, which is being circulated for review at OMB and the Department of the Treasury.

5. Algerian Liquefied Natural Gas: Sonatrach, the Algerian state energy company, told El Paso, the importer, that it would not continue to sell gas to them after last Monday, March 31, at the \$1.95 per million Btu price approved by our regulatory authorities last December. Gas is not now being lifted for export to the United States under this contract. Our supplies of natural gas appear to be adequate to avoid immediate disruption in the event of a complete shut-off of this source, which amounts to the equivalent of about 150,000 barrels of oil per day, but we must continue to pursue a solution to this dispute to avoid potential problems next fall and winter in the mid-Atlantic states. The U.S. Government has communicated frequently with the Government of Algeria, as well as with the Government of France, which faces a similar price demand. Officials from the Departments of Energy and State will travel to Algiers late next week to review the situation.

One additional matter is discussed in an annex to this report.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

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March 28, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: Charles W. Duncan, Jr.  
John C. Sawhill

SUBJECT: Weekly Activities Report  
March 22, 1980 - March 28, 1980

1. Natural Gas Price Negotiations.

Canada: My trip memo summarizes the discussions I had in Ottawa on Monday. The Canadian price of \$4.47 per million Btu will be frozen until July 1, by which time we expect the price of substitute fuels to approach their gas price.

Mexico: We informed the Mexican government of the Canadian price and formula and agreed with them that a comparable price for Mexican gas would be approved as of yesterday. Further discussions will be held on the question of compensation for the period from February 17, 1980, when the Canadians began receiving their \$4.47 price, and related matters. I do not expect these issues to be resolved for 4-6 weeks. I will be going to Mexico next Tuesday for discussions with President Lopez Portillo, Foreign Minister Castaneda, and energy officials.

Algeria: The El Paso LNG Company and the Algerian National Energy Company, Sonatrach, are not in agreement on the price for liquified natural gas deliveries beyond March 31. The Algerians have demanded \$5.32 per million Btu, which price would not be approved by our regulatory system. Secretary Vance is sending a letter this weekend to his Algerian counterpart requesting an extension beyond March 31, and we are cabling the President of Sonatrach with a similar request and inviting the company to send a representative to the United States for discussions next week.

2. Energy Conservation Activities

- \$1.7 million was awarded for workshops in 45 states to reach about 8,000 teachers with energy conservation educational materials.
- Earth Day activities (April 22) are in final preparation. The Department is sponsoring many energy conservation and alcohol fuels exhibits for the Mall, a solar and conservation home tour (with Esther Peterson), and a jogging and bicycling event. The Department has also funded Earth Day events by local groups around the country.

- Tomorrow the American Legion and DOE will launch a joint energy conservation program at a national meeting in Denver. The Legion will implement transportation conservation programs nationwide at 16,000 local posts for their 2.6 million members.

3. Gasoline Conservation Fee: The Presidential proclamation necessary to implement the fee has been submitted to OMB and White House staff. DOE implementation activities, including computer support and management systems, are on schedule. Yesterday the Energy and Power Subcommittee of the House Commerce Committee adopted (13-7) an amendment to the DOE FY 81 Authorization Bill (H.R. 6627) to delete funding for the entitlements program and thereby curb the President's authority to impose the gasoline conservation fee. We expect similar actions through the appropriations process. We are working with Frank Moore to gain Congressional support for the fee. IMPORTANT: The proclamation should be signed before the Windfall Profits Tax Act is signed. Section 402 of that Act provides Congressional authority to disapprove any attempt by the President to impose fees on imported oil.

#### 4. Synthetic Fuels

- The preproposal conferences were held on the feasibility studies and cooperative agreements portions of the new legislative authority. The interest from the private sector was very high. About 1,000 persons attended the first and 350 attended the second. This program is ahead of schedule.
- Union Oil is ready to commence construction of a 12,500 bbls/day shale oil facility in Colorado. All requisite permits and regulatory approvals have been obtained. They have suggested that you might want to have a "ground breaking" (with appropriate props) from the White House. Fred Hartley, the Chairman of Union, believes this might be a helpful event.

5. Utility Oil Backout: We completed drafting both House and Senate versions of the utility oil backout legislation. Sen. Ford introduced the DOE draft as the Powerplant Fuels Conservation Act (S. 2470) on Monday. Congressman Staggers introduced a bill by the same name (H.R. 6930) that has some differences from the Senate bill. Hearings have been set before the Senate Energy Committee for April 23 and 25. A hearing has been scheduled in the House on Wednesday, April 2, before Congressman Dingell. John Sawhill will testify.

#### 6. Other Legislation

- S. 932 (Energy Security Act): Progress was made on titles V (conservation) and IX (solar). We expect the conference to finish with these titles before the end of April.
- Energy Mobilization Board: No progress this week. The deadlock over substantive waiver issues continues.
- Gasoline rationing: Sen. Johnston is expected to introduce legislation next week on gasoline rationing; his proposed system is "cash rationing" instead of "coupon rationing." It consists of an excise tax on gasoline plus cash rebates utilizing the income tax rebate system. This is intended to avoid the bureaucratic complexity of the coupon system and to produce the same result with respect to the availability of gasoline. The ECC will consider a proposed Administration position next week.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

25 March 1980

MEMORANDUM FOR: ~~THE PRESIDENT~~  
FROM: Charles W. Duncan, Jr.  
SUBJECT: Ottawa Trip

A handwritten signature in cursive script, appearing to read "C. W. Duncan, Jr.", written in dark ink.

I spent yesterday in Ottawa meeting with the new Canadian Minister for Energy, Mines, and Resources, Marc LaLonde. The discussions were frank and friendly.

Gas Pricing. We reached an understanding on a new Canadian gas pricing approach designed to insure that Canadian price adjustments would not raise prices higher than competitive energy costs. Their \$1.02 per mcf increase on February 17 was announced with only a six-week lag time which had this result. It takes 90 days for foreign crude price increases to be reflected in the market place. The understanding reached involves a freeze on prices until July 1, 1980. The July 1 price will be based on the btu equivalent of the Canadian oil import price on April 1, 1980. Prices would be reviewed monthly with an agreed 90-day lag period for any increase. This arrangement is designed to simulate the market place and insure that future Canadian prices are no more than competitive with a reasonable mix of alternative fuels. Canadians are aware of this, and I reemphasized that our regulatory approval of any increases was dependent on our alternative costs, not Canadian oil import prices.

Price changes after July 1 would not take place unless an increase of at least 15 cents per mcf is indicated. The 15-cent trigger should insure that adjustments are infrequent. We agreed to consider increasing the trigger if price increases should occur in consecutive months or more than two times in any six-month period.

Alaskan Natural Gas Transportation System. I discussed the meeting held last week between the producers and sponsors where a tentative agreement was reached on a joint Phase I design and engineering effort, as well as the development of a schedule for resolving Phase II financing issues. The Canadians made it clear that they would be faced with a difficult decision on whether to approve the southern "prebuild" section this summer if final financing of the Alaska segment had not been arranged. They indicated a willingness, however, to consider changing their legal precondition for approval from a finding that the pipeline was financed to a finding that it could be financed if we, in turn,

would certify to them, in as much detail as possible, a financial plan that we thought could work. I underscored our strong commitment to the project and your willingness to reaffirm this commitment. The possibility of supportive statements by Senator Jackson and Congressman Dingell was also discussed.

Acid Rain. The Minister expressed his deep concern over the potential for adding to the acid rain problem as a result of our utility oil backout program. I reassured him that the program would be subject to our already stringent environmental laws, underscored the massive pollution abatement investment being made in conjunction with the program, and the broad range of efforts we were undertaking. We agreed to stay in close consultation on this question and to undertake jointly efforts to improve pollution abatement technology. We made clear our commitment to the utility oil backout program.

Technical Cooperation. We briefly reviewed existing and potential joint R&D programs, including cooperation on coal technologies, magnetic fusion and tar sands.

The Northern Tier Oil Pipeline. Minister LaLonde raised the Canadians' concern about tanker traffic in conjunction with either the Northern Tier or Trans-Mountain west-to-east oil pipeline projects, and inquired if the U.S. could rethink its position on the alternative Foothills overland oil route through Canada. I indicated that the economics of the Foothills line were prohibitive when compared to either Northern Tier or Trans-Mountain; surprisingly, the Minister agreed with me. This is a political issue in Canada, and Ambassador Curtis and I feel the Minister felt compelled to raise the point.

On balance, the atmosphere of the meeting was good, the gas pricing accomplishments significant, and the Canadians seemed pleased with the opportunity for an early meeting of this kind in Ottawa.

cc: Secretary Vance  
Dr. Brzezinski  
Ambassador Owen



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

March 21, 1980

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Charles W. Duncan, Jr.  
John C. Sawhill

A handwritten signature in cursive, appearing to read "CWD", written in dark ink.

SUBJECT:

Weekly Activities Report  
March 15, 1980 - March 21, 1980

1. Energy Conservation. The Department has been working to effectuate the energy commitments of your speech last Friday.
  - a. Gasoline Conservation Fee: We have drafted, and are clearing with O.M.B., the Presidential Proclamation needed to implement the fee.
  - b. State Gasoline Conservation Targets: We have delivered to each Governor his or her State's target. The targets are based on your decision to set the national consumption target at 7.0 million barrels per day and on the methodology we have discussed extensively with the States over the past two months.
  - c. Utility Oil Backout legislation: We have been working closely with both the House and the Senate Committees to draft legislation that is in accordance with the specifications you submitted to the Congress. This legislation will be introduced in the Senate on Monday and in the House sometime before the recess. Senators Byrd, Ford, and Jackson have requested a letter from you confirming that the prepared legislation satisfies the specifications you set. Such a letter is being prepared for your signature for Monday.
  - d. Interagency Conservation Action Group: The staff of this Cabinet-level group made good progress this week in developing a specific plan for the first campaign, focussing on ridesharing, of the intensified conservation effort. The five Departments involved have developed conservation events; created a master calendar, now under review, to determine opportunities for coordination and for White House participation; identified material for distribution; begun drafting talking points for government participants; and planned follow-up assistance to participating employers. The current proposal calls for an April kickoff by a Presidential press event in Washington including the National Ridesharing Task Force, followed immediately by regional meetings between chief executive officers of major employers and teams of Cabinet members and White House staff. We expect that this will have maximum national and regional impact. The White House staff has participated closely in the Group's planning efforts.
2. Alaska Natural Gas Pipeline. I held a productive meeting on Tuesday with representatives from Exxon, ARCO, and SOHIO; John MacMillian from Northwest Pipeline; and Governor Hammond. This marked the first meeting between MacMillian, the producing companies, and the State. The parties will meet by mid-April to formulate an agreement on funding and managing the

design and engineering work. A further meeting will be held before mid-April to identify issues on project financing and to set a schedule for resolving those issues. I was encouraged by this meeting.

3. Incremental Pricing of Natural Gas, Phase II. The Federal Energy Regulatory Commission on Thursday instructed its staff to prepare an order on the implementation of phase two of incremental pricing. Incremental pricing was a key part of the compromise that allowed passage of the Natural Gas Policy Act; it provides that a disproportionate part of the burden of increased wellhead prices will be borne by industrial and utility users of natural gas. The Commission implemented phase one, for utilities and industrial boiler users of gas, last year. The Act requires the Commission to submit phase two, concerning other industrial users, to Congress by this May.

The Commission's announcement would extend incremental pricing to all those industrial users not specifically exempted by statute. The price of natural gas would be set at the price of high-sulfur number 6 residual fuel oil. The first 300,000 cubic feet of natural gas used per day would be exempt from incremental pricing. The Commission estimates that this will add up to 1.2 trillion cubic feet of gas per year to the incremental pricing program and may save residential customers as much as \$25 per year.

Incremental pricing has been a very controversial issue. Gas companies and industrial users have mounted a campaign to repeal that portion of the Natural Gas Policy Act. The Commission's approach appears to be a carefully crafted compromise between the extreme positions.

4. White House correspondence. We continue to see progress in the Department's response to correspondence referred by the White House. For the five weeks from February 1 through March 7, we received 1,375 referrals and answered 1,440, thus reducing the backlog to approximately 200. The time for responding to special referrals has been reduced and the list of overdue referrals has dropped significantly.

5. Speeches and Trips. This week I traveled to Carbondale, Illinois for several appearances relating to coal; testified before the House Armed Services Committee; addressed Gulf Oil executives; held a luncheon concerning energy conservation with eight prominent architects; spoke to the National Association of Manufacturers; and spoke to the the National Newspaper Association. I will be in Ottawa on Monday to meet the new Energy Minister. John Sawhill is in Paris for a meeting of the OECD.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

March 7, 1980

MEMORANDUM FOR:

THE PRESIDENT

FROM:

SECRETARY  
DEPUTY SECRETARY

A handwritten signature in dark ink, appearing to be "CWJ", written over the typed name "SECRETARY DEPUTY SECRETARY".

SUBJECT:

Weekly Activity Report  
March 3-7, 1980

1. Presidential Conservation Items

- a. Blue Ribbon Commission: Issues with respect to the establishment of a Blue Ribbon Commission to help us promote conservation will be considered at the ECC meeting later today.
- b. President's Energy Efficiency Council: I expect that remaining issues with respect to this Council to reward conservation achievements will be resolved by the ECC next week.
- c. Energy Conservation Self-Help Conference: A large conference and exhibition on energy conservation and solar self-help methods being considered for Washington in mid-summer should be ready for presentation to the ECC next week.
- d. Transportation Program: We are working toward a Presidential event this month, probably centered around ride-sharing, that would provide a focus for our interagency effort to concentrate on transportation conservation during the next few months.
- e. Schools Hospitals Program: Good progress is being made on the schools and hospitals weatherization program. We received 6,400 applications accounting for 11,000 buildings. We expect to complete processing and award of all approved applications (95 percent of the total) by March 15. About \$125 million will be awarded. We have been working with Jack Watson's office on the notifications of awards so that there can be maximum White House involvement.

2. Calderon-Berti visit: The visit of Venezuelan Energy Minister Calderon-Berti this week was productive. We signed an Energy Research and Development Cooperation agreement and had extensive talks about hemispheric cooperation on energy matters. We discussed establishment of a joint committee to coordinate energy policy, particularly on future oil trade issues; an offer by the U.S. to

conduct an energy assessment in Venezuela; and the issue of longer term supply arrangements with respect to crude oil and refined products. I will follow up on these subjects and work toward firmer supply arrangements when I return the visit in early May.

3. Strategic Petroleum Reserve: I am inclined to wait 90 days before beginning to fill the Reserve to give the Saudis a chance to pursue a unified price at the June OPEC meeting. (My trip report includes a discussion on this subject.) There has been very substantial pressure in the Congress to start the fill now. I have contacted the energy leadership of both houses, and I think they would support an administration initiative to divert Elk Hills production to DOD. Harold and I are meeting on this Monday. This avoids having to make another sale this summer.
  
4. Minority Participation in Department Programs: Today, at a Departmental conference for minority businesses, I announced five targets that will increase this participation. The Department will increase its performance goal for disadvantaged and minority businesses to 3.37 percent of its procurement budget for fiscal year 1980. We will establish a long range goal for minority business of 10 percent of total direct and indirect procurement by fiscal year 1984. Procurement from section 8(a) firms will be increased from \$27.1 million in fiscal year 1979 to \$86 million in fiscal year 1980. We will establish a goal of 10 percent minority participation in our grant programs for fiscal year 1980. Finally, we will install the Small Business Administration "Procurement Automated Source System" in our major government-owned, contractor-operated facilities. I believe that these changes will give us ambitious but attainable targets for making better use of the talents of minority and disadvantaged businesses.

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THE SECRETARY OF ENERGY  
WASHINGTON, D.C.



20 February 1980

MEMORANDUM FOR: ~~THE PRESIDENT~~  
FROM: Charles Duncan *Cudg* and Henry Owen

SUBJECT: Discussion of International Energy Issues with  
German Economic Minister Otto Lambsdorff

We met with Lambsdorff February 13-14 to go over the international energy agenda for the next IEA Ministerial Meeting and for the Venice Summit.

This is where we stand:

1. We will not seek to reduce import ceilings for 1980. As the market situation has worked out, this would be largely a symbolic exercise. Demand has fallen substantially because of high oil prices, low economic growth, and administrative measures, so that actual IEA imports are likely to be 1.5 - 2 mbd below the previously agreed collective ceiling for 1980. Supplies are adequate to meet this demand, and stocks are high. While contract prices continue to rise, presumably because of uncertainty about the future situation, spot market premiums have virtually disappeared. In this situation, none of the other IEA countries are willing to reopen negotiations on 1980 import ceilings.

2. Instead, we will seek to have the spring IEA Ministerial Meeting (which will be held in May instead of March) focus on the need to restrain demand in 1981, should the world market tighten and to stimulate additional action now to mitigate the clearly worsening oil supply outlook for 1985-1990. To these ends:

-- The ministers would review the first projections of the 1981 outlook prepared by the Secretariat. If these look grim, the ministers could indicate that import ceilings will probably be necessary. This would alert governments to the need to develop additional demand restraint measures as soon as possible. Actual ceilings would be set at the fall meeting, if an oil shortage still appears likely at that time.

-- Agreement would be sought on a mechanism for establishing and adjusting ceilings so as to ensure that all countries would contribute their fair share to the collective demand restraint effort. Such a mechanism would narrow the area subject to further negotiation by ministers at their fall meeting.

DEPARTMENT OF ENERGY	
1ST REVIEW DATE: 7/19/82	DETERMINATION (CIRCLE NUMBER) 1881
AUTHORITY: EDC	1. CLASSIFICATION CHANGED
NAME: <i>R. H. ...</i>	2. CLASSIFICATION CHANGED TO
2ND REVIEW DATE: 9/16/82	3. CONTAINS OR DOES NOT CONTAIN CLASSIFIED INFO
AUTHORITY: <i>...</i>	4. CLASSIFIED WITH
NAME: <i>...</i>	5. CLASSIFICATION CANCELLED
	6. CLASSIFIED INFO DECLASSIFIED
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-- The ministers would review new supply projections for 1985, which are likely to show that presently agreed 1985 import targets are much too high. On the basis of this projection, they would assess the adequacy of existing national measures to reduce oil consumption and call for expanded demand restraint country programs, subject to review at the fall meeting.

-- The Summit country ministers would review their preparations on energy matters for the Summit meeting with ministers of the other IEA countries.

3. If the IEA spring meeting thus deals effectively with demand restraint, the Summit could concentrate on supply side actions to deal with the 1990 oil outlook. We discussed two possibilities with Lambsdorff:

-- Taking actions on synthetic fuels recommended in the report of the International Energy Technology Group and setting quantitative goals for additional use of coal, nuclear energy, as well as synthetic fuels for 1990 and beyond.

-- Increasing capital and technical assistance -- both bilateral and multilateral -- to the oil importing developing countries for domestic production of oil, gas, and other primary energy fuels. (We have some interesting ideas for new proposals in this field, about which we will be sending you a separate memorandum.)

4. Lambsdorff, throughout our discussion, reflected the traditional German opposition, which you encountered from Schmidt at Tokyo, to establishing country oil consumption or import targets -- for 1981 or for future years. The Germans do not want to be hampered in obtaining whatever amount of oil they are willing to pay for. We believe that the arrangements described above would put Germany under pressure to join in a serious demand restraint effort, whenever the oil supply outlook is bleak, as is likely to be the case for many years ahead. Further, if the spring IEA meeting adopts this approach, this would provide an effective international framework for each country, including the United States, to adopt more ambitious oil conservation programs.

5. You may want to discuss these issues with Schmidt when he comes here in early March. We will provide you with suggested talking points.

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THE SECRETARY OF ENERGY  
WASHINGTON, D.C.

MEMORANDUM FOR: THE PRESIDENT  
FROM: Charles W. Duncan, Jr.  
SUBJECT: Mexican Gas Pricing

A handwritten signature in cursive script, reading "C. W. Duncan, Jr.", written in black ink.

As I indicated might be the case in my latest memorandum to you on Canadian gas pricing, the Mexican government is now seeking an increase in the Mexican gas border price. In conversations over the past five days with representatives of the U.S. pipeline companies, PEMEX President Diaz Serrano has indicated that Mexico cannot stay more than \$.80 below the new Canadian price, and that a pricing change must be undertaken.

The proposed plan for dealing with this situation outlined below has the support of the Department of State, Henry Owen and Stu Eizenstat.

As a practical matter, the Mexicans cannot accept a price lower than the Canadian price. We cannot tolerate a Mexican renegotiation that leads to further leapfrogging with the Canadian price. Assuming the Canadians keep their pre-election commitment to us to freeze their gas price until June 1 and then apply their pricing formula on a 70 to 90 day lag, the future Canadian price starting in April or May will return to acceptable competitive fuel pricing levels. If necessary, therefore, an amendment to the Mexican agreement that provides them with the higher of their existing contract price or the Canadian price could be acceptable to us once the Canadians confirm our pre-election gas pricing understanding. Given the difference between the Mexican \$3.625 price and the \$4.47 Canadian price, it is unlikely that the Mexican price would ever exceed the Canadian price.

After difficult discussions, the Companies report that PEMEX is willing to accept this most favored nation with Canada approach, and want a response on such an agreement in the next several days. The difficulty is that the Canadians will not be in a position to finalize our understanding until a new energy minister is appointed, which is likely to take at least several more weeks. If we are forced to agree to an increase of the Mexican price before this agreement is finalized, regulatory approval of such a Mexican price tied to an unknown Canadian price would not be possible.

Thus, if this approach is acceptable, I would propose to call Diaz Serrano and seek his agreement for a several week delay in any Mexican action in order to give us enough time to firm up the Canadian understanding. If pressed, I would propose to him an April 1 effective date, which should leave us enough time to settle matters with Canada.

If this is not successful, and the Mexicans remain serious about immediate action, we might then have to consider an interim regulatory action (through May 15), like that taken with Canada. As a regulatory matter, however, this will be most difficult because the companies purchasing from Mexico have a much less compelling need for the gas than those purchasing from Canada. The several week delay would be far more desirable.

I would propose to call Diaz Serrano as soon as I hear back from you concerning the acceptability of this approach.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C.

February 21, 1980

MEMORANDUM FOR: THE PRESIDENT  
FROM: Charles W. Duncan, Jr. *CW Duncan*  
SUBJECT: Federal Conservation Information Activities

As indicated in my reports to you of February 1 and February 8, the Secretaries of Agriculture, Commerce, Transportation, Housing and Urban Development and I have joined in an effort to heighten public awareness of conservation opportunities. Our Departments will concentrate on high visibility activities in those areas offering the greatest potential benefits, such as transportation, residential, and commercial/industrial sectors.

This effort will proceed under the guidance of the Conservation Action Group, consisting of the above Secretaries, as well as Stu Eizenstat, Lloyd Cutler, Al McDonald, Jack Watson and Anne Wexler. On matters of policy, the action group will operate as a subcommittee of the Energy Coordinating Committee.

Because the spring and summer months involve the heaviest personal travel, each of the Secretaries intend to give special attention to transportation. This being said, it must be recognized that certain of the Departments have limited funding or regulatory authority in the transportation area and therefore will not so confine their efforts to publicize conservation.

Secretaries Klutznick, Bergland, Landrieu, Goldschmidt and I have made clear to our respective staffs our personal interest in these activities. We plan maximum personal participation in public events associated with them and will explore opportunities for Presidential participation. I have asked my Assistant for Public Affairs to convene a meeting of his counterparts in the other Departments to develop specific public relations programs. We will develop a specific schedule of events and keep your staff apprised. A brief description of the principal conservation activities which will underlie these programs is set forth below.

The Conservation Action Group will continue to meet to assess these efforts and will coordinate with those elements of the White House staff concerned with these activities, in order to identify events of Presidential interest. It will continue to work to develop new initiatives for expanding energy conservation opportunities.

### Department of Energy

DOE activities have already been described in my memorandum to you of February 7, 1980. As you know from our February 15 activities, action on the reprogramming request for our key paid advertising program has been delayed pending a hearing later this week.

### Department of Commerce

DOC efforts in the transportation area will encourage businesses to offer transportation programs to their employees, to include incentives for carpools, vanpools, and increased use of public transportation wherever possible. DOC will also increase information activities aimed at reducing energy consumption in business-operated motor fleets, both automobile and truck.

In other consumption areas, DOC will greatly expand its information activities through its extensive contacts with business groups and trade associations. It will encourage these groups to expand their own energy conservation activities, with both their own members and their local communities and employees.

The Department will also identify Federal programs providing information, technical assistance and management services to businesses and will expand these programs to include special counselling on improving energy conservation activities.

Departmental coordination of these activities will be handled by an internal Energy Coordinating Committee, to be chaired by the Associate Deputy Secretary. This group will monitor the activities described above and design new initiatives.

### Department of Agriculture

USDA efforts in the transportation area will focus on displacement of gasoline through expansion of the biomass program. It will expand demonstration projects and loan programs for construction of large and small-scale alcohol and methane production plants. In addition, considerable gasoline and diesel fuel can be saved by reducing certain tillage practices. USDA is expanding the research programs and instructional services of the agricultural extension services relating to these matters.

In other areas, USDA will expand its efforts to reduce energy consumption in rural housing (which accounts for 4% of US energy use -- more than agricultural production, food processing or forestry). Specific programs include using 50% of Section 504 funds for weatherization and repair, complementing the DOE Weatherization program; training Farmers Home Administration (FmHA) personnel in the use of the new Home Energy Index as a basis for recommending improvements in fuel use; amending FmHA home loan procedures to provide loan interest rate reductions and other incentives to expanded use of

solar and conservation measures; and requiring consideration of energy efficiency in all feasibility studies and engineering reports in connection with site development loans for multi-family housing. Expanded use of wood and of alternative fuels developed from agricultural and waste products are also being encouraged as substitutes for oil and gas in rural homes.

USDA will also focus on ways to increase energy efficiency in agricultural operations, including improving machinery for better placement of fertilizer; improving timing of irrigation, maintenance of irrigation systems, and water management methods; and providing incentives for use of less energy-intensive soil conservation measures.

#### Department of Housing and Urban Development

HUD efforts in the transportation area will focus on planning for community development to make maximum use of energy efficient modes of transportation. This would include arrangement of structures and activities within development projects, such as the location of residential, commercial, educational and recreational centers to foster pedestrian movement and use of public modes of transportation. This subject will be made a key agenda item for a "Council on Development Choices for the Eighties" funded by HUD to seek private/public consensus on a range of development issues facing the Nation during the next decade.

In other areas, HUD will initiate a competition in Innovative Grants for Community Energy Conservation, funded at \$11 million, to solicit innovative approaches by which States and local governments can integrate energy conservation and alternative energy supply technologies into housing and rehabilitation, neighborhood revitalization, and other community and energy conservation development programs. In addition, HUD will publish a brochure entitled "Block Grant Energy Conservation," profiling the conservation efforts of ten communities, to show community development officials what can be accomplished.

In mid-March, HUD will initiate its pilot shopping mall exhibit program. Free-standing solar exhibits will be placed in 75 shopping malls in eight locations, stocked with free publications on residential solar energy applications, available HUD's National Solar and Heating and Cooling Information Center. This program should provide exposure to approximately 35.6 million consumers monthly.

Moreover, 100 table-top exhibits developed by the National Solar Information Center will be made available for use by Congressional offices, State energy offices, and other State and local groups, public and private. Light and easily shippable, these exhibits can be supplied at very little cost and returned inexpensively after use.

In a joint HUD/DOE effort, Consumer Action Now, Inc. (CAN) is being given a \$200,000 grant to develop a Women's Energy Tool Kit for home heating and weatherization. The kits will be ready by next

fall and will be distributed and used by a wide variety of community organizations in conjunction with special workshops and ongoing neighborhood programs.

#### Department of Transportation

DOT will play a central role in developing and implementing programs for energy conservation in transportation. A newly-developed public information program will focus on ridesharing and enforcement of the 55 miles-per-hour speed limit. It will utilize direct appeals (television and radio public service announcements) along with reliance on outside organizations such as State and local governments, corporations and associations for private advertising campaigns, corporate programs, mailings, volunteer committees, and news letters. Efforts are designed to peak during National Transportation Week, May 11-17.

The 55 MPH program is aimed at achieving more than 50% voluntary average compliance with the law by drivers and at least 40% compliance within each State. This program will involve a series of staged news events, including a roadside inspection by the Secretary and a State Governor of the state's speed monitoring system, meetings by the Secretary with State highway patrol chiefs and with officers of national organizations which will promote the program through local chapters. In addition, the Secretary will make a personal appeal to national volunteer organizations to conduct promotional campaigns at the chapter level, using DOT materials. Letters from the Secretary to chief executive officers of large businesses involved in highway travel (such as insurance companies, bus and trucking companies, and car, truck and tire manufactures) will solicit their support for this effort. Businesses and organizations who have been especially active in promoting the 55 MPH program will be recognized via Secretarial awards.

The Ridesharing Program is aimed at achieving a 5% increase in the number of commuters sharing the ride to work, amounting to 1 million 1 million persons, which would save an additional 175 million gallons of fuel per year. The program will focus on the commuting public and on corporations and government agencies, which must be encouraged to devise and organize ridesharing programs and policies. DOT will work closely with the National Task Force on Ridesharing, made up of representatives of corporations and State and local governments, publicizing its meetings, and continually communicating with its members. Radio stations will be encouraged to conduct contests for, e.g., the longest continual carpool in the area. Secretarial awards will go to those instituting outstanding ridesharing programs or policies. "Pool parties" will be organized: setting up tables representing residential areas, with refreshments served, to allow an informal setting for making contacts with potential ridesharers. A national clearinghouse on ridesharing information will be set up in the near future, to provide a point of initial contact for those wanting information and technical assistance, with a toll-free phone number.

DOT has recently published a technical assistance directory of its energy programs, projects, contacts, and conferences, entitled Transportation Energy Activities of the US Department of Transportation.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C.

February 21, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: Charles W. Duncan, Jr.

SUBJECT: Presidential Memorandum to Federal Agencies Directing a Reduction in Agency Energy Use

Background

On April 10, 1979, you directed the Federal departments and agencies to reduce total energy consumption by 5 percent and consumption of automotive fuel by 10 percent for the year beginning April 1, 1979, compared with the year before. You asked the Department of Energy (DOE), in conjunction with the Office of Management and Budget, to report periodically to you on progress toward these goals. Your review of two quarters of progress resulted in your Memoranda of January 18, 1980, to the heads of Federal departments and agencies that were not making their goals in which you called for their personal attention to the need for improvement.

Energy Savings

DOE has analyzed the Federal energy conservation performance reports submitted by agencies for three quarters, i.e., the period of April 1 to December 31, 1979. Compared on a quarterly basis (April 1 to June 30; July 1 to September 30; and October 1 to December 31) with the same periods in 1978, the savings for total energy use were:

<u>Quarter</u>	<u>Savings</u>	<u>Cumulative Savings</u>
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In the case of automotive fuel, the savings were:

<u>Quarter</u>	<u>Savings</u>	<u>Cumulative Savings</u>
April 1 to June 30	3.3 percent	(April 1 to December 31)
July 1 to September 30	5.2 percent	6.5 percent
October 1 to December 31	9.0 percent	

Attached is an interim report showing the progress of each agency for the 9-month period ending December 31, 1979. It should be noted that in the past DOE has included weapons production facilities in its energy consumption data. While we can improve efficiency in the use of energy associated with weapons production, we cannot reduce overall energy consumption in those facilities and meet increasing Department of Defense weapons requirements. Accordingly, we are excluding these facilities from our reporting, contrary to past practice. Of course we will continue vigorous conservation efforts at these facilities, including conversion to coal where appropriate.

It should also be noted that progress toward attaining the goals by agency may not be an accurate indicator of the agency's conservation actions or its efficient use of energy during that period because:

- Several of the larger consuming agencies attained substantial reductions between 1973 and 1979. Their 1978 baselines, therefore, reflected much more efficient standards than smaller agencies, which moved more slowly in the early years of the Government energy reduction program.
- Building inventories increased. The Department of Justice has added new buildings at its installations; the Veterans Administration (VA) has added one million square feet of building space and 11,000 tons of air conditioning equipment to maintain current health care standards; and the Tennessee Valley Authority has increased its office space by 18 percent.
- Mission requirements and tempo of operations increased. The National Science Foundation has increased the number of scientific experiments requiring aircraft; the National Aeronautics and Space Administration's Space Shuttle Program effort is increasing; and the VA expanded outpatient, alcohol, and drug treatment and expanded social work and home visit programs.

#### Projections on Future Energy Use

Based upon your latest request on January 18, 1980, for personal commitment and your Memorandum to all Federal departments and agencies of February 1, 1980, the Federal Government will probably meet its goal of a 5 percent reduction in overall energy, but will not meet the 10 percent reduction goal in gasoline. Gasoline consumption by the Federal Government is not unlike that of the Nation. It is closely tied to the mission of providing needed services to the public. Building temperatures can be reduced with a minimum disruption but getting similar reductions in gasoline could seriously degrade these services. Based upon a Herculean effort, you can expect gasoline savings of 8 percent. We will ensure that such an effort is forthcoming.

Attachment

Interim Progress Toward Energy Reduction Goals  
(9 months)

Department/ Agency Reporting	Percent of Federal Energy Use	Progress Toward Overall 5% Goal		Automotive Goal	
		Meeting Goal	Reduc- tion	Meeting Goal	Reduc- tion
Defense .....	63.9*	No	4.4	No	7.8
Energy .....	8.1**	Yes	5.8	Yes	10.7
Postal .....	6.1	Yes	5.7	No	4.8
GSA .....	5.2	No	3.7	No	8.7
VA .....	4.4	No	2.7	No	9.4
DOT .....	3.1	Yes	8.5	No	8.7
NASA .....	2.6	Yes	6.0	No	7.5
Agriculture .....	1.4	No	2.9	No	3.0
Interior .....	1.4	No	2.9	No	2.8
HEW .....	1.1	No	3.6	Yes	20.7
Justice .....	0.8	No	(1.8)	No	0.9
Treasury .....	0.5	No	4.4	No	6.2
Commerce .....	0.4	No	3.2	Yes	34.0
Panama Canal .....	0.3	Yes	6.3	No	6.7
Labor .....	0.2	No	(13.6)	Yes	18.8
EPA .....	0.2	No	(2.1)	No	8.0
TVA .....	0.1	No	(1.5)	No	(0.8)
NSF .....	0.1	No	(1.2)	No	8.7
HUD .....	} 0.1	Yes	11.2	Yes	11.2
SBA .....		Yes	23.4	Yes	23.4
OPM .....		Yes	12.9	Yes	12.9
FCC .....		No	0.6	No	(5.0) ‡
State .....		Yes	7.8	No	7.8
ICC .....		Yes	6.2	No	5.6
CAB .....		Yes	22.4	Yes	24.8
Overall .....	100.0		4.5		6.5

\*Excludes DOD operational energy  
 \*\*Excludes DOE Weapons production sites  
 ( ) increase

## RANKING BY

## PERCENTAGE OF TOTAL ENERGY SAVED

(Agencies that operate Buildings, Facilities, Vehicles and Equipment)

(For 9 Month Period)

		PERCENTAGE SAVED	Apr 1 - Dec <sub>9</sub> 31 78 BTU's 10 <sup>9</sup>	Apr 1 - Dec <sub>9</sub> 31 79 BTU's 10 <sup>9</sup>	BTU's 10 <sup>9</sup> SAVED
Small Business Administration	x-1	23.3	90.1	69.1	21.0
Civil Aeronautics Board	x-1	22.4	1.338	1.038	0.3
Office of Personnel Management	x-1	12.8	68.9	60.1	8.8
Department of Housing and Urban Development	x-1	11.2	254.7	226.1	28.6
Department of Transportation		8.5	20674.3	18919.5	1754.8
Department of State	x-1	7.9	24.0	22.1	1.9
Panama Canal		6.3	1715.0	1606.3	108.7
Interstate Commerce Commission	x-1	6.2	17.8	16.7	1.1
National Aeronautics and Space Administration		6.0	16921.4	15901.4	1020.0
Department of Energy		5.8	52137.5	49123.5	3014.0
U.S. Postal Service		5.7	39106.8	36893.6	2213.2
5% Goal					
Department of Treasury		4.4	3132.1	2995.7	136.4
Department of Defense	x-2	4.3	404105.0	386542.0	17563.0
General Services Administration		3.7	32425.2	31227.1	1198.1
Department of Health, Education and Welfare		3.6	7040.8	6786.7	254.1
Department of Commerce		3.2	2785.0	2696.8	88.2
Department of Interior		2.9	8688.5	8436.3	252.2
Department of Agriculture		2.9	8671.9	8420.2	251.7
Veterans Administration		2.7	27554.1	26811.4	742.7
Federal Communications Commission		0.6	34.2	34.0	0.2
National Science Foundation		(1.2)	361.8	366.0	(4.2)
Tennessee Valley Authority		(1.5)	842.6	855.6	(13.0)
Department of Justice		(1.8)	4958.7	5049.8	(91.1)
Environmental Protection Agency		(2.1)	959.4	980.0	(20.6)
Department of Labor		(13.6)	1161.6	1319.2	(157.6)
TOTAL		4.5	633732.7	605360.2	28372.5

( ) Increase

x-1 Are tenants in GSA operated buildings and report only gasoline

x-2 Excludes defense operational readiness fuels

TABLE 2  
RANKING BY PERCENTAGE OF  
AUTOMOTIVE FUEL (GASOLINE) GALLONS SAVED  
(For 9 Month Period)

	PERCENTAGE SAVED	Apr 1 - Dec 31 78 GALLONS (000)	Apr 1 - Dec 31 79 GALLONS (000)	GALLONS (000) SAVED
Department of Commerce	34.0	3065.8	2023.8	1042.0
Civil Aeronautics Board	24.8	10.5	7.9	2.6
Small Business Administration	23.4	721.1	552.3	168.8
Department of Health, Education and Welfare	20.7	3815.2	3024.8	790.4
Department of Labor	18.8	2772.3	2250.6	521.7
Office of Personnel Management	12.9	551.4	480.5	70.9
Department of Housing and Urban Development	11.26	2037.9	1808.5	229.4
Department of Energy	10.7	8432.0	7530.4	901.6
				10% Goal
Veterans Administration	9.4	3454.8	3131.0	323.8
Department of Transportation	8.7	10506.0	9588.0	918.0
General Services Administration	8.7	980.1	894.7	85.4
National Science Foundation	8.7	90.6	82.7	7.9
Environmental Protection Agency	8.0	754.0	694.0	60.0
Department of Defense	7.9	87624.0	80712.0	6912.0
Department of State	7.8	192.0	177.0	15.0
National Aeronautics and Space Administration	7.5	2310.0	2136.0	174.0
Panama Canal	6.7	694.3	647.6	46.7
Department of Treasury	6.2	13082.5	12271.5	811.0
Interstate Commerce Commission	5.6	141.9	134.0	7.9
U.S. Postal Service	4.8	66438.0	63229.0	3209.0
Department of Agriculture	3.0	35418.3	34363.6	1054.7
Department of Interior	2.8	18919.6	18382.4	537.2
Department of Justice	0.9	10685.4	10586.2	99.2
Tennessee Valley Authority	(0.8)	3184.6	3208.7	(24.1)
Federal Communications Commission	(5.0)	118.6	124.5	(5.9)
<b>TOTAL</b>	<b>6.5</b>	<b>276000.9</b>	<b>258041.7</b>	<b>17959.2</b>

( ) Increase



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

February 22, 1980

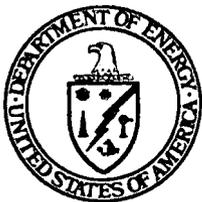
MEMORANDUM FOR: ~~THE PRESIDENT~~  
FROM: Charles W. Duncan, Jr. *CWD*  
SUBJECT: Canadian Natural Gas Prices

This is in response to your question of whether we had to approve the new Canadian natural gas price of \$4.47. We felt we had to approve the increase on a temporary basis (until May 15) for flowing gas to avoid the severe hardship that would have resulted if this gas were suddenly cut off on February 17.

The current flowing Canadian gas constitutes about 5 percent of our total national supply but is heavily concentrated in western and northern states. Washington, Oregon, and Idaho receive nearly 60 percent of their total supplies from Canada, while six other states also rely heavily on Canadian gas (California, 24 percent; Montana, 43 percent; Nevada, 29 percent; North Dakota, 20 percent; Wisconsin, 15 percent; and Wyoming, 24 percent). The dependence of the Pacific Northwest on Canadian gas is particularly acute in that the region does not have sufficient pipeline access to domestic sources to replace Canadian supplies. Therefore, had we not issued this interim approval, no U.S. company would have been able to import Canadian gas after February 17, and we would have taken an unacceptable risk that many homes and small commercial establishments would have been without heat because they do not have alternate fuel capability.

To emphasize that the new price would have been unacceptable had there not been a compelling and immediate need, in the same decision we specifically denied three applications for new imports of Canadian gas at the higher price.

Our regulatory decision specifically says that the Canadian formula yielding the \$4.47 price is unacceptable if it remains uncompetitive with the price of residual fuel oil in the United States. Also we indicated that during the interim approval period, we may issue orders requiring the importers to reduce their dependence on Canadian supplies. During the negotiations in early February, the Canadian Deputy Energy Minister gave personal assurances to us that prices would be frozen until June 1 and that there would be a lag of 70 to 90 days in the implementation of any new price increases. This arrangement would be equivalent to the previously satisfactory formula we have had with Canada, but we now need to confirm this agreement with the new government.



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*file*

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THE SECRETARY OF ENERGY  
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February 21, 1980

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Commerce .....	0.4	No	3.2	Yes	34.0
Panama Canal .....	0.3	Yes	6.3	No	6.7
Labor .....	0.2	No	(13.6)	Yes	18.8
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TVA .....	0.1	No	(1.5)	No	(0.8)
NSF .....	0.1	No	(1.2)	No	8.7
HUD .....	} 0.1	Yes	11.2	Yes	11.2
SBA .....		Yes	23.4	Yes	23.4
OPM .....		Yes	12.9	Yes	12.9
FCC .....		No	0.6	No	(5.0) ‡
State .....		Yes	7.8	No	7.8
ICC .....		Yes	6.2	No	5.6
CAB .....		Yes	22.4	Yes	24.8
Overall .....	100.0		4.5		6.5

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5% Goal					
Department of Treasury		4.4	3132.1	2995.7	136.4
Department of Defense	x-2	4.3	404105.0	386542.0	17563.0
General Services Administration		3.7	32425.2	31227.1	1198.1
Department of Health, Education and Welfare		3.6	7040.8	6786.7	254.1
Department of Commerce		3.2	2785.0	2696.8	88.2
Department of Interior		2.9	8688.5	8436.3	252.2
Department of Agriculture		2.9	8671.9	8420.2	251.7
Veterans Administration		2.7	27554.1	26811.4	742.7
Federal Communications Commission		0.6	34.2	34.0	0.2
National Science Foundation		(1.2)	361.8	366.0	(4.2)
Tennessee Valley Authority		(1.5)	842.6	855.6	(13.0)
Department of Justice		(1.8)	4958.7	5049.8	(91.1)
Environmental Protection Agency		(2.1)	959.4	980.0	(20.6)
Department of Labor		(13.6)	1161.6	1319.2	(157.6)
TOTAL		4.5	633732.7	605360.2	28372.5

( ) Increase

x-1 Are tenants in GSA operated buildings and report only gasoline

x-2 Excludes defense operational readiness fuels

TABLE 2  
RANKING BY PERCENTAGE OF  
AUTOMOTIVE FUEL (GASOLINE) GALLONS SAVED  
(For 9 Month Period)

	PERCENTAGE SAVED	Apr 1 - Dec 31 78 GALLONS (000)	Apr 1 - Dec 31 79 GALLONS (000)	GALLONS (000) SAVED
Department of Commerce	34.0	3065.8	2023.8	1042.0
Civil Aeronautics Board	24.8	10.5	7.9	2.6
Small Business Administration	23.4	721.1	552.3	168.8
Department of Health, Education and Welfare	20.7	3815.2	3024.8	790.4
Department of Labor	18.8	2772.3	2250.6	521.7
Office of Personnel Management	12.9	551.4	480.5	70.9
Department of Housing and Urban Development	11.26	2037.9	1808.5	229.4
Department of Energy	10.7	8432.0	7530.4	901.6
				10% Goal
Veterans Administration	9.4	3454.8	3131.0	323.8
Department of Transportation	8.7	10506.0	9588.0	918.0
General Services Administration	8.7	980.1	894.7	85.4
National Science Foundation	8.7	90.6	82.7	7.9
Environmental Protection Agency	8.0	754.0	694.0	60.0
Department of Defense	7.9	87624.0	80712.0	6912.0
Department of State	7.8	192.0	177.0	15.0
National Aeronautics and Space Administration	7.5	2310.0	2136.0	174.0
Panama Canal	6.7	694.3	647.6	46.7
Department of Treasury	6.2	13082.5	12271.5	811.0
Interstate Commerce Commission	5.6	141.9	134.0	7.9
U.S. Postal Service	4.8	66438.0	63229.0	3209.0
Department of Agriculture	3.0	35418.3	34363.6	1054.7
Department of Interior	2.8	18919.6	18382.4	537.2
Department of Justice	0.9	10685.4	10586.2	99.2
Tennessee Valley Authority	(0.8)	3184.6	3208.7	(24.1)
Federal Communications Commission	(5.0)	118.6	124.5	(5.9)
<b>TOTAL</b>	<b>6.5</b>	<b>276000.9</b>	<b>258041.7</b>	<b>17959.2</b>

( ) Increase



THE SECRETARY OF ENERGY  
WASHINGTON, D.C.

January 4, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

SECRETARY  
DEPUTY SECRETARY

SUBJECT:

Weekly Activity Report  
December 12, 1979 - January 4, 1980

1. Oil Price Increases. Oil price increases continue to be announced on a country-by-country basis by OPEC and non-OPEC nations. Algeria and Libya have added premiums to their official sales prices that bring their prices to \$33.00 and \$34.50 per barrel, respectively. Indonesia, Nigeria, Venezuela, Kuwait, and Iraq have notified their customers of price increases effective January 1. Iran is expected to agree with several buyers on a formula that produces an effective composite price of \$30.00 per barrel, beginning January 1. Among the non-OPEC countries, Mexico had increased prices the most. It raised the price of its Isthmus crude to \$32.00, an increase of \$7.40. We expect North Sea oil prices to increase shortly to \$30.00 or \$31.00. Malaysian crude is expected to increase in price by about \$2.00 per barrel.

As of January 3, the average United States price of landed crude oil is \$29.20 per barrel and rising daily. This is up from \$24.42 on December 7. The cost of our crude imports in 1980 at current prices will be approximately \$83 billion.

2. Gas Price Increases. There is increasing concern that the Algerian state oil company will seek further price increases in connection with the contract to supply LNG. DOE and State are working with the companies to minimize price increases.

3. Recommendations with respect to the oil import target, oil import fee, gasoline consumption target, and expedited rationing plans will be submitted for EPG and ECC consideration next week. The implementation of voluntary state gasoline targets is on schedule.

4. Utility Oil Backout Legislation. On January 9 we will submit the proposed legislation to the Office of Management and Budget for interagency review. If that process can be completed in ten days to two weeks, you can submit the legislation to Congress during the week of January 22, 1980.

5. House Energy Committee. The House Select Committee on Committees reported out a recommendation to establish a standing Energy Committee in the House of Representatives. The recommended change would strip the Interstate and Foreign Commerce Committee of all its energy-related jurisdiction. The Interior and Insular Affairs Committee would gain jurisdiction over the environmental aspects of energy matters not within the jurisdiction of standing committees with responsibility for environmental matters under existing laws, but it would lose its oversight authority over non-military nuclear energy and research and development. The Committee on Science and Technology would gain jurisdiction over all energy research and development.

The proposal will next go before the House Rules Committee. It will then be considered by the organizational meeting of the Democratic Caucus in late January. The Speaker is solidly in favor of the proposal. It is not expected, however, that the change will have a great immediate impact on the Department of Energy. The chances for duplicative jurisdiction over energy bills remain much the same. We hope that the new committee will result eventually in a much simpler process for energy-related legislation.

6. Alaska Natural Gas Pipeline. Problems with both the Eastern and Western legs of the pipeline seem closer to resolution. TransCanada is willing to provide an agreement for supplying the pipeline that can be used for financing the Eastern leg. Continuing discussions with the Canadian regulatory authorities will apparently resolve the supply problems of the Western leg.