Congress of the United States
House of Representatives
Committee on Interstate and Foreign Commerce
Room 2125, Rayburn House Office Building
Washington, D.C. 20515

N E W S R E L E A S E

FOR P.M.,'s, TUESDAY, JULY 15

STAGGERS URGES REJECTION OF ADMINISTRATION'S OIL DECONTROL PLAN, APPROVAL OF BILL TO EXTEND EMERGENCY PETROLEUM ALLOCATION ACT

Chairman Harley O. Staggers (D., W. Va.) of the House Interstate and Foreign Commerce Committee today called for House approval of the conference report on legislation extending the Emergency Petroleum Allocation Act until December 31st of this year, while calling on Congress to overwhelmingly reject, at the same time, the Administration's plan to decontrol the present $5.25 per barrel ceiling on so-called "old oil."

"This is not the time for the Administration to play oil politics that endangers the Nation's economic recovery, while adding many billions of dollars a year to the fuel costs of American consumers," Staggers asserted.

The legislation (H. R. 4035) would extend the Emergency Petroleum Allocation Act of 1973 for 4 months (until December 31, 1975) beyond its present expiration date of August 31, 1975. The bill would also provide for a roll back of the price of uncontrolled domestic "new oil" to the January 31, 1975 level (about $11.25 per barrel), as compared with the present price of almost $13 per barrel. The measure would also maintain the present $5.25 per barrel ceiling on "old oil" that President Ford is seeking to raise, and would extend from 5 to 20 days the time for Congressional review of Presidential decisions to remove oil price ceilings.

"Old oil" is domestic oil produced from properties after 1972 and the $5.25 per barrel ceiling is based on a formula of the price prevailing on May 15, 1973, plus an additional $1.35 per barrel. Such "old oil" currently amounts to about two-thirds of our total domestic production, or about 5.6 million barrels a day.

Chairman Staggers urged House Members "to approve the conference report on H. R. 4035, thus rejecting the Administration's blatant and unjustified effort to hand domestic oil producers a windfall at the expense of the American consumers."

He charged that "such irresponsible Administration action would seriously cripple our economic recovery at this crucial time by increasing unemployment, feeding inflation, and reducing new car sales, new housing starts, and adversely affect other key segments of our national economy."

"Careful studies and deliberations by our Committee, as well as the current hearings conducted by the Energy and Power Subcommittee, under the chairmanship of Representative John D. Dingell (D., Mich.), have clearly shown the disastrous economic effects of the decontrol of 'old oil.' They also show that such action is totally unwarranted as a device to encourage additional domestic oil production."

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