

# Oil, Chemical and Atomic Workers International Union

A. F. GROSPIRON  
PRESIDENT



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Dear Members of Congress:

The "Emergency Natural Gas" bill submitted to Congress by President Carter deserves your support in principle. The bill should not be rushed through Congress so fast that essential amendments to the bill are not considered.

The intent of the bill is very good. It would reenforce powers of the Federal Power Commission to allocate the total available natural gas to ensure that interstate pipelines are on an equal priority basis with intrastate pipelines carrying higher priced unregulated gas. The allocation powers of the FPC must be fully enforced to assure fair sharing of available gas.

The weakness of the bill lies in Section 6. This section provides that the prices of emergency gas sold to the interstate pipelines would be deregulated for the next 180 days. This means that the interstate pipelines would be forced to pay whatever the traffic will bear. The regulated price of gas to interstate pipelines has been already raised from 42¢ to \$1.42 per 100 cubic feet. Unregulated intrastate gas prices are running between \$2.00 and \$3.00 per 1000 cubic feet. This could mean doubling of the gas bills of the final consumer.

Deregulation will not produce a single cubic foot of additional gas. Under the other provisions of the bill, the President will have full authority to allocate gas to all intrastate pipelines on the basis of cost plus fair profit to the gas producers.

Temporary deregulation under the Carter bill as it now stands would open the door to permanent deregulation at the cost of billions of dollars to the consumers.

This bill must be amended to remove this weak provision that amounts to surrender to the producers. I earnestly ask for your help in this necessary amendment of the bill.

Sincerely yours,

A. F. Grospiron  
President