

94TH CONGRESS
2d SESSION

H. R. 14609

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1976

Mr. SHARP (for himself, Mr. WIRTH, Mr. STAGGERS, Mr. MOSS, Mr. DINGELL, Mr. ROGERS, Mr. OTTINGER, and Mr. BRODHEAD) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To compel the removal of mandatory allocation controls from middle distillates and to convert the authority to require the allocation of this category of petroleum products to a standard by status.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. (a) The Congress hereby finds that—

4 (1) provisions of the regulations promulgated by
5 the Federal Energy Administration under section 4 (a)
6 of the Emergency Petroleum Allocation Act of 1973 as
7 they relate to mandatory allocation of middle distillates
8 are causing unnecessary market distortions and in-
9 equities;

(2) mandatory allocation requirements which are currently in effect impact unequally on independent refiners and independent marketers to their competitive disadvantage and to the ultimate loss to the consumer;

(3) the withdrawal of allocation controls would produce many positive benefits and does not carry with it the same potential for severe consequences which may attend removal of price controls should shortages develop;

(4) an increase of distillate prices to world market levels in the absence of controls would result in adverse effects on employment and the gross national product significantly impairing further economic recovery and, therefore, the removal of any vestige of a restraint on the upward movement of distillate prices at this time constitutes a risk which should not be taken;

(5) notwithstanding the circumstances set forth in paragraphs (1) through (4) the Federal Energy Administration seems disinclined to either modify the allocation requirements in a manner which more appropriately carries out the congressionally defined objectives of the Emergency Petroleum Allocation Act or to submit to the Congress a proposal to remove mandatory allocation controls separate and apart from pro-

posals which seek to simultaneously dismantle the price regulatory mechanisms.

(b) It is, therefore, the purpose of this Act to compel the removal of mandatory allocation controls from middle distillates and to convert the authority to require the allocation of this category of petroleum products to a standby status. The compelled removal of allocation requirements applicable to middle distillates provided for in this Act is intended to be without prejudice to the reimposition of controls as contemplated under, and in the manner described in, section 12(f) of the Emergency Petroleum Act of 1973.

SEC. 2. Not later than the first day of the second full month which begins after the date of enactment of this Act, the President shall promulgate and make effective an amendment to the regulation under section 4(a) of the Emergency Petroleum Allocation Act exempting middle distillates from those provisions of such regulation as they pertain to the allocation of amounts of any such petroleum products. Such amendment shall take effect under its terms without regard to the provisions of section 12 of the Emergency Petroleum Allocation Act of 1973, except that requirements pertaining to the allocation of amounts of middle distillates may be reimposed pursuant to the authorities and procedures provided in section 12(f) of that Act. For

the purposes of this Act, the term "middle distillates" means
 number 2 heating oil and number 2-D diesel fuel, number 1
 heating oil, number 1-D diesel fuel and kerosene, such as
 terms are further described in the regulation under section
 4 (a) of the Emergency Petroleum Allocation Act of 1973.

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By Mr. SHARP, Mr. WIRTH, Mr. STAGGERS, Mr.
 MOSS, Mr. DINGELL, Mr. ROGERS, Mr. OT-
 TINGER, and Mr. BRODHEAD

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