

INTERSTATE: NATURAL GAS SUPPLIES
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CONGRESS OF THE UNITED STATES
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WASHINGTON, D.C. 20515

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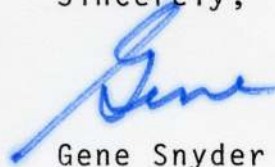
Honorable Harley O. Staggers
Chairman
Committee on Interstate and Foreign Commerce
House of Representatives
Washington, D. C.

Dear Mr. Chairman:

In accordance with our conversation on the Floor today, when I voted in favor of the Smith substitute, I enclose herewith a copy of the amendment which was adopted on the Floor to that substitute.

I appreciate the fact that you will make every effort to retain this amendment in conference.

Sincerely,


Gene Snyder

GS:mj
Enclosure

a tornado. If we had not had a standby gas generator, we would not have a water supply in the city of Louisville. They were able to get one of these generators to furnish the people of the community with water. This is only for an emergency, only when the base load generator cannot be fired up fast enough, when we have an equipment outage, have an act of God, or a temperature inversion which calls for an air pollution alert.

This amendment was accepted by both the majority and minority to H.R. 7014, and I hope the Members understand that we do come before them with clean hands, asking that they only be given permission to use these under these three circumstances.

They are unanticipated equipment outage, pollution, and an act of God.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. SNYDER) to the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. SNYDER TO THE AMENDMENT OFFERED BY MR. SMITH OF IOWA AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. SNYDER. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SNYDER to the amendment offered by Mr. SMITH of Iowa as a substitute for the amendment in the nature of a substitute offered by Mr. KRUEGER: In section 8, following subsection (c) (2) of the new section 25 of the Natural Gas Act of 1938, as amended by the Neal Smith amendment, add new subsection (3) as follows:

"(3) The Commission shall not issue any order under this subsection which applies to any power plant which was in existence on June 30, 1975, which during the 12-month period preceding such date did not burn petroleum products, and which the Commission determines will be operated on natural gas only for the purpose of providing electric power which would otherwise be provided by one or more of the base load powerplants of the same electric power system which cannot be operated because of an air pollution emergency or because of an unanticipated equipment outage or an act of God."

Reletter existing subsections (3) and (4) to (4) and (5) respectively.

Mr. SNYDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. I will tell the House that it is identical to the other amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SNYDER. Mr. Chairman, I appreciate the courtesy of the Members for their consideration of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. SNYDER) to the amendment offered by the gentleman from Iowa (Mr. SMITH) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. KRUEGER).

The amendment to the substitute amendment for the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KRUEGER

Mr. HUGHES. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HUGHES to the amendment in the nature of a substitute offered by Mr. KRUEGER: Section 208 of the Krueger substitute is amended by striking section 25 and inserting in lieu thereof the following:

"Sec. 25. Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, exercise its authority to assure, to the maximum extent feasible, the availability in interstate commerce of sufficient quantities of natural gas—

"(1) First, to agricultural or industrial users using natural gas as a raw material, and for agricultural or industrial purposes other than boiler fuel for which there is no available substitute regardless of whether such users purchase natural gas under firm or interruptible contracts, and

"(2) Second, for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, and crop drying, and to the extent not provided for under subsection (1) use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants.

"For purposes of this section, the Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet the requirements for full food and fiber production."

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

(Mr. HUGHES asked and was given permission to revise and extend his remarks.)

Mr. HUGHES. First of all, Mr. Chairman and my colleagues of the House, I want to say to my distinguished colleague, the gentleman from Texas (Mr. KRUEGER), that I take my hat off to him. He has been the leader in this great debate over an issue of central importance to this country the question of decontrol and deregulation of natural gas. He represents a legitimate point of view. He is a great advocate for that point of view. I do not happen to share his beliefs, but I must say that he has represented his point of view and his constituency well.

Mr. Chairman, the amendment that I have offered to the Krueger amendment is a very simple amendment.

I represent the Second District of New

Jersey, which is the south Jersey area. As a matter of fact, we are probably going to be a producer State ourselves very shortly, since exploration is right now being conducted on the Outer Continental Shelf off of our beaches. Within my district is about 20 glass manufacturers that need natural gas for feedstock in the manufacturing process, just as the textile industry needs natural gas in the manufacturing process.

Mr. Chairman, my amendment is directed to section 25, and it says that after taking care of the residential users, small users, hospitals, and similar services vital to public health and safety, that after that, the first order of priority would be all feedstock users, agricultural and nonagricultural. It would include in that class industrial users that need natural gas as a feedstock in the manufacturing process.

Then the second category under my amendment would be the essential agricultural users. I think the change is extremely important.

I have over 15,000 jobs on the line in my own district, with a projected 42-percent shortfall of natural gas this winter.

I know that in South Carolina and many other areas throughout the country we have many industries that are fully dependent on natural gas in the manufacturing process. It only makes sense that they be accorded the right of first priority. I am hopeful that my distinguished colleague, the gentleman from Texas, and the gentleman from Ohio, will join with me in what I consider an essential amendment. It only makes sense to accord high priority to those industrial users who need natural gas in the manufacturing process and who cannot use any other form of energy.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I agree with the gentleman that his industry should have a priority, but I thoroughly disagree that it should have a higher priority than agriculture. After all, the production of food and fiber comes before industrial use.

Mr. HUGHES. Mr. Chairman, let me just say that this amendment puts them both on the same basis for agricultural and nonagricultural process users. The people in agriculture and the people in industry who need natural gas as a feedstock in the manufacturing process would enjoy the same priority under this amendment.

Mr. KAZEN. For all practical purposes the amendment would be putting them both on the same priority, but I feel actually a priority should be given to agriculture for the production of food and fiber in this country.

Mr. HUGHES. Of course, in the final analysis we can grow all the food we want to, but we must also provide jobs for the people to buy the food. My amendment could insure both.

Mr. KAZEN. If they do not have any food, what do they want to have jobs for?