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WHORM Subject File Code: BE002 (Economic
Controls)

Case File Number(s): 015800-038999

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WITHDRAWAL SHEET

Ronald Reagan Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. case file (035407)	re natural gas price decontrol (3 pp)	7/8/81	P-5 - in SA 10/17/06
2. letter (037737)	to the President, re "lifting the lid" on natural gas (3 pp)	7/10/81	P-6 136
COLLECTION: WHORM: Subject File			cas
FILE FOLDER: BE 002 Economic Controls (015800-038999)			4/22/94

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].
- C. Closed in accordance with restrictions contained in donor's deed of gift.

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Ronald Reagan Library

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ID # 15851

BE002

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 81103127

Name of Correspondent: Thomas S. Foley

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Encloses a copy of a postcard from his Constituent, Mr. Jasper H. Johnson expressing his concern over the administration's recent decision to decontrol the price of domestic produced Crude Oil. Requests the administration's comments on this issue.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>LA Fine</u>	ORIGINATOR	^{DD} <u>81103130</u>	<u>MF</u>	<u>A</u>	<u>810412 JTR</u>
_____	_____	<u>1 1</u>	_____	_____	<u>1 1</u>
_____	_____	<u>1 1</u>	_____	_____	<u>1 1</u>
_____	_____	<u>1 1</u>	_____	_____	<u>1 1</u>
_____	_____	<u>1 1</u>	_____	_____	<u>1 1</u>
_____	_____	<u>1 1</u>	_____	_____	<u>1 1</u>

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- S - Suspended

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- Type of Response = Initials of Signer
- Code = "A"
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Comments: _____

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RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: L230 _____

Prime Subject Code: BE 002 Secondary Subject Codes: CM 011
FG _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence
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- n - 1 - Ronald Wilson Reagan
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- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 -

- CBn - Presidential & First Lady's Correspondence
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- n - 2 - Ron - Nancy

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- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THOMAS S. FOLEY
5TH DISTRICT, WASHINGTON

Vice- CHAIRMAN
COMMITTEE ON AGRICULTURE

Congress of the United States
House of Representatives
Washington, D.C. 20515

OFFICES:
HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
AREA CODE 202, 225-2006

574 U.S. COURTHOUSE
SPOKANE, WASHINGTON 99201
AREA CODE 509, 456-4680

40 SOUTH COLVILLE
WALLA WALLA, WASHINGTON 99362
AREA CODE 509, 529-6111

March 16, 1981

015851

Dear Max:

Enclosed please find a copy of a postcard that I recently received from my constituent, Mr. Jasper H. Johnson.

As you will note, Mr. Johnson has expressed his serious concern over the Administration's recent decision to decontrol the price of domestically produced crude oil in advance of the scheduled expiration of controls in September.

My purpose in writing is simply to bring this letter to your attention and to request any comments that the Administration might wish to provide on this subject for purposes of responding to Mr. Johnson. Thank you for your attention to this matter, and I look forward to hearing from you at your earliest convenience.

In the meantime, with every best wish,

Sincerely,

Thomas S. Foley
Member of Congress

Mr. Max L. Friedersdorf
Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

TSF:dbm
Enclosure

Dear Mr. Tom Foley:

2/12/81

It's Lincoln's Birthday today— and what are you going to do about the gasoline jumps in prices--- now \$1.48 a gallon in Spokane. This is terrible. It is time (Long ~~past~~ due) for Gasoline rationing and controls on the Oil Prices. It will have to ~~come~~ sooner or later-- you realize-- so why ~~not~~ now?

How about the Panama Canal? We need full control of that Canal until the year 2200 at least. Too many Communists in Central America to trust the Panam Canal to some other nation.

What about the Wheat Prices? Time to get on the Ball there for we will soon be out of food if the farmer doesn't even get cost of production for the wheat.

It is time to MOVE Mr. Foley. People in Spokane are getting MAD about the gasoline prices-- Giving up Controls on the Oil Companies was a very bad move on the part of the President and we need action now by Congress.

Yours truly, Jasper H. Johnson

Jasper

BROUGHT FORWARD

F0003-01
012778

Previously filed Date

Name *Thomas S. Foley*

Organization _____

BE002
015851

New File Symbol Date

Final Action _____

9
Dy
ID # 012778

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

FO 003-01

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/103/13

Name of Correspondent: Thomas S. Foley

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Enclosure copy of postcard from Dr. Jasper H. Johnson, expresses hope that the U.S. might be able to recover the Panama Canal.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>La Frie</u>		ORIGINATOR	<u>8/103/16</u>	<u>WS</u>	<u>M7</u>	<u>A 8/04/18</u> TR
		Referral Note:				
			<u>/ /</u>			<u>/ /</u>
		Referral Note:				
			<u>/ /</u>			<u>/ /</u>
		Referral Note:				
			<u>/ /</u>			<u>/ /</u>
		Referral Note:				
			<u>/ /</u>			<u>/ /</u>
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- Type of Response = Initials of Signer
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Prime Subject Code: EO 003-01 Secondary Subject Codes: BE 002 _____

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Code	Date	Comment	Form
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- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

April 28, 1981

Dear Tom:

I sincerely regret the delay in responding to your March 9 and March 16 letters on behalf of your constituent, Dr. Jasper Johnson, regarding his concerns over the Panama Canal and the decontrol of domestically produced crude oil.

Your thoughtfulness in bringing these messages to my attention is appreciated. You may be assured that the Administration enjoys having the benefit of the views and remarks of so many of our concerned Americans.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Thomas S. Foley
House of Representatives
Washington, D.C. 20515

MLP:CMF:MDB:mdb

THOMAS S. FOLEY
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Vice- CHAIRMAN
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AREA CODE 509, 456-4680

40 SOUTH COLVILLE
WALLA WALLA, WASHINGTON 99362
AREA CODE 509, 529-6111

March 9, 1981

012778

Dear Max:

Enclosed please find a copy of a postcard that I recently received from my constituent, Dr. Jasper H. Johnson.

As you will note, Dr. Johnson has expressed his hope that the United States might be able to recover the Panama Canal, and has also expressed his deep concern about President Reagan's recent decision to lift price controls on domestically produced crude oil.

Because I am aware of President Reagan's strong feelings with regard to the previous administration's decision concerning the Panama Canal, and in view of his recent step to decontrol oil prices, I thought it more appropriate to forward this postcard directly to your office for comment. I appreciate your attention and would look forward to receiving any responses that you might wish to provide Dr. Johnson.

In the meantime, with every best wish,

Sincerely,

Thomas S. Foley
Member of Congress

Mr. Max L. Friedersdorf
Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

TSF:dbm
Enclosure

Mr. Tom Foley:

2/4/81

Dear Mr. Foley:

Please work for the recapturing of the Panama Canal. We need to keep control (far beyond the year 2000) until 2400 at least. Very foolish to give that away to dictators.

We now have a President who was against Giving it away.

I am in favor of erasing the 5¢ gasoline tax levied by the Fed. Gov't. (We need relief now .) I was against decontrolling Oil and giving Oil Companies a Free Hand to "Rip us off", such as happened yesterday--once again-- when they raised prices.

TERRIBLE!

When are the farmers going to get a fair price for wheat--- and now, cattle prices have tumbled too.???

It is time to get the "Free loaders" off the tax payers backs. Such as Welfare- add EPA EPA and a few others.

Yours truly *Respectfully*

ID # 012778

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

FO 003-01

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/1031/3

Name of Correspondent: Thomas S. Foley

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Enclosure copy of postcard from Dr. Jasper H. Johnson, expressing hope that the U.S. might be able to revive the Panama Canal.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>GA Free</u>		ORIGINATOR	<u>8/1031/6</u>	<u>S</u>	<u>717</u>	<u>8/1042/6</u> TR
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
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9

015905

1230

March 26, 1981

BE002

CM 011

BE003-11

AG

UT

BE004-01

Dear Mr. Harkin:

With sincere regret for this delay, I would like to thank you for your February letter to the President outlining your concerns on the Administration's decontrol endeavor. As you can imagine, the President did receive a great deal of correspondence on this issue--much of it dealing with the very problems you have stressed--and I am sorry that we were not able to provide you with a more expeditious response.

Although we certainly understand the concerns that have been expressed with regard to the impact of potential market disruptions on the agricultural sector, we remain confident that the President's decontrol action will, in the long run, produce for the Nation benefits that far outweigh any hardships that may result. You can be assured that the Administration recognizes the importance for this Nation and its citizens to know that we can rely upon the petroleum industry--refiners, distributors, jobbers, and dealers--to supply the petroleum which our people need. The country's farmers do, of course, have very unique and vital energy needs, and this Administration will make every effort to adequately address those needs.

Please know that your views are most appreciated and that the President's energy advisers have given utmost attention to the various proposals that have been suggested, including your recommendations on emergency standby rules and a mechanism to preserve the supplies to refineries committed to agriculture.

Again, thank you for writing on this important matter.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

X
The Honorable Tom Harkin
House of Representatives
Washington, D.C. 20515

MLF:CMP:asr

cc: w/incoming, Fred Khedouri (OMB) - FYI.

9

TOM HARKIN
5TH DISTRICT, IOWA

403 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3806

COMMITTEES:
AGRICULTURE
SCIENCE AND TECHNOLOGY

Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:
P.O. Box 264
213 POST OFFICE BUILDING
AMES, IOWA 50010
(515) 232-6111

Box H
229 FEDERAL BUILDING
COUNCIL BLUFFS, IOWA 51502
(712) 325-5533

113 W. MONTGOMERY STREET
CRESTON, IOWA 50801
(515) 782-5727

February 3, 1981

The Honorable Ronald Reagan
President
The White House
Washington, D.C. 20050

Dear Mr. President:

The decision to deregulate oil prices and regulatory controls places a burden of responsibility on the major oil companies to maintain a consistent and adequate supply of oil to all industries and geographic areas.

While I share your hope that market forces will prevent serious disruptions, I am very concerned that the agricultural sector could be seriously disadvantaged. Farmers must have their energy needs met at planting and harvest time. Significant delays can have tragic effects on the farmers' production and profits, as well as the country's food supply and the cost of that food.

Agriculture is, more than other industries, at the end of the oil market chain. Its normal supply funnels through small oil jobbers and non-integrated refineries. The farmer has been protected by a priority in the allocation system and the farmer cooperatives have had their refinery supplies protected by the crude oil Buy-Sell program. It is already clear that cooperatives which supply almost half of the farm fuel will have to buy crude oil at the upper end of the price range.

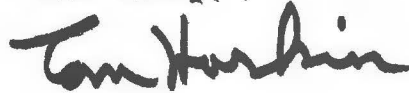
In a shortage, the prices paid by the cooperatives could climb to unreasonably high levels, well beyond the present very high nine dollars per barrel crude oil price spread.

If a shortage should occur, there will also be a natural tendency on the part of the major oil companies to protect their direct marketing needs and place the cooperative refineries and independent jobbers on short rations. If such a circumstance occurs, we must be ready with standby rules and authority to preserve a smooth flow of supply to the agricultural sector at a reasonable price.

The Honorable Ronald Reagan
February 3, 1981
Page 2

I urge that you assure the American farmer that his energy needs will be met through emergency standby rules which will cover the periods before and after October 1, 1981. In addition, a mechanism to preserve the supplies to refineries committed to agriculture such as the crude oil Buy-Sell program needs to be established immediately.

Sincerely,

A handwritten signature in cursive script that reads "Tom Harkin".

Tom Harkin
Member of Congress

TH/grb

cc: Secretary of Energy Edwards

ID # 018053

BE002

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 8/10/09

Name of Correspondent: Kurt Hance

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Writer supports the deregulation of Crude Oil and gasoline. Suggests that adequate safeguards be implemented to ensure that small petrochemical refineries do not suffer from unintended consequences of decontrol.

ROUTE TO:		ACTION	DISPOSITION			
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>LA Fric</u>		ORIGINATOR	<u>8/10/09</u> ^{LD}	<u>MF</u>	<u>A</u>	<u>8/10/09</u> ^{CH}
<u>BOGGS</u>		Referral Note:	<u>D</u> ^{CH}	<u>8/10/09</u>	<u>C</u>	<u>8/10/27</u>
<u>LA PONT</u>		Referral Note:	<u>A</u>	<u>8/10/28</u>	<u>MF</u>	<u>A</u> <u>8/10/06</u> ^{WS}
		Referral Note:	<u>1</u>	<u>1</u>		<u>1</u> <u>1</u>
		Referral Note:	<u>1</u>	<u>1</u>		<u>1</u> <u>1</u>
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NR 006 _____ _____
FG _____ _____

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- Y - Study

August 6, 1981

Dear Kent:

In follow-up to your April letter to the President, I just wanted to let you know that the President's advisory staff appreciated receiving your expression of concern for the future of small and independent refiners in the petroleum industry.

It has always been our belief that under a competitive system after decontrol there will be room in the industry for producers and refiners of all sizes. Our experience since decontrol tends to bear this out, as the refineries which have closed have been distributed across both larger and smaller corporations. We will certainly continue to monitor the situation to ensure that a competitive system is protected.

Thank you again for calling your views to our attention.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Kent Hance
House of Representatives
Washington, D.C. 20515

MLF:DJB:CMF:ds--

Dear Congressman Hance:

We appreciate your letter of April 6 expressing concern for the future of small and independent refiners in the petroleum industry. It has always been our belief that under a competitive system after decontrol there will be room in the industry for producers and refiners of all sizes. Our experience since decontrol tends to bear this out, as the refineries which have closed have been distributed across both larger and smaller corporations. We will certainly continue to monitor the situation to ensure that a competitive system is protected.

Sincerely yours,

DANNY J. BOGGS
Senior Policy Advisor

TO
CHARLIE P.

The Honorable Kent R. Hance
House of Representatives
Washington, D.C. 20515

June 1, 1981

Dear Mr. Hance:

Although this is in response to your April 6 letter to the President, please know that we appreciated receiving your comments on necessary safeguards to ensure that small petroleum refiners do not suffer from unintended consequences of decontrol of oil.

Thank you for expressing your views on behalf of small and independent refiners. You may be assured that I have forwarded your comments to the appropriate advisory staff members for their careful attention.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Kent R. Hance
House of Representatives
Washington, D.C. 20515

MLF:CMP:KIR:kir

cc: w/inc to Danny Boggs - OPD - for DRAFT response

KENT R. HANCE
19TH DISTRICT, TEXAS

WASHINGTON OFFICE:
1039 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-4005

Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:
FEDERAL BUILDING, ROOM 611
1205 TEXAS AVENUE
LUBBOCK, TEXAS 79401
(806) 763-1611
FEDERAL BUILDING, ROOM 208
200 EAST WALL STREET
MIDLAND, TEXAS 79701
(915) 683-5407

April 6, 1981

The President
The White House
Washington, D.C. 20500

018053

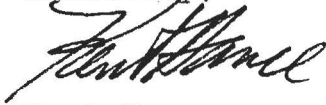
Dear Mr. President:

I have always supported the free enterprise system and the decontrol of the energy industry. I do feel, however, that adequate safeguards should be implemented to ensure that small petroleum refiners do not suffer from unintended consequences of decontrol.

I commend and completely support your action of January 28, 1981 which completed the deregulation of crude oil and gasoline. I am very concerned, however, that if appropriate action is not taken by the Administration, many small and independent refiners will be unable to compete and survive economically. This situation will result largely from market imperfections and not from the working of free market competition.

I believe that an immediate executive response is both justified and necessary. The potential elimination of small refiners from the petroleum industry would be detrimental to competition and to the free market system. Thank you for your consideration of this urgent matter.

Sincerely,



Kent Hance

KH:jrw

902/

ID # 018390
BE002

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 8/10/11

Name of Correspondent: Eugene V. Atkinson

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: (wgs) that specialty steel be included in the protections provided by the Trigger Price Mechanism (TPM).

ROUTE TO:		ACTION		DISPOSITION	
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>EA Free</u>		ORIGINATOR	<u>8/10/11</u>	<u>MF</u>	<u>A 8/10/11</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			

- ACTION CODES:**
- A - Appropriate Action
 - C - Comments
 - D - Draft Response
 - F - Fact Sheet
 - I - Info Copy/No Action Necessary
 - R - Direct Reply w/Copy
 - S - For Signature
 - X - Interim Reply

- DISPOSITION CODES:**
- A - Answered
 - B - Non-Special Referral
 - C - Completed
 - S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1.230 _____

Prime Subject Code: BE 002 _____ Secondary Subject Codes: CM 008 _____
IA 004.08 _____
FG 020 _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence**
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 -

- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package**
- C - Copy**
- D - Official document**
- G - Message**
- H - Handcarried**
- L - Letter**
- M - Mailgram**
- O - Memo**
- P - Photo**
- R - Report**
- S - Sealed**
- T - Telegram**
- V - Telephone**
- X - Miscellaneous**
- Y - Study**

June 4, 1981

Dear Mr. Atkinson:

With my apologies for the delay, I would like to thank you for your April 9 letter to the President concerning the Trigger Price Mechanism (TPM) as it relates to specialty steel.

In that letter you urged the President to see that the Commerce Department expeditiously conducts its investigation into the importation of stainless steel bars from Korea, Germany, and France and alloy steel from Japan and Austria. Please know that I was pleased to bring your comments to the attention of the appropriate staff members concerned with this study.

Your interest in contacting me on this matter is certainly appreciated.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Eugene V. Atkinson
House of Representatives
Washington, D.C. 20515

MLF:CMF:KIR:kir

sent cc: w/copy of inc to Paul Vander Myde, Office of Congressional Affairs,
Department of Commerce, WASHDC 20230 - FYI

EUGENE V. ATKINSON
25TH DISTRICT, PENNSYLVANIA

412 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2565

COMMITTEES:
PUBLIC WORKS AND
TRANSPORTATION

GOVERNMENT OPERATIONS

SELECT COMMITTEE
ON AGING



Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:

408 BEAVER VALLEY MALL
MONACA, PENNSYLVANIA 15061
(412) 775-5940

104 U.S. POST OFFICE BUILDING
BUTLER, PENNSYLVANIA 16001
(412) 287-6045

206 U.S. POST OFFICE BUILDING
NEW CASTLE, PENNSYLVANIA 16101
(412) 658-4773

111 FIELDVIEW DRIVE
WEXFORD, PENNSYLVANIA 15090
(412) 935-6117

April 9, 1981

President Ronald Reagan
The White House
Washington, DC 20500


018390

Dear Mr. President:

In September of 1980, when the previous administration announced plans to reinstitute the Trigger Price Mechanism (TPM), I contacted them to request that specialty steel be included in the protections provided by the TPM. My reasoning was that if the government took action through the TPM to protect basic steel products the predatory pricing tactics and unfair trade practices of the subsidized foreign producers, then the unprotected specialty steel industry would become the unprotected target of foreign dumping. This is exactly what has happened.

In January of 1981, the previous administration announced that it would protect specialty steel through an import surge device that was designed to trigger an anti-dumping investigation when surges were detected in certain import levels. On April 7, 1981, the Commerce Department announced that the surge mechanism had shown that imports of stainless steel bars from Korea, Germany and France and alloy tool steel from Japan and Austria had increased significantly enough to institute an investigation of these imports to determine if they are a result of unfair trade practices, such as dumping at prices below the cost of manufacturing .

While I am pleased that some action is being generated by the newly devised surge mechanism, I must believe that further protections may be in order. Clearly, Commerce Department actions indicate that foreign steel producers see the specialty steel market in America as fruitful ground for future dumping. At this time, I urge that Commerce conduct its investigation in an expeditious and unprejudiced manner, and uncover this blatant attempt to flood the American market with subsidized specialty steel products.

Sincerely,

EUGENE V. ATKINSON
Member of Congress

EVA; gw

Thank you

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 8/10/21

Name of Correspondent: S. Thomas Haglino

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Expresses concern regarding the proposed acceleration of decontrol of natural gas prices.

ROUTE TO:		ACTION		DISPOSITION	
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>IA Piac</u>		ORIGINATOR	<u>8/10/22</u> ^{FLB}	S	<u>8/10/23</u> ^{CD}
<u>Energy</u>		D	<u>8/10/23</u> ^{CD}	C	<u>8/10/23</u> ^{CH}
<u>Energy</u>		R ^{CH}	<u>8/10/23</u>	#	<u>8/10/23</u> ^{MG}
			<u>1 1</u>		<u>1 1</u>
			<u>1 1</u>		<u>1 1</u>

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 B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: PLEASE REMOVE IDENTIFY FROM ENERGY, RATHER THAN PERCEE SIGNATURE ^{CH}

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RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: 4 Individual Codes: 2200 _____

Prime Subject Code: BE 002 _____ Secondary Subject Codes: CM 011 _____ PP 010.02
BE 004.01 _____ JR 003.01
FG _____ ST 030
NR 006

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie
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 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 -
- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

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- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study



Department of Energy
Washington, D.C. 20585

MAY 27 1981

Honorable S. Thomas Gagliano
State Senator
New Jersey Senate
1090 Broadway
West Long Branch, New Jersey 07764

Dear Mr. Gagliano:

I have been asked to respond to your April 15, 1981, letter to the President concerning accelerated decontrol of natural gas prices.

The Administration favors an energy program free of counterproductive regulations--a program designed to promote vigorous domestic production, greater energy efficiency, and pricing based on market forces. The President's January 28, 1981, action decontrolling crude oil and petroleum products reflects this attitude. Oil decontrol sends the proper signals to both producers and consumers: production and technological breakthroughs will no longer be artificially constrained; energy use patterns will be based on the true value of energy.

Philosophically, the Department of Energy also favors the early decontrol of natural gas prices. We believe it is essential for the Nation to return to the use of the free market to set prices and allocate supplies of our domestic energy resources. However, the debate on natural gas pricing has been a difficult and contentious one. Because of the complexity of the issue, the Department has begun an internal review of current natural gas policies to determine their appropriateness in light of changes in the gas market and rapidly increasing oil prices. This review will assess the benefits of early decontrol--improved efficiency in natural gas markets and potential reductions in oil imports--as well as the costs of early decontrol--increased inflationary pressures on the economy and the effects on low-income families. Specific recommendations for changing the current decontrol policies will await the results of this careful review.

Thank you again for your interest in these matters.

Sincerely,

A handwritten signature in cursive script that reads "Bruce B. Robinson".

Bruce B. Robinson

Office of Policy, Planning,
and Analysis

THE WHITE HOUSE OFFICE

REFERRAL

MAY 15, 1981

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

REMARKS: PLEASE RESPOND DIRECTLY FROM ENERGY, RATHER THAN PEACHEE
SIGNATURE

DESCRIPTION OF INCOMING:

ID: 021703

MEDIA: LETTER, DATED APRIL 15, 1981

TO: PRESIDENT REAGAN

FROM: THE HONORABLE THOMAS GAGLIANO
STATE SENATOR
NEW JERSEY STATE SENATE
1090 BROADWAY
WEST LONG BRANCH NJ 07764

SUBJECT: EXPRESSES CONCERN REGARDING THE PROPOSED
ACCELERATION OF DECONTROL OF NATURAL GAS
PRICES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE



Department of Energy
Washington, D.C. 20585

May 8, 1981

NOTE TO LESLIE SORG

Enclosed is a draft letter for the signature of Judy F. Peachee in reply to a letter from Senator S. Thomas Gagliano dated April 15, 1981, to President Reagan concerning the proposed acceleration of decontrol of natural gas prices.

Should you have any questions, please do not hesitate to call me on 252-5230.

William V. Vitale
William V. Vitale
Executive Secretary

Dear Mr. Gagliano:

Thank you for your April 15, 1981, letter to President Reagan concerning accelerated decontrol of natural gas prices.

The Administration favors an energy program free of counterproductive regulations--a program designed to promote vigorous domestic production, greater energy efficiency, and pricing based on market forces. The President's recent action decontrolling crude oil and petroleum products reflects this attitude. Oil decontrol sends the proper signals to both producers and consumers: production and technological breakthroughs will no longer be artificially constrained; energy use patterns will be based on the true value of energy.

Philosophically, the Administration favors the early decontrol of natural gas prices because we believe it is essential for the Nation to return to the use of the free market to set prices and allocate supplies of our domestic energy resources. However, the debate on natural gas pricing has been a difficult and contentious one. Because of the complexity of the issue, the Department of Energy has begun an internal review of current natural gas policies to determine their appropriateness in light of changes

in the gas market and rapidly increasing oil prices. This review will assess the benefits of early decontrol--improved efficiency in natural gas markets and potential reductions in oil imports--as well as the costs of early decontrol--increased inflationary pressures on the economy and the effects on low-income families. Specific recommendations for changing the current decontrol policies will await the results of this careful review.

Thank you again for your interest in these matters.

Sincerely,

Judy F. Peachee
Special Assistant to the President
for Intergovernmental Affairs

Honorable S. Thomas Gagliano
State Senator
New Jersey Senate
1090 Broadway
West Long Branch, New Jersey 07764

THE WHITE HOUSE OFFICE

REFERRAL

APRIL 24, 1981

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED:

DRAFT REPLY FOR SIGNATURE OF JUDY F. PEACHEE

DESCRIPTION OF INCOMING:

ID: 021703

MEDIA: LETTER, DATED APRIL 15, 1981

TO: PRESIDENT REAGAN

FROM: THE HONORABLE THOMAS GAGLIANO
STATE SENATOR
NEW JERSEY STATE SENATE
1090 BROADWAY
WEST LONG BRANCH NJ 07764

SUBJECT: EXPRESSES CONCERN REGARDING THE PROPOSED
ACCELERATION OF DECONTROL OF NATURAL GAS
PRICES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

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(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE



NEW JERSEY SENATE

S. THOMAS GAGLIANO

SENATOR 11TH DISTRICT

1090 BROADWAY

WEST LONG BRANCH, N. J. 07764

201-870-6611

105 MIDDLETOWN ROAD

HOLMDEL, N. J. 07733

201-842-7786

April 15, 1981

021703

President Ronald Reagan
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I am writing to you to express my deep concern about the proposed acceleration of decontrol of natural gas prices.

It is my belief that decontrol of natural gas prices will not provide this Country with additional natural gas, but will only drastically increase the prices that the consumer must pay.

It is my understanding, based upon correspondence from the New Jersey Utilities Association, that the Natural Gas Policy Act of 1978 is working. The Association pointed out in its letter to you, dated March 27, 1981, a copy of which is enclosed, that "significant amounts of natural gas are being discovered as a result of stepped-up exploration." To further quote from the letter, "Natural gas has become the single most attractive and immediately available alternative to imported oil." They say that a continuation of controls under the present plan would prevent a tremendous inflationary impact on consumers that would be caused by immediate and complete decontrol.

I am convinced that your policies toward government, toward the reduction of size of government, and toward deregulation in most areas of government is the best course of action for the United States. However, where we have OPEC oil prices artificially held at such high levels, we have no alternative but to try to keep natural gas in the lower range of pricing as an offset. If OPEC reduces its prices for oil, then I could see more of a need for a free market for natural gas. I believe



NEW JERSEY SENATE

S. THOMAS GAGLIANO

SENATOR 11TH DISTRICT

1090 BROADWAY

WEST LONG BRANCH, N.J. 07764

201-870-6611

105 MIDDLETOWN ROAD

HOLMDEL, N.J. 07733

201 842-7786

President Ronald Reagan
April 15, 1981
Page 2

that for the time being, control of natural gas prices will have the net effect of helping us control inflation.

I congratulate you on all of your efforts. I am very happy that you are well on the road to recovery and I wish you every success in all of your endeavors on behalf of America.

Kindest personal regards and thank you also for your kind and thoughtful letter to me dated March 22, 1981. It helped to make a very pleasant occasion that much better.

Respectfully,

Tom.

S. Thomas Gagliano
Senator

STG:cnl
Enclosure

NEW JERSEY UTILITIES ASSOCIATION

971 STUYVESANT AVENUE • UNION, NEW JERSEY 07083 • (201) 687-6868

Working to improve our State's vital services

March 27, 1981

President Ronald Reagan
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

The New Jersey Utilities Association, comprised of our state's prominent investor-owned suppliers of electric, natural gas, water and telephone services, would like to call your attention to a matter we believe requires your urgent consideration.

However, before doing so, we would like to emphasize the fact that our comments are offered in a spirit of enthusiastic support for your courageous efforts to combat inflation, reduce oil imports and remove the burden of costly and counterproductive regulations from the nation's industries. It is because of our sincere desire to help you achieve these crucial objectives that we offer what we believe to be a vitally important recommendation on the matter of natural gas deregulation.

We believe that the accelerated decontrol of natural gas prices would create an immediate and severely adverse condition in the marketplace. We are convinced that further deregulation of natural gas prices would prove highly inflationary and excessively burdensome to natural gas users throughout the nation. Moreover, accelerated decontrol would provide no more in the way of financial incentives to producers than already exists as the result of the Natural Gas Policy Act of 1978.

As you know, utility companies, pipeline suppliers and producers were united in their advocacy of sensible decontrol of natural gas prices throughout the period from 1954, when controls were first imposed, through 1978, when Congress finally realized that gradual decontrol was essential to America's energy independence. The law passed in 1978 provided for the removal of controls on new gas, thereby creating an immediate and effective incentive to domestic producers to explore, but retained controls on gas under contract through 1985 in order to protect consumers from drastic and sudden increases that could, and probably would, result from instant and total decontrol.

The Natural Gas Policy Act of 1978 is working. Significant amounts of new gas are being discovered as a result of stepped-up exploration. Natural gas has become the single most attractive and immediately available alternative to imported oil. Meanwhile, distributors have had an opportunity to adjust from the artificial market created by total control to the free market that will exist in 1985 without the disastrous impact on consumers that would have been caused by immediate and total decontrol.

Immediate deregulation would mean no more than the removal of controls on the price of already existing gas supplies, referred to in the industry as "old" gas. The sharp increase in consumer prices that would occur if such action were taken would not only be inflationary, but would create a disincentive to select domestically produced natural gas in favor of imported oil. In short, the very goals we know you have in mind-- countering inflation and encouraging a reduction in oil imports-- would be defeated by immediate deregulation.

It has come to our attention that contracts now being drawn between producers and pipeline suppliers are already contemplating not only the 1985 free market, but more importantly, the possibility of immediate decontrol. We believe that such contracts may be violating the spirit, if not the letter, of the Gas Policy Act of 1978. We would urge you to establish a mechanism to scrutinize these contracts in the interest of the nation's natural gas consumers. Above all, we urge you not to legitimize these actions by lending your support to immediate and total deregulation.

The New Jersey Utilities Association congratulates you on the bold and meaningful steps you are taking to restore the free enterprise system and economic stability that brought America to a position of world leadership. We sincerely believe that the position we have outlined with regard to gradual rather than immediate natural gas deregulation will help you to achieve the crucial objectives of your administration, and we urge you to give this position your serious consideration.

In conclusion, we would like to underscore the fact that this recommendation is not one rooted in selfish proprietary interest, but rather in the sincere, and we believe informed, belief that gradual deregulation of natural gas is truly in the best interest of the entire nation.

Like you, we look forward to a flourishing free-market system, and we stand ready to assist your administration in any way we can to cause it to become a reality.

Sincerely,

A handwritten signature in cursive script that reads "O. Fred Laurino". The signature is written in dark ink and is positioned above the typed name.

O. Fred Laurino
President

BEDD2

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/104 124

Name of Correspondent: Robert S. Walker

MI Mail Report User Codes: (A) LAASR¹⁰ (B) _____ (C) _____

Subject: Supports the President's decision concerning decontrolling petroleum prices. writes regarding the irresponsibility of the oil companies in connection with rising prices of gasoline and heating oil. Suggests same.

ROUTE TO:	ACTION	DISPOSITION			
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>LA Frie</u>	ORIGINATOR	<u>8/104 127</u> ^{TR}	<u>MF</u>	<u>A</u>	<u>8/106 29</u> ¹⁰
<u>99 DE odle</u>	D	<u>8/107 0X</u> ¹⁰		<u>C</u>	<u>8/07 12</u> ⁰³
<u>LA Frie</u>	A	<u>8/07 127</u> ^{CS 2.7}		<u>A</u>	<u>8/08 107</u> ^{WS}
		<u>1 1</u>			<u>1 1</u>
		<u>1 1</u>			<u>1 1</u>

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Comments: _____

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RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1240 _____

Prime Subject Code: BE 002 _____ Secondary Subject Codes: CM 011 _____ BE 003-11 _____
BE 004-01 _____ BE 001 _____
UT _____ EG C17 _____
PR 003 _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

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- S - Sealed
- T - Telegram
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- X - Miscellaneous
- Y - Study

August 7, 1981

Dear Bob:

This is in further response to your April letter to the President, concerning the lifting of petroleum price controls on January 28, 1981.

The elimination of price controls on approximately 25 percent of domestically produced crude oil, or 15 percent of the total crude oil used by refiners, was estimated to increase the price of petroleum products, including gasoline, by 3 to 5 cents a gallon. The Department of Energy has advised me that this increase would have occurred in any case over the next few months under the previous crude oil decontrol schedule. The remainder of the petroleum product price increases that occurred in January and February can be attributed to price increases for imported crude oil and the increased costs incurred by refiners and marketers for fuel, labor, and other operating costs. Most of these increases costs could have been passed through to the consumer even under the Department of Energy's price controls.

With the decontrol of gasoline, some refiners and marketers may have attempted to recover all costs that had not been passed through prior to deregulation. However, the market could not sustain these increases, as indicated by the many recent reports of reduced refiner and retailer margins and the reduction in wholesale and retail gasoline prices.

With the current international crude oil supply surplus, some foreign nations are reducing their crude oil prices and domestic refiners have lowered the price they will pay for domestic crude oil. Excess product inventory also is causing the reduction in gasoline prices. However, it is doubtful that the system of price regulations in effect prior to decontrol would force gasoline prices lower than they are currently, and it is probable that the regulations would have permitted prices higher than those now in effect.

Crude oil production profits by international and domestic oil companies are improved by OPEC crude oil price increases. Nevertheless, there is little evidence that profits in refining and marketing have increased at the same rate as crude oil price increases. Historically, oil company profits have fluctuated and have yielded rates of return comparable with most industries. In addition to regular corporate taxes, their domestic crude oil production profits are now subject to a "windfall profits" tax that is as high as 70 percent of increases in crude oil prices over statutorily defined base period prices.

Studies performed by the Department of Energy have indicated that the petroleum refining industry is not highly concentrated. There are more than 150 domestic refining companies, none of which has as much as a nine percent share of the domestic gasoline market. The capability of any individual company or group of companies to set domestic petroleum product prices with this lack of concentration and greater competition from foreign refiners is unlikely. Although we do not believe that divestiture is warranted under these circumstances, we certainly support whatever level of government oversight is necessary to ensure that collusion in pricing does not occur.

Policies involving the conditioning of Federal contracts on past pricing practices are difficult to formulate and administer. This difficulty arises from the nearly impossible task of correctly anticipating changing market conditions. We believe that the best way to support lower petroleum prices is to encourage greater competition, and our decontrol of petroleum products is having this effect.

Thank you for taking your time to offer your suggestions to the President. Please let us know whenever we can be of further assistance.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Robert S. Walker
House of Representatives
Washington, D.C. 20515

MLF:DOE:CMP:ds--



Department of Energy
Washington, D.C. 20585

July 22, 1981

MEMORANDUM FOR Leslie Sorg
Director of Agency Liaison
Presidential Correspondence
The White House

Enclosed is a draft response for Max L. Friedersdorf's signature in reply to correspondence from the Honorable Robert S. Walker, U.S. House of Representatives, regarding the lifting of petroleum price controls on January 28, 1981.

Should you have any questions, please do not hesitate to call me immediately.

William V. Vitale
William V. Vitale
Executive Secretary

THE WHITE HOUSE OFFICE

REFERRAL

JULY 6, 1981

TO: DEPARTMENT OF ENERGY
ATTN: ODLE

ACTION REQUESTED:

DRAFT REPLY FOR SIGNATURE OF MAX L. FRIEDERSDORF

DESCRIPTION OF INCOMING:

ID: 022237

MEDIA: LETTER, DATED APRIL 21, 1981

TO: PRESIDENT REAGAN

FROM: THE HONORABLE ROBERT S. WALKER
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515

SUBJECT: STATES THAT "ONE OF PRESIDENT'S MOST
COURAGEOUS DECISIONS SINCE ASSUMING OFFICE
WAS THAT OF DECONTROLLING PETROLEUM PRICES".
COMMENTS ON THE IRRESPONSIBILITY OF THE OIL
COMPANIES IN CONNECTION WITH RISING PRICES
OF GASOLINE AND HEATING OIL AND SUBMITS
SUGGESTIONS REGARDING SAME

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

June 29, 1981

Dear Bob:

I hope you will understand that the tremendous volume of mail has prevented me from providing you with a prompt reply to your April 22 letter concerning oil deregulation and the rising prices of gasoline and heating oil.

You can be assured that the President greatly appreciated receiving your views and suggestions on the role of the oil companies. Please know that I have directed your correspondence to the appropriate advisory staff within the Administration for their thorough review and consideration.

Thank you for your interest in writing, and please do not hesitate to contact me whenever I can be of further assistance.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Robert S. Walker
House of Representatives
Washington, D.C. 20515

MLF:CMF:ASR:asr

cc: w/copy of incoming, Bob Odle, Department of Energy - for DRAFT response. (Please send DRAFT to Charlie Ponticelli, White House Legislative Affairs, for direct follow-up to Cong. Walker.)

ROBERT S. WALKER
16TH DISTRICT, PENNSYLVANIA

COMMITTEES:
GOVERNMENT OPERATIONS
SCIENCE AND TECHNOLOGY

STAFF IN CHARGE:
THOMAS R. BLANK
WASHINGTON OFFICE
MARC T. PHILLIPS
DISTRICT OFFICES

Congress of the United States
House of Representatives
Washington, D.C. 20515

April 21, 1981

The Honorable Ronald W. Reagan
The President
The White House
Washington, D.C.

022237

Dear Mr. President:

One of your most courageous decisions since assuming office was that of decontrolling petroleum prices. It was a correct decision both in economic and energy terms. It will lead to greater energy production which should help stabilize prices and reduce dependence on foreign sources of oil. But since most of those benefits of decontrol are long term payoffs, the short term consequences make the choice an unpopular one.

Your courage in making the tough call has been undermined, in my opinion, by the irresponsibility of the oil companies. The latest inflation figures confirm that the single largest factor in rising prices is the cost of gasoline and heating oil, a factor attributed to decontrol and rising world prices. But the Labor Department spokesman, in announcing the latest inflation statistics, also stated that it appeared that the oil companies had used the decontrol decision to boost prices beyond the level justified by OPEC charges or decontrol adjustments. In other words, they used your decision and its impact on the public consciousness to make additional profits, despite apparent large supplies of petroleum products which would seem to call for price stability.

Small wonder that the public regards the oil companies as the modern equivalent of the robber barons. In fact, a recent WALL STREET JOURNAL article quoted an oil company spokesman as saying that they are "fine-tuning" the market, seeing how much more they can increase prices in the sluggish gasoline markets.

In my opinion, it is time for your Administration to make it clear to big oil that we will not tolerate continued disregard for the general public welfare. While moving toward a decontrolled energy market, we can still indicate that the Federal Government has the power to act when corporate greed ignores national responsibility.

The Honorable Ronald W. Reagan
April 21, 1981
Page 2

Several options occur to me though I am certain that there are others just as workable; the prime goal being to let both the public and the oil industry know that you will not tolerate corporate irresponsibility. Those options might include:

- (1) Strengthening Justice Department anti-trust activities
- (2) Study and consideration of divestiture of the integrated elements of the major oil companies which permit them to control the entire price structure
- (3) A policy of refusing to grant Federal contracts to any oil firm whose price increases in the calendar quarter prior to letting of the contract exceeded acceptable levels.

If Americans are to be convinced of the advantages of a decontrolled energy market, they must also be convinced of equity in the marketplace. Where government can play a role in assuring that equity without imposing economic controls, we should be willing to act.

Cordially,

Robert S. Walker

NR

023630 DOCUMENT= 1 OF 1

ACTDATE = 810506
ADDNUMB =
CREFDATE = 810505
DOCDATE = 810501
DSPDATE = 810619
NAME = QUORTRUP
RCVDATE = 810505
RECID = 023630
STATE = DC
UPDATE = 820607
ZIP = 20006

OPID MG
DOCDATE 810501
RECTYP IBA
MEDIA L
STAFF PRESIDENT REAGAN
PRREAG
NAME MR. WILLIAM H. QUORTRUP
TITLE PRESIDENT
ORG NATIONAL OIL JOBBERS COUNCIL
ADDR WASHINGTON DC 20006
STREET 1707 H STREET, NW
11TH FLOOR
SUBJECT VIEWS AND SUGGESTIONS CONCERNING NATURAL GAS
DECONTROL
SUBCODE BE002
CM011
INDCODE 4900
RPTCODE MI
ACTION PLVALI ORG 810506 C
99DOE RAR 810610 A 810619

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

*Case not in files
12/14/83*

Dg/SL

ID # 024628

BEOOZ

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 810513

Name of Correspondent: Ann Bailey

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Encloses a letter to the President from his Constituent, K.W. Dawson, suggesting a freeze on profits, wages and prices.

ROUTE TO:

Office/Agency (Staff Name)	ACTION		DISPOSITION	
	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>SA Fair</u>	ORIGINATOR	<u>810514</u>	<u>MF</u> ^{CH}	<u>A</u> <u>810619</u> ^{PH}
<u>Higgins</u>	Referral Note:	<u>A</u> ^{CH} <u>810623</u>	_____	_____
<u>ES</u>	Referral Note:	<u>_____</u>	<u>AA</u> <u>A</u> <u>810909</u> ^{CH}	<u>_____</u>
	Referral Note:	<u>_____</u>	<u>_____</u>	<u>_____</u>
	Referral Note:	<u>_____</u>	<u>_____</u>	<u>_____</u>
	Referral Note:	<u>_____</u>	<u>_____</u>	<u>_____</u>

ACTION CODES:

- A - Appropriate Action
- C - Comments
- D - Draft Response
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- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: Anne Higgins acknowledgment to K.W. Dawson

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1230 _____

Prime Subject Code: BE 004 Secondary Subject Codes: LA 006 BE 004
PE 008
FI

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie

- CLn - First Lady's Correspondence
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 -

- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

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- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

July 9, 1981

Dear Mr. Dawson:

President Reagan appreciated receiving your candid message of concern regarding the economy. He centered much of his campaign for the Presidency on this problem and he has devoted his first months in office to developing a program for national economic recovery.

This program has four parts, and the President believes that no one of these parts can be considered in isolation. He pledged each of these measures, and the American people expect him to try the policies that formed the basis of his campaign. The major parts of his economic package are:

- steps to control Federal spending
- tax cuts to stimulate savings and encourage productive investment
- elimination of excessive regulations
- more stable monetary policies.

The President has stressed his commitment to continue to assist the truly needy. He recognizes that some might face difficulties as an immediate result of budget cuts, but he believes that the effects of his economic program will help them to overcome these difficulties by increasing opportunities for new jobs in now idle industries and by reducing the rate of inflation.

The successful recovery of the American economy depends upon the American people working together to overcome our difficulties. Our citizens must spend what money they have as wisely as possible, increase the portion of their incomes used for savings and investment, and do what they can to improve their own productivity in their activities. Prosperity is a result of such united efforts; it cannot be achieved by government decree.

The American economy cannot recover unless the American people work together. President Reagan is confident that all Americans will benefit from the success of these programs.

With the President's best wishes,

Sincerely,

Anne Higgins
Director of Correspondence

Mr. K. W. Dawson
795 Clay Pike
North Huntingdon, PA 15642

THE WHITE HOUSE
WASHINGTON

6/25 —

Ned -

We were instructed by
Mary Lou Maddox to
obsolete AVH-66A on
May 15th. Not certain
who in your office sent
this up.

 bob

Send 88
instead
EJH

June 19, 1981

Dear Don:

This is to thank you for your May 7 letter on behalf of your constituent, K.W. Dawson, who had forwarded his suggestions on ways to help restore our economic prosperity.

You can be assured that I have directed Mr. Dawson's letter to the Office of Presidential Correspondence to see whether a response can be sent on behalf of the President.

Again, many thanks for your interest in writing.

With cordial regards, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Don Bailey
House of Representatives
Washington, D.C. 20515

MLF:CMF:ASR:asr

cc: w/copy of incoming, Anne Higgins - for appropriate action.

- DON BAILEY
21ST DISTRICT, PENNSYLVANIA



WASHINGTON OFFICE:
116 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-5631

DISTRICT OFFICE:
206 NORTH MAIN STREET
GREENSBURG, PENNSYLVANIA 15601
(412) 837-6420

MF
Congress of the United States
House of Representatives
Washington, D.C. 20515

May 7, 1981

Max L. Friedersdorf
Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

024628

Dear Max:

I have been asked by one of my constituents to please forward his letter to President Reagan.

I would appreciate it very much if you would see that the enclosed letter is brought to the President's attention.

Thank you very much for your assistance in this matter.

Sincerely,

Don Bailey
DON BAILEY, M.C.

DB/kc
Encl.

P.S. I hope however that you won't follow the advice, Max, that the fellow has for the President - if your mail people would respond it would be nice.

APR. 27-1981

Dear Mr. President.

I VOTED FOR YOU AND THINK YOU ARE TRYING TO GET THE COUNTRY BACK ON ITS FEET.

I WOULD LIKE TO SUGGEST THAT YOU FREEZE ALL PROFITS, WAGES, AND PRICES FOR 5 YEARS; I THINK THIS WOULD HELP OUT IMMENSELY TO SOLVE THE PROBLEM.

Thank you.

K. W. DAWSON

795 CLAY PIKE

NORTH HUNTINGDON, PA.

15642

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

ID # 032960

BE002

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/1/07/22

Name of Correspondent: David Wilson / Edward Gorme

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Opposition to control of natural gas.

ROUTE TO:

Office/Agency (Staff Name)

OPL BONI

99 DOE

PD BAUER

ACTION

DISPOSITION

Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
ORIGINATOR ^{CH}	<u>8/1/07/22</u>	<u>RB</u>	<u>8/1/07/22^{CH}</u>
Referral Note:	<u>A^{CH} 8/1/07/27</u>	<u>NAN</u>	<u>8/1/07/30^{MG}</u>
Referral Note:	<u>NO written response necessary</u>		
<u>A^{CH} 8/1/07/23</u>	<u>RB</u>	<u>CA</u>	<u>8/1/08/24^{MG}</u>
Referral Note:	<u>1 1</u>		<u>1 1</u>
Referral Note:	<u>1 1</u>		<u>1 1</u>
Referral Note:			

ACTION CODES:

- A - Appropriate Action
- C - Comments
- D - Draft Response
- F - Fact Sheet

- I - Info Copy/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: 0001 Media: L Individual Codes: 4300

Prime Subject Code: BE 002 Secondary Subject Codes: CM 011
NR 006

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C		Time: _____	P- _____
DSP		Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
 n - 0 - Unknown
 n - 1 - Ronald Wilson Reagan
 n - 2 - Ronald Reagan
 n - 3 - Ron
 n - 4 - Dutch
 n - 5 - Ron Reagan
 n - 6 - Ronald
 n - 7 - Ronnie

- CLn - First Lady's Correspondence**
 n - 1 - Nancy Reagan
 n - 2 - Nancy
 n - 3 -

- CBn - Presidential & First Lady's Correspondence**
 n - 1 - Ronald Reagan - Nancy Reagan
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 L - Letter
 M - Mailgram
 O - Memo
 P - Photo
 R - Report
 S - Sealed
 T - Telegram
 V - Telephone
 X - Miscellaneous
 Y - Study



Department of Energy
Washington, D.C. 20585

July 30, 1981

MEMORANDUM FOR Leslie Sorg
Director of Agency Liaison
Presidential Correspondence
The White House
Washington, D. C. 20500

The letter you forwarded to the Department of Energy expressing the concerns of the United Steelworkers of America (Local 2609) on decontrol of natural gas has been forwarded to the Department's Office of Policy, Planning and Analysis where it will receive careful review and consideration.

Because no written response is necessary, however, I am returning the original for your files.


William V. Vitale
Executive Secretary

Attachment

THE WHITE HOUSE OFFICE

REFERRAL

JULY 27, 1981

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED:
APPROPRIATE ACTION

DESCRIPTION OF INCOMING:

ID: 032960

MEDIA: LETTER, DATED JULY 16, 1981

TO: PRESIDENT REAGAN

FROM: MR. DAVID WILSON
PRESIDENT
UNITED STEELWORKERS OF AMERICA
550 DUNDALK AVENUE
BALTIMORE MD 21224

SUBJECT: OPPOSITION TO DECONTROL OF NATURAL GAS

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

THE WHITE HOUSE

WASHINGTON

July 22, 1981

032960

Dear Messrs. Wilson and Gorman:

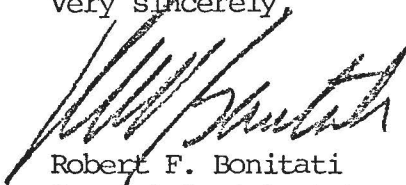
This is to acknowledge receipt of your letter of July 16 to President Reagan concerning your opposition to the decontrol of natural gas.

I have taken the liberty of forwarding copies of your letter to the appropriate policy officials here at the White House and the Department of Energy for their review. Please be assured that your comments will receive careful consideration.

Thank you for writing to express your views on this matter.

With the President's best wishes.

Very sincerely,



Robert F. Bonitati
Special Assistant to
the President

Messrs. David Wilson and
Edward Gorman
United Steelworkers of America
550 Dundalk Avenue
Baltimore, Maryland 21224

15
Local 2609

United Steelworkers of America

MEDFORD 3-9220

550 DUNDALK AVENUE

BALTIMORE, MD. 21224



July 16, 1981

Mr. Ronald Reagan
President of the United States
The White House
1600 Pennsylvania Avenue N. W.
Washington, D. C. 20500

032960

Dear Mr. President:

This local union, representing 6,000 employees at the Bethlehem Steel Corporation's Sparrows Point Plant, has gone on record in opposition to any attempt to speed up decontrol of natural gas.

If immediate decontrol happens, our many retired members would have to choose between heating their homes and having food to eat. A choice that should never occur in the United States.

Please give this matter your most serious consideration and remember the poor and needy of the country rather than "Big Oil interests."

Very truly yours,

David Wilson, President

Edward Gorman, Recording Secy.
Local Union 2609 - U. S. W. A.

jf

Enclosure: Resolution

Local 2609

United Steelworkers of America

MEDFORD 3-9220

550 DUNDALK AVENUE

BALTIMORE, MD. 21224



Resolution To Oppose Natural Gas Decontrol

WHEREAS, the Natural Gas Policy Act of 1978 calls for the gradual decontrol of natural gas prices through 1985,

WHEREAS, the President of the United States has repeatedly pledged an attempt to decontrol natural gas prices completely and immediately,

WHEREAS, immediate decontrol of natural gas prices will cost Maryland 4.9 billions of dollars more than gradual decontrol through 1985,

WHEREAS, immediate decontrol will cause commerce and industry to pay considerably more for natural gas for heat and process uses, resulting in decreased revenues and investment in the state, and

WHEREAS, immediate decontrol will result in higher consumer prices for food, clothing, housing and other necessities,

NOW, THEREFORE BE IT RESOLVED that we, the officers and members of Local 2609, United Steelworkers of America, join with the Citizen/Labor Energy Coalition and

1. Oppose the immediate decontrol of natural gas prices as proposed by the President of the United States, and
2. That the Secretary of this organization send copies of this resolution to the President of the United States, the Maryland Congressional delegation, the Speaker of the United States House of Representatives, and the President of the United States Senate.

S/ David Wilson
David Wilson, President

S/ Edward Gorman
Edward Gorman, Recording Secretary

MEMORANDUM

4165

NATIONAL SECURITY COUNCIL

July 8, 1981

RVA HAS

INFORMATION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: RUTHERFORD POATS *RP*

SUBJECT: Natural Gas Price Decontrol

035407
1110
BE 002
em 011

WS

The Cabinet Council on Natural Resources and the Environment agreed today to develop amendments to the Natural Gas Policy Act aimed at achieving phased decontrol of presently flowing ("old") gas over three years, 1982-84 and immediate decontrol of new gas subject to a floating "cap" equal to the BTU equivalent value of oil until full decontrol occurs on Jan. 1, 1985. This position will not be formalized and the recommendation will not be made to the President until the draft legislation has been reviewed by the Cabinet Council in late July. The President will be advised to defer public disclosure or submission of the proposals to the Congress until September or later. At the same time, rescission of the Fuel Use Act, which restricts the use of natural gas in utility boilers, will be proposed. *Good Step -*

The phased option was chosen as a matter of legislative realism, even though most agencies preferred immediate and total decontrol as a matter of economic policy.

If enacted, this decision will strengthen our international position as a leader in energy policy. Its effect on the financing of the Alaska gas pipeline is conjectural.

cc: Norman Bailey
Henry Nau

NSC 8104165

ED

81 JUN 9 A10: 26

JANET COLSON

Jc 9/1039

BUD NANCE

X

DICK ALLEN

DWA 11/2247

IRENE DERUS

ijd 13/0847

JANET COLSON

BUD NANCE

W

KAY

CY TO VP

SHOW CC

CY TO MEESE

SHOW CC

CY TO BAKER

SHOW CC

CY TO DEEVER

SHOW CC

CY TO BRADY

SHOW CC

RECEIVED 20 JUL 81 15

TO ALLEN

FROM POATS

DOCDATE 08 JUL 81

035407

KEYWORDS: GAS

SUBJECT: NATURAL GAS PRICE DECONTROL

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

NAU

BAILEY

COMMENTS

REF#

LOG

NSCIFID

(C /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 7/21

noted by RVA

5 ✓

DISPATCH

WATCH FILE

WAH (C) H-

BE002

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 81 08 126

Name of Correspondent: Jack Kemp

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: writes on behalf of Eugene Dimit, President of Simon Oil in connection with Pricing and Allocation Regulations. Due to possible violations, DOE has scheduled a hearing on September 5, 1981. Urges the President to intervene to stop DOE from prosecuting a case which is based on regulations which are no longer in effect.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>LA Frie</u>		^{CH} ORIGINATOR	<u>81 08 126</u>	<u>mf</u>	<u>A</u>	<u>81 09 11</u> ^{CS}
<u>✓ 99 DOE</u>		Referral Note:	<u>DCS 81 09 15</u>			<u>81 10 13 09</u> ^{CH}
<u>LA FRIE</u>		Referral Note: <u>attn: Rob Odle</u>	<u>S</u> ^{CH}	<u>MF</u>	<u>A</u>	<u>81 10 15</u> ^{CH}
		Referral Note:	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>

ACTION CODES:

- A - Appropriate Action
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- Type of Response = Initials of Signer
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Comments: _____

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 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
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RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1240 _____

Prime Subject Code: BE 002 _____ Secondary Subject Codes: EG _____ FG 025 _____
BE 003.11 _____ JL 002 _____
BE 006 _____ _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

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 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie
- CLn - First Lady's Correspondence
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 - Mrs. Ronald Reagan
- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

October 15, 1981

Dear Jack:

This is in further response to your letter to the President of August 24, in which you discuss the pending enforcement action by the Department of Energy (DOE) against Simon Oil Company, a motor gasoline reseller.

As you are aware, the concerns that you have expressed in your letter on behalf of small businessmen confronted by complex and voluminous regulations are shared by this Administration. Indeed, with respect to the regulations administered by the DOE, the President took action in January of this year to lift the price and allocation controls imposed on the petroleum industry by this Administration's predecessors and has more recently indicated an intent to abolish the agency.

However, the decontrol of crude oil and refined petroleum products which went into effect in January is on a prospective basis only, leaving DOE with the responsibility to complete ongoing enforcement cases involving violations which had occurred during the period in which the regulations were still in effect. As in the case of Fred Walentynowicz, about whom you wrote previously, Simon Oil falls within the category of cases which the DOE has continuing authority and responsibility to pursue. The Department has given assurances to the jurisdictional committees of Congress that it will carry out that responsibility.

In this regard, I have been assured by DOE that Simon Oil has not been treated in a discriminatory manner or denied the opportunity to present its position before an objective forum for proper consideration. The Department's Office of Enforcement audited many Buffalo area firms, including Simon Oil and Walentynowicz, in September 1979 in response to requests by several area Congressmen. The Congressmen were concerned that findings by the Department of Labor's Bureau of Labor Statistics indicated that gasoline prices in the Buffalo area were the highest in the nation. In the case of Simon Oil, the audit revealed alleged overcharges amounting to \$114,255.85.

Simon Oil has decided to contest the findings and conclusions of the DOE audit as set forth in an enforcement document issued to the firm, and has raised a number of defenses which are now under review. Inasmuch as the question of the recognition of Simon's bank of unrecouped product costs is a purely legal issue currently being litigated before the proper administrative reviewing body, it would be inappropriate to discuss the merits of the firm's argument in the context of this letter. I should note that if the firm's argument is upheld by the reviewing forum, the alleged overcharges will be adjusted accordingly.

In an effort to carry out the Administration's interest in concluding the price control program, DOE recently offered a generous settlement arrangement to firms such as Simon Oil, by which they could resolve pending disputes at a rate below 50 percent of alleged overcharges. Simon Oil initially declined this offer to settle the ongoing litigation, but is currently in the process of considering a renewed DOE settlement proposal.

Please be assured that the Administration, through DOE, is committed to a prompt and just conclusion of these matters, and that Simon Oil will be given every consideration consistent with that objective.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Jack Kemp
House of Representatives
Washington, D.C. 20515

MLF/DOE/CMP/Lpt(MLF 10-22)

Y




Department of Energy
Washington, D.C. 20585

October 9, 1981

MEMORANDUM FOR Sally Kelley
Director of Agency Liaison
Presidential Correspondence
The White House

Enclosed is a draft response for signature of Max L. Friedersdorf in reply to correspondence from the Honorable Jack Kemp, U.S. House of Representatives, concerning the Department of Energy's enforcement activities against Simon Oil Company (Simon).

Should you have any questions, please do not hesitate to call me immediately.


William V. Vitale
Executive Secretary

Dear Mr. Kemp:

The President has asked me to respond to your letter of August 24, 1981, in which you discuss the pending enforcement action by the Department of Energy (DOE) against Simon Oil Company, a motor gasoline reseller.

As you are aware, the concerns that you have expressed in your letter on behalf of small businessmen confronted by complex and voluminous regulations are shared by this Administration. Indeed, with respect to the regulations administered by the DOE, the President took action in January of this year to lift the price and allocation controls imposed on the petroleum industry by this Administration's predecessors and has more recently indicated an intent to abolish the agency. However, the decontrol of crude oil and refined petroleum products which went into effect in January is on a prospective basis only, leaving DOE with the responsibility to complete ongoing enforcement cases involving violations which had occurred during the period in which the regulations were still in effect. As in the case of Fred Walentynowicz, about whom you wrote previously, Simon Oil falls within the category of cases which the DOE has continuing authority and responsibility to pursue. The Department has given assurances to the jurisdictional committees of Congress that it will carry out that responsibility.

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Sincerely,

Max L. Friedersdorf
Assistant to the President

Honorable Jack Kemp
House of Representatives
Washington, D.C. 20515

T H E W H I T E H O U S E O F F I C E

REFERRAL

SEPTEMBER 15, 1981

TO: DEPARTMENT OF ENERGY
ATTN: ROB ODLE

ACTION REQUESTED:
DRAFT REPLY FOR SIGNATURE OF MAX L. FRIEDERSDORF

DESCRIPTION OF INCOMING:

ID: 037560

MEDIA: LETTER, DATED AUGUST 24, 1981

TO: PRESIDENT REAGAN

FROM: THE HONORABLE JACK KEMP
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515

SUBJECT: WRITES ON BEHALF OF EUGENE DIMIT, PRESIDENT
OF SIMON OIL, URGING YOU INTERVENE TO STOP
THE DEPARTMENT OF ENERGY FROM PROSECUTING A
CASE WHICH IS BASED ON REGULATIONS WHICH
ARE NO LONGER IN EFFECT

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

September 11, 1981

Dear Jack:

The President has asked me to thank you for your August 24 letter on behalf of Eugene Dimit of Simon Oil. In your correspondence you expressed your concern over Department of Energy proceedings involving Mr. Dimit's company.

As I am sure you know, one of the toughest and most important programs this Administration is undertaking is the elimination of waste in government. Because of the importance of this matter, I appreciate your interest in bringing this particular case to our attention. Please know that I have contacted the appropriate staff members, and asked them to look into the situation with Simon Oil.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Jack Kemp
House of Representatives
Washington, D.C. 20515

cc: w/copy of inc to Robert Odle, Cong Affairs, Dept of Energy,
WASHDC 20585 - for DRAFT reply

WH RECORDS MANAGEMENT HAS RETAINED ORIGINAL

MLF:CMF:KIR:ds--

JACK KEMP
38TH DISTRICT, NEW YORK

COMMITTEES:
APPROPRIATIONS
SUBCOMMITTEE:
FOREIGN OPERATIONS
RANKING MEMBER

BUDGET

TASK FORCES ON:
NATIONAL SECURITY AND VETERANS
ECONOMIC POLICY AND PRODUCTIVITY
TAX POLICY

WASHINGTON OFFICE:
2235 RAYBURN HOUSE OFFICE BUILDING
AREA CODE 202: 225-5265

DISTRICT OFFICE:
1101 FEDERAL BUILDING
111 WEST HURON STREET
BUFFALO, NEW YORK 14202
AREA CODE 716: 846-4123

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 24, 1981

The President
The White House
Washington D.C.

37560

Dear Mr. President,

On August 7 I wrote to you about Fred Walentynowicz, a gas station owner whose marginal business was being threatened by the Department of Energy's continued prosecution of violations under regulations rendered obsolete under your economic program. I have another case in point of a small business suffering under the weight of zealous prosecution of regulations left over from a time of government over-regulation and price controls.

When the Pricing and Allocation Regulations were enacted in 1973, Simon Oil, through its president Eugene Dimit, retained the leading authority in fuel distribution matters, attorney Sam Borenkind, to advise them on how to comply with these new regulations which had grown from 20 pages to 15 volumes, much of the new material dealing with the new banking provisions. Because Buffalo is a highly competitive "soft market" with cheaper gas available a few minutes away in Canada, and because Simon Oil's supplier, Texaco, had a high pricing policy, Simon Oil was advised to, and did, build up a bank of \$1.8 million. In essence, they charged their customers less in order to sell the product, and these unrecouped losses made up their bank. Simon Oil collected \$200 000. from that bank, which the Department of Energy is trying to recoup now.

In October of 1979, Gene opened his books to three auditors from Pittsburgh who came to audit them. At the end of their three-day inspection, Gene was told that everything was in order. Two weeks later, Gene received a call from Joseph Connelly, Pittsburgh DoE's area manager, who informed Gene that, based on the recent audit, he had determined that he would not recognize Simon Oil's bank under DoE's interpretation of the equal application rule.

This led to a meeting in Washington D.C. in February of 1980 with Gene, his attorney Sam Borenkind, and 5 DoE officials including Mr. Connelly and a Mr. Kolodner. At this meeting, Gene and Sam were told that very few banks were recognized, in direct violation of Congressional intent, and that Simon Oil was not one of the fortunate few.

Subsequent to this meeting, the local radio and press were informed by DoE personnel of the Notice of Possible Violation. Such adverse publicity in a small community where one's good name is the foundation

August 24, 1981
Page 2

of one's business is ruinous. In the spring of 1981, DoE sent other auditors, allegedly in response to a complaint, although neither Gene nor his attorney were able to find out the basis for the complaint. In the course of this audit, they proceeded to interrogate Simon Oil's customers about surplus and set-asides, about which the customers often knew nothing, which served to create more ill will, thereby further undermining the remains of Simon Oil's good name.

I wrote to Jim Edwards about this case in February, and received a vague reply from Barton House, then Acting Administrator of the Economic Regulatory Administration. He addressed himself to the technicalities of the case and not the underlying issues.

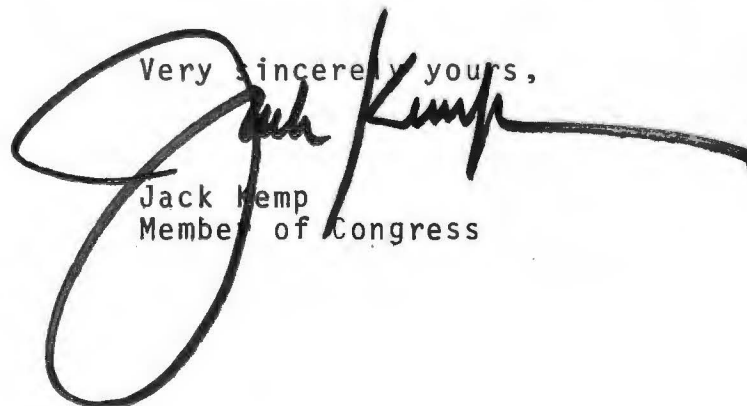
The case has been continued several times, at the request of the Government, oddly enough, and is now scheduled for September 5. Mr. President, once more I'd like to ask you to intervene to stop the Department of Energy from prosecuting a case which is based on regulations which are no longer in effect. Gene's having enough trouble keeping Simon Oil going without this needless interference.

Mr. President, we are trying to encourage the development of small business by removing artificial restraints imposed by an over-protective government and allowing them to flourish in an open, competitive market. How can we allow DoE to continue to prosecute this case, and that of Fred Walentynowicz, when the regulations on which they are based have been rescinded because they fall in the category of over-regulation and are detrimental to the goals of your Administration?

Once more, Mr. President, I ask you to act to ensure that the goals and principles of your Administration are being followed in practice as well as theory. Here's another opportunity to make sure that small business as a cornerstone of a strong economic system can be a reality and not just a promise.

I thank you once more on behalf of Fred, Gene, and small business people everywhere.

Very sincerely yours,

A large, stylized handwritten signature in black ink, appearing to read "Jack Kemp". The signature is written over the typed name and title.

Jack Kemp
Member of Congress

JK:nas

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 8/108/20

Name of Correspondent: Senator Arlen Specter

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Forwards a copy of a letter from Mrs Marjorie Carmack to Max Friedland. Mrs Carmack is concerned about the "lifting of the lid" on natural gas. She and her husband are on fixed incomes and this will raise heating and cooking costs.

ROUTE TO:	ACTION	DISPOSITION			
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>Co Kell</u>	ORIGINATOR	<u>8/108/27</u>			<u>C 8/10/05</u>
<u>DOE</u>	Referral Note: <u>For Anne Higgins signature</u>	<u>8/108/31</u>			<u>C 8/109/14</u>
<u>LAFRIE</u>	Referral Note: <u>For Anne Higgins signature</u>	<u>8/108/24</u>	<u>MF</u>	<u>A</u>	<u>8/108/24</u>
<u>DOE LAFrie</u>	Referral Note: <u>A</u>	<u>8/110/02</u>			<u>C 8/110/05</u>
	Referral Note:				
	Referral Note:				

- ACTION CODES:**
- A - Appropriate Action
 - C - Comment/Recommendation
 - D - Draft Response
 - F - Furnish Fact Sheet to be used as Enclosure
 - I - Info Copy Only/No Action Necessary
 - R - Direct Reply w/Copy
 - S - For Signature
 - X - Interim Reply
- DISPOSITION CODES:**
- A - Answered
 - B - Non-Special Referral
 - C - Completed
 - S - Suspended
- FOR OUTGOING CORRESPONDENCE:**
- Type of Response = Initials of Signer
 - Code = "A"
 - Completion Date = Date of Outgoing

Comments: Incoming from Senator Specter's office was signed by Suzanne O'Connor

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: L 220 _____

Prime Subject Code: BE 002 Secondary Subject Codes: CM 011
NR 006
FB 006-01

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie

- CLn - First Lady's Correspondence
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

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- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THE WHITE HOUSE
WASHINGTON

September 16, 1981

file

To: William V. Vitale
Executive Secretary - DOE

From: Sally Kelley, Director
Agency Liaison

The attached draft is returned because we question the wisdom of indicating that the Administration is aware that decontrol may heighten the financial burden of energy costs to the poor and elderly. If you could have someone rework that part of the draft and return it to us, we would appreciate it.

Chuck
Please see me on
this one
Thanks,
BB



Department of Energy
Washington, D.C. 20585

September 14, 1981

NOTE TO LESLIE SORG

Enclosed is a draft letter for the signature of Anne Higgins in reply to Mrs. T. A. Carmack's letter to President Reagan in which she cites her concern about the decontrol of natural gas prices.

Should you have any questions, please do not hesitate to call me immediately.

William V. Vitale
William V. Vitale
Executive Secretary

D R A F T

Dear Mrs. Carmack:

Senator Arlen Specter has forwarded to the White House your letter to the President in which you express your concerns about the decontrol of natural gas prices.

The Administration favors an energy program free of counterproductive regulations--a program designed to promote vigorous domestic production, greater energy efficiency, and pricing based on market forces. The President's January 28, 1981, action decontrolling crude oil and petroleum products was a step in this direction. Oil decontrol sends the proper signals to both producers and consumers: production and technological breakthroughs will no longer be artificially constrained, and energy use patterns will be based on the true value of energy.

Philosophically, the Administration also favors the early decontrol of natural gas prices. We believe the Nation would be best served if free market forces--not the Government--were allowed to set prices and allocate supplies of our domestic energy resources. No decisions have been made to accelerate the decontrol of natural gas, although this is one area the Administration is currently reviewing.

Our review is carefully considering the costs as well as the benefits of decontrol. We anticipate that the Nation as a whole will benefit from decontrol, through improved efficiency in gas markets and through potential reductions in oil imports. The Administration also realizes that decontrol may heighten the financial burden of energy costs to the poor and elderly, as well as temporarily increase inflationary pressures in the economy overall. Yet holding down energy prices through regulation is an ineffective means of helping people on low or fixed incomes and impedes progress in overcoming our energy problems. Energy assistance programs are available to help the truly needy overcome any adverse effects of what are otherwise sound economic and energy policy initiatives.

Phased decontrol of natural gas prices is already taking place as a result of the Natural Gas Policy Act of 1978. Under the act, full decontrol of some categories of natural gas would take place in January 1985.

Thank you for your interest in these matters.

Sincerely,

Anne Higgins
Director of Presidential
Correspondence

Mrs. T. A. Carmack
334 Kambach Street
Pittsburgh, Pennsylvania 15211

cc: Honorable Arlen Specter
United States Senator
2001 Federal Building
Pittsburgh, Pennsylvania 15222

Honorable Arlen Specter
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE OFFICE

REFERRAL

AUGUST 31, 1981

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED:

DRAFT REPLY FOR SIGNATURE OF ANNE HIGGINS

DESCRIPTION OF INCOMING:

ID: 037737.

MEDIA: LETTER, DATED AUGUST 18, 1981

TO: MAX FRIEDERSDORF

FROM: THE HONORABLE ARLEN SPECTER
UNITED STATES SENATE
WASHINGTON DC 20510

SUBJECT: FORWARDS A COPY OF A LETTER FROM
MRS. MARJORIE CARMACK TO MAX FRIEDERSDORF
MRS. CARMACK IS CONCERNED ABOUT THE "LIFTING
OF THE LID" ON NATURAL GAS, SHE AND HER
HUSBAND ARE ON FIXED INCOMES AND THIS WILL
RAISE HEATING AND COOKING COSTS

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

REQUEST FOR FILE SERVICE

From: Jeanne Hyde
Office: 98

- () Entire File On Writer
- () FNF
- () Communications referred to

write (Comack) claims to
have written several
times - no answers.

no record in file
as of 8/26/88.

August 24, 1981

~~Handwritten scribble~~
Jame

Dear Senator Specter:

Thank you for your recent letter regarding correspondence sent to the President by your constituent, Mrs. Marjorie Carmack.

I regret that the tremendous volume of mail which the President has received has prevented a more expeditious reply to Mrs. Carmack's letter. Please be assured, however, that your inquiry has been forwarded to the appropriate staff members who will be sure to check into this matter.

Again, thank you for your interest in writing.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Arlen Specter
United States Senate
Washington, D.C. 20510

MLF:CMF:MDB

cc: w/copy of incoming to Anne Higgins for further action

WH RECORDS MANAGEMENT HAS RETAINED ORIGINAL INCOMING

United States Senate

WASHINGTON, D.C. 20510

2001 Federal Building
Pittsburgh, Pa. 15222
August 18, 1981

Mr. Max L. Friedersdorf
Legislative Assistant to the President
The White House
1600 Pennsylvania Avenue NW
Washington, D. C. 20500

37737

Dear Mr. Friedersdorf:

I am forwarding the enclosed letter to you at the request of Mrs. Marjorie Carmack. Mrs. Carmack is terminally ill, yet, as is apparent from the tone of the communication which she has addressed to the President, has maintained a strong concern and active interest in the affairs of this nation.

Although Mrs. Carmack has written to the President several times before, she has never received an acknowledgment that her letter has been received. Mrs. Carmack is aware of the urgent and pressing matters which have made it extremely difficult for the White House to respond to citizens who have written to President Reagan. She has persevered, however, and is making another attempt to share her thoughts.

If there is any assistance which your office can render in helping Mrs. Carmack to receive a reply to her letter, it will be deeply appreciated.

It is not often that someone facing such an adverse personal crisis puts forth such effort to communicate concern regarding domestic issues. I hope that Mrs. Carmack's perseverance and your consideration of this matter will bring more positive results than she has had previously.

Your consideration of this matter is deeply appreciated.

Sincerely,

Yvonne O' Connor

Yvonne O' Connor
Executive Director
Western Pennsylvania

YO/mi

Enclosure

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.