

MASSACHUSETTS FIFTH DISTRICT ENERGY HEARINGS

February 10, 1975, Lexington
February 12, 1975, Lawrence
February 13, 1975, Lowell

as submitted to the President
by U.S. Rep. Paul Tsongas

PAUL E. TSONGAS
5TH DISTRICT, MASSACHUSETTS

COMMITTEES:
BANKING, CURRENCY
AND HOUSING
INTERIOR AND INSULAR
AFFAIRS

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

March 3, 1975

DENNIS KANIN
ADMINISTRATIVE ASSISTANT
ROOM 419
CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3411

DAVID MCCARTHY
DISTRICT MANAGER
ROOM 216
50 KEARNEY SQUARE
LOWELL, MASSACHUSETTS
(617) 459-0101

President Gerald R. Ford
The White House
Washington, D.C.

Dear Mr. President,

The enclosed report concerns three "energy hearings" held in the Fifth Congressional District of Massachusetts.

Shortly after the announcement of your energy program I made the decision to hold energy public hearings in my district. The purpose was to allow my constituents to voice their opinion on these important matters.

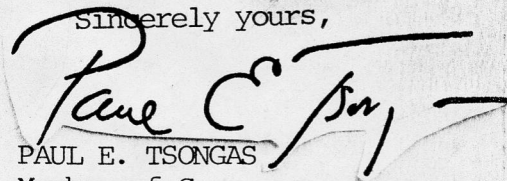
The hearings were held in Lexington on February 10, Lawrence on February 12, and Lowell on February 13. Mr. Robert Mitchell, Regional Director of the Federal Energy Administration accompanied me to two of these hearings.

As the summaries of these hearings reveal, there was minimal support for the Administration's proposals. The primary objection to the proposals was the inclusion of an oil import tariff. I can report to you that the people of the Fifth District of Massachusetts overwhelmingly believe that your current proposal would place an impossible burden on New England.

Contained in this report is an introduction, a summary of testimony, and a personal conclusion.

I would be happy to pass on any reaction that you may have on this report to my constituents.

Sincerely yours,


PAUL E. TSONGAS
Member of Congress

PET/ff

INTRODUCTION

This report contains a summary of public hearings held on the President's energy proposals.

Three hearings were convened in the Fifth Congressional District. They included Lexington, February 10; Lawrence, February 12; and Lowell, Massachusetts, February 13, 1975.

Origin

The idea for the district-wide public hearings stemmed from the intense reaction to energy proposals made during the President's "State of the Union" message. At that time, my office received hundreds of letters and telegrams, the great majority opposing the Presidential suggestions. It was decided that the best opportunity that I would have to listen to constituent views and share my opinions would be to organize a series of energy public hearings.

Format

The format of the hearings was intended to allow as many citizens as possible to speak out on energy proposals.

In order to balance the hearings an invitation was extended to Regional Federal Energy Administration Director, Robert W. Mitchell, to explain the President's program and answer questions. Mr. Mitchell attended two of the hearings and presented an initial slide show. My role was to introduce myself and Mr. Mitchell and chair the hearings.

The Report

This report consists of a summary of thirty persons who asked that their views be recorded and conveyed to President Ford. Approximately one-hundred persons attended the sessions.

The report was submitted to the President personally on March 4, 1975, at the White House.

Congressman Tsongas

Energy Hearing -- February 10, 1975 -- Cary Hall, Lexington, Massachusetts, 6 PM

MS. GEIS
Carlisle

I know it is expensive, but we should consider the refinery and exploration for oil.

MS. WATHEN-DUNN
Lexington

Imports should be reduced.

(Congressman Tsongas introduces Robert Mitchell, Regional Administrator for the Federal Energy Administration. During his talk he was interrupted several times with questions from the audience.)

JERRY GREEN
Lexington

The President's program will not work. If you really want to come to grips with cutting down, we need gas rationing of some kind. Last year's car pooling was not successful. The cost of gas went from 30¢ to 55¢ and people still won't cut down on driving habits. Business should be given some kind of guarantee or insurance if they build a coal burning plant.

UNIDENTIFIED PERSON (to Mitchell)

Define what is meant by reserves and reserves impact on the price of oil?

MITCHELL

Reserves are resources on hand, not a function of the marketplace. The FEA, the Dept. of the Interior, and government agencies will have this information.

FRANK SANDY

Why is the administration constrained to limit coal production? The natural gas shortage is growing.

MITCHELL

The administration would like to reduce U.S. oil imports one million barrels a day in 1975 and two million barrels a day by 1977.

GREEN

Of the 16 million barrels a day imported, what percentage goes to automobiles?

MITCHELL

35 per cent for transportation -- balanced barrel concept.

TSONGAS

If the President's veto is not overridden in the Senate, what is the impact on the recession? We must revive the economy, especially in New England. The \$3 a barrel tax would be too inflationary. The recycling of Arab dollars into our economy has its advantages. Fossil fuels were never mentioned.

FRANK SANDY

The President's plan wouldn't be so bad if New England didn't get the brunt of it.

GREEN

What caused us to have the present recession and didn't anyone see the trend? Why wait until there is a crisis to react?

UNIDENTIFIED MAN

I don't think the cost of the tax cut package will hurt the economy.

MS. WATHEN-DUNN

How about programs to re-build the railroad system?

MITCHELL

\$1.2 billion this year is being spent for energy development.

Lawrence Energy Hearing -- February 12, 1975

RICHARD ULIANO
Lawrence

Opposed to increase construction of nuclear power plants. Would rather see increase conversion to coal burning industries.

DANIEL GILLIS
Wilmington -- Selectman

Increased fuel costs in the last year has already made it difficult for an individual to pay for both food and fuel. A 15¢ tax would be unbearable for most consumers and would create an unnecessary burden on those with fixed incomes.

PAUL HESSLER
Methuen -- Town Councillor

U.S. must become energy independent and decrease the demand of energy through whatever means available. U.S. should increase spending on energy research.

STEVEN SABAS
8 Tenney Street
Methuen, Massachusetts

Opposes President's plan. Feels that U.S. should develop alternative energy sources and place greater emphasis on conservation.

MAYOR BUCKLEY, Lawrence

Agrees with energy conservation goals of the President's plan but feels that, while the President has to look at the whole nation, New England suffers disproportionately because it relies more heavily on the imported oil for its energy needs. Feels that a proposal should be developed that more equally shares the burden nationwide.

ASITON SMITH
Lawrence General Hospital Administrator

Opposed President's proposals because of tremendous economic burden on institutions like the Lawrence General Hospital: for example, electricity in 1972 was 1.6¢ per kilowatt hour, 1974 it had risen to 2.9¢ and in February, 1975, electricity per kilowatt hour is 3.4¢ per hour. Such increasing costs will create an added burden to those who need medical care.

SAM DAMIANO
Greater Lawrence Chamber of Commerce

Opposed to the President's energy plan. Believes that New England's dependency on imported oil will hurt our area.

JAMES DONOHUE
Lawrence

Any tax rebate received will be already eaten by the increase costs relating to the oil import tariff. Feels that neither consumer nor industry can withstand higher costs. Believes that rationing would be a fair way of conserving fuel.

BILL LANAGAN

Wishes President would come and see what the increased energy costs mean to hospitals like the Bon Secours. Not only is heating oil affected, but many of the supplies the hospital uses on a day by day basis, will also go up. Institutions like the Bon Secours cannot absorb these costs.

GEORGE GALLOW
Andover

Feels that the President's energy proposals would be inflationary and harmful to the economy. Believes that we should speed up the development of nuclear energy.

MR. BURKE (Grafton)
575 Common Street
Lawrence

Favors development of alternative energy sources, such as the windmills.

LAWRENCE PAPERBOARD

President's energy proposals would create destructive increases in cost. Feels that rationing might be the answer to our immediate energy problem.

LEO CORRIVEAU
Lawrence

Opposed to the President's tariff plan and feels that rationing is also not necessary. Believes that Americans should sacrifice and meet our energy needs through action rather than political talk.

Energy Hearing -- February 13, 1975 -- Council Chambers, City Hall,
Lowell, Massachusetts

JEFF MITCHELL

Representing the Lowell Chamber of Commerce

Opposed to the President's tariff because of its disproportionate negative effect on New England. Further feels that the President may have violated the 1974 Trade Act. Proposes instead: Tax credits for conversion to coal; exploration of the Outer Continental Shelf; and de-regulation of natural gas.

ROBERT KENNEDY

State Representative and Lowell City Councilor

Opposed to tariff because its higher costs will force the shutdown of many local industries. Lowell and the surrounding communities should explore the feasibility of a hydroelectric plant on the Merrimac River.

FORMER OIL COMPANY EXECUTIVE

Asked why reasonable prices for gas can be maintained during war but not during peace. Feels that the high demand during war would normally raise gas prices. Feels that the reverse being true raises questions that need to be answered.

CHARLES TSAPASARIS

Lowell

The President's tariff proposal will force increased unemployment and higher costs. What is needed is an energy strategy that would explore alternate energy sources.

ROBERT JOST

Representing Mass. Electric Co.

Opposed to the President's proposals. Estimates that it will result in an additional 15-20% charge on consumer bills. Favors increased use of coal.

BILL JARNIGAN
Concord

We should concentrate on developing nuclear energy and developing ways of disposing the wastes. Government should also free funds for the development of viable mass transit systems.

DAN PRIGMORE
Manager of Wamesit Power Company

Believes there is no elasticity in our current energy demand. Feels that last years increases in price without a lessening of demand provided ample proof of this. Companies are in no position to further absorb increased costs. Also believes that stimulating production of oil is going to increase the supply to the point where price will drop dramatically and wreak economic havoc.

DAVID O'HAIR
Homebuilders Associates of Lowell

Opposes Administration's proposals and feels taht they will have a negative effect on the construction industry.

J.P. GRAVEL
Chelmsford

Believes that most of U.S. problems stem from a lack of confidence in our government. Feels that the government should balance its budget and listen to the taxpayers more.

GILBERT BROWN
Professor
Lowell Univeristy

Believes that the answer to the problems lies in the creation of more efficient and less costly railroads. This would bring about a decreased dependence on automobiles and bring about the desired reduction in fuel consumption.

MARK GOLDMAN
Lowell

Opposed to the President's proposal. Favors local hydroelectric plant and local refinery.

IAN FORBES
Engineering Professor
Lowell University

We need a strong conservation and conversion program because the amount of oil in the ground is not as much as earlier thought. Alternate energy sources will never provide a large amount of energy needs.

CONCLUSION

Not one person of the thirty testifying at the public hearings supported the President's energy program.

The conclusion of those testifying was that 1) the presence of the oil import tariff made the President's program unacceptable for New England, 2) that American's should be willing to sacrifice in order to conserve energy, and 3) that alternative sources of energy must be developed quickly.

Most of those who attended the Lexington, Lawrence, and Lowell energy hearings mentioned the economic hardship on New England. The unemployment rate in Greater Lowell is presently 11.4%, in Massachusetts the rate is 9.9%. There is great fear that further jobs will be lost and that families and businesses will no longer be able to cope with the new round of inflation and the depression-like situation that is bound to be encouraged by higher imported oil costs.

Perhaps the most compelling arguments I have heard as a Congressman were not at these hearings, but in my mail, pleading that I fight against the Presidential plan. Letters stating "what do they want to do to old people, put them up against the wall and shoot them" or "please don't vote for Ford's plan... our thermostat is already down to 62° and we are afraid of getting pneumonia..." make one wonder what the merit is of a plan that proposes to reduce consumption through monetary penalties.

I can only restate my absolute opposition to the Presidential energy plan and pledge to increase my efforts to see that it is altered or defeated.

The emergence of a Democratic energy package and a House Ways and Means proposal provides both the President and the Democratic majority with a middle-ground that did not formerly exist. I would urge as strongly as I possibly can that the President abandon his oil tariff plan completely. This would provide an indication to the Congress that the President recognizes the strong dissatisfaction that has been expressed by the people's representatives and is willing to make an immediate compromise. The President has taken every occasion to scold the Congress for not moving quickly enough on the energy front. Now Congress has reacted to this challenge. Failure to compromise at this juncture can only reflect poorly upon both the President and the Congress.

The purpose of the Fifth District energy hearings was to give constituents the opportunity to convey their feelings to me on the energy situation. That has been accomplished. My report seeks to convey these feelings and my own to the President. In presenting this report to President Ford personally, I hope that this goal also has been realized.

Congressman Tsongas