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Oil/Gas Mtg. [Meeting]

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OIL & GAS MTG

- 60 members, H. & S.
- Boren said: best mtg had w/
President
- Pres willing to work w/ us
- Issues:
 - tax credits for stripper well production / mar (^{>15 barrels per day})
 - export of Alaska N. slope crude
 - deep water royalty relief
- roughly dozen members gave 2 min presentations on variety of issue of concern to ~~oil~~ oil
- Pres. indicated willingness to work w/ them, but emphasized need to look for revenue neutral solutions

serious
trade
issues
involved

Moak - intro'd president

Bentley -

Bill White - Dep Sec Energy
(O'Leary in Hanford)

Oil and Gas Meeting Read-Out
Thursday, June 16, 1994

Per G Terzano and Barbara Chow:

In addition to the briefing material in the President's daily briefing book, the following are points to make:

- Today's meeting was requested by the members; It gave the President an opportunity to listen and hear first-hand from congressional members about the future of the oil and gas industries.
- Approximately 80 members attended the meeting including: Boren, Breaux, Domenici, Kassebaum, Bingaman, Brewster, Archer, Thomas, Dooley, Poshard.
- (The meeting was organized by Senator Boren and Cong. Brwester).
- The President spoke briefly. During his remarks he reiterated his commitment to work with Congress to help remedy some of the economic problems facing the oil and gas industry (due largely to lower oil prices). He expressed his desire to hear from the members first-hand, and so he mostly listened today to their concerns, ideas and proposals.
- It was a very productive meeting; it lasted about an hour. Secretary Bentsen attended and spoke briefly, as did Energy Deputy Secretary Bill White (Secy O'Leary is out of town at a meeting with Western Governors' at their conference).
- The Vice President did not attend.
- There were no decisions made at this meeting; again, it was an opportunity for the President to listen and for Members in a collective setting talk about the issues surrounding the oil and gas industries.

If asked about specific proposals or items that came up during the meeting, it is important to not make specific comments about any proposals that may have been discussed:

- Many ideas were talked about by members at the meeting, however, the President has not made any decisions on proposals; he listened to what members had to say about their concerns. It was an opportunity for both the President and the congressional members to collectively talk about concerns that face oil and gas producing states and the industry.

THE WHITE HOUSE

WASHINGTON

June 15, 1994

MEETING WITH MEMBERS OF CONGRESS

DATE: June 16, 1994
LOCATION: Rose Garden Tent
TIME: 10:15 to 11:15 am
FROM: W. Bowman Cutter

I. PURPOSE

Approximately 80 of 108 Members of Congress who wrote to you in March about problems in the oil and gas industry due to low oil prices are coming to speak with you directly about their concerns and their proposed remedies. The group has been organized by Senator Boren and Congressman Brewster.

II. BACKGROUND

See attached briefing package.

III. PARTICIPANTS

President

~~Vice-President~~ Didn't attend

Secretary of the Treasury Lloyd Bentsen

Deputy Secretary of Energy Bill White

Director of the Minerals Management Service Tom Fry, Department
of the Interior

Mack McLarty

Pat Griffin

Bo Cutter

Bill Burton

Senators and Congressmen -- see attached briefing package for names of attendees and designated speakers.

IV. PRESS PLAN

White House photographer only. There has been some advance media interest, mostly Hill-generated. Considerable post-meeting attention is expected and is being managed.

V. SEQUENCE OF EVENTS

Vice-President welcomes group and introduces you
Opening remarks by you
Boren group statements
Administration response
Questions and answers
Closing remarks by you

VII. REMARKS

See briefing package for talking points and Boren group topics.

MEETING WITH MEMBERS OF CONGRESS RE: OIL AND GAS

Thursday, June 16, 1994
10:15 to 11:15 am
Rose Garden Tent

BRIEFING PACKAGE

I. TALKING POINTS

II. CONGRESSIONAL PARTICIPANTS AND TOPICS

111. BACKGROUND MEMORANDUM

TALKING POINTS

POTUS OPENING REMARKS

5 MIN

I WELCOME THIS OPPORTUNITY TO TALK WITH YOU ABOUT AN IMPORTANT INDUSTRY. VERY SORRY SECRETARY O'LEARY CAN'T BE HERE -- SHE IS KEEPING A COMMITMENT TO SEVERAL GOVERNORS ON THE WEST COAST. I LOOK TO HER AGENCY AND HER ADVICE TO MAKE SURE WE DO EVERYTHING WE CAN TO MAXIMIZE THE VALUE OF THIS KEY SECTOR.

THIS IS AN INDUSTRY WITH A GREAT PAST AND A GREAT FUTURE. HAS LED THE WORLD TECHNICALLY AND COMMERCIALY THROUGHOUT ITS HISTORY AND CONTINUES TO DO SO. TODAY, IT IS PIONEERING OVERSEAS IN CHALLENGING NEW PHYSICAL AND POLITICAL ENVIRONMENTS, AND PIONEERING AT HOME IN THE COST-EFFECTIVE DISCOVERY AND EXTRACTION OF MARGINAL RESOURCES.

AN IMPRESSIVE RECORD OF LEADERSHIP AND ADAPTABILITY IN THE FACE OF ENORMOUS CHANGE -- PHYSICAL, TECHNICAL, POLITICAL AND ECONOMIC. (READ THE PRIZE.) THIS MUST CONTINUE. WE ARE FARTHER OUT THE CURVE THAN OUR COMPETITORS -- IN TERMS OF RESOURCES ALREADY EXPLOITED, IN TERMS OF ENVIRONMENTAL PROTECTION. WE HAVE TO MAKE THE RIGHT DECISIONS OUT HERE AT THE EDGE.

I WANT YOUR IDEAS ON HOW TO DO THAT -- HOW TO KEEP OUR LEAD AS WE PUSH THE ENVELOPE. PLEASE KEEP IN MIND THAT WE'RE ON A THIN EDGE AS FAR AS BUDGET IS CONCERNED TOO. IF WHAT YOU THINK WE NEED TO DO COSTS MONEY, PLEASE ADDRESS HOW WE CAN COME UP WITH IT. FORTUNATELY THIS IS A PRETTY PRUDENT BUNCH WHEN IT COMES TO DEFICIT CONTROL.

I'LL TURN THE FLOOR OVER TO SENATOR BOREN NOW, FOR ABOUT 25 MINUTES. THEN I'LL SEE WHAT IMMEDIATE RESPONSE WE CAN GIVE AND GO ON TO QUESTIONS. SENATOR BOREN, WELCOME.

BOREN GROUP REMARKS

25 MIN

LINEUP: 5 SENATORS; 5 CONGRESSMEN

✓ BOREN	✓ BREWSTER	✓ ARCHER	BREAUX	✓ DOMENICI
✓ THOMAS	BINGAMAN	DOOLEY	KASSEBAUM	POSHARD

ADDITIONAL MEMBER REMARKS

5 MIN

POTUS CALL ON SENATOR JOHNSTON AND CONGRESSMAN SYNAR FOR ADDITIONAL BRIEF REMARKS.

ADMINISTRATION RESPONSE

10 MIN

POTUS:

THANK GROUP; MAKE ANY PERSONAL OBSERVATIONS. CALL ON TREASURY SECRETARY BENTSEN FOR HIS RESPONSE. CALL ON ENERGY DEPUTY SECRETARY WHITE TO SUMMARIZE WHERE WE ARE ON VARIOUS PROPOSALS AND HOW WE ARE PROCEEDING.

SECRETARY BENTSEN:

SYMPATHETIC TO CONCERNS; NEED REVENUE NEUTRAL RESPONSE; ECONOMIC PROGRAM IS BIGGEST HELP OF ALL

DEPUTY SECRETARY WHITE:

1. WHAT WE'VE DONE.

DOMESTIC GAS AND OIL INITIATIVE

- INCREASED PRIVATE/FEDERAL PARTNERSHIP IN NEW TECHNOLOGIES AND GREATER ACCESS BY SMALLER PRODUCERS -- E.G. DOE NATURAL GAS RESEARCH REQUEST TRIPLED, TO ALMOST \$300 MM, FROM FY93 TO FY95.

- CONTINUED REMOVAL OF REGULATORY AND TECHNICAL BARRIERS TO USE OF NATURAL GAS FOR TRANSPORTATION AND ELECTRICITY GENERATION -- E.G. FEDERAL PURCHASING OF NATURAL GAS FUELED VEHICLES.

- REDUCTION OF FEDERAL REGULATORY BURDENS -- E.G. DOE WORK WITH EPA ON SITE-WIDE COMPLIANCE FOR REFINERIES.

2. WHAT IS UNDER REVIEW.

ANS OIL EXPORT
G&G TAX TREATMENT
MARGINAL WELL INCENTIVES
OPA90 FINANCIAL RESPONSIBILITY
NPR UNDERREPORTING PENALTIES

3. STATUS/TIMING

STUDY AVAILABLE SHORTLY
COMPLETE TRS/DOE ANAL. JUNE 94
COMPLETE NPC STUDY JULY 94
DOI DEVELOPING LEGISLATION
OMB CLEARING DOI AMENDMENT

MOVING AHEAD ON ALL THESE MATTERS. WANT TO WORK WITH MEMBERS AS FINISH UP ANALYSES TO FORM INFORMATION BASE FOR DECISIONS.

4. WHAT CRITERIA.

REVENUE NEUTRALITY
RESOURCE EFFICIENCY
AGENDA CONSISTENCY

QUESTIONS AND ANSWERS

10 MIN

POTUS TO HANDLE Q&A

NOTE:

UNLIKELY TO GET HERE IN ONE HOUR, GIVEN NUMBER OF
CONGRESSIONAL SPEAKERS. BE SURE TO ALLOW TIME FOR
CLOSING REMARKS

MEMBERS WITH QUESTIONS, IN SUGGESTED ORDER:

1. REP. JIM CHAPMAN	DEMOCRAT	TEXAS
2. SEN. BEN NIGHTHORSE-CAMPBELL	DEMOCRAT	COLORADO
3. REP. BILL RICHARDSON	DEMOCRAT	NEW MEXICO
4. SEN. PAUL SIMON	DEMOCRAT	ILLINOIS
5. REP. BILL JEFFERSON	DEMOCRAT	LOUISIANA
6. SEN. TED STEVENS	REPUBLICAN	ALASKA
7. REP. DAVE CAMP	REPUBLICAN	MICHIGAN
8. REP. DAVE McCURDY	DEMOCRAT	OKLAHOMA
9. REP. FRANK TEJEDA	DEMOCRAT	TEXAS

POTUS CLOSING REMARKS

5 MIN

LET ME REINFORCE THREE THINGS:

1. I WANT THE DOE GAS AND OIL INITIATIVE CURRENTLY UNDERWAY TO BE JUST AS HELPFUL TO YOU AS POSSIBLE, AND I WILL WORK TO SEE IT FULLY FUNDED.

2. UNNECESSARILY BURDENSOME REGULATION IS NOT PART OF MY POLICY. I HAVE AN EXECUTIVE ORDER WHICH CALLS FOR BALANCING OF COSTS AND BENEFITS OF REGULATION, AND I INTEND TO SEE THAT THAT IS DONE FOR OIL AND GAS REGULATION AS ELSEWHERE.

3. I UNDERSTAND WHAT YOU ARE SAYING ABOUT TAX RELIEF, BUT IT IS AWFULLY TOUGH WITH NO MONEY. I'LL LOOK TO SEE WHAT WE CAN AFFORD, BUT AS YOU KNOW THE CUPBOARD IS BARE. PERHAPS THERE ARE WAYS TO REDIRECT CURRENT TAX ASSISTANCE TO THE INDUSTRY THAT WOULD MAKE IT MORE EFFECTIVE FROM YOUR POINT OF VIEW. I'D CERTAINLY BE GLAD TO TALK WITH YOU ABOUT THAT.

PLEASE CONTINUE TO WORK WITH THE INTERAGENCY GROUP I SET UP. THEY NEED YOUR INPUT. THANK YOU FOR COMING.

CONGRESSIONAL PARTICIPANTS

✓ 1. Sen. David L. Boren Democrat Oklahoma

One of two principal organizers of the meeting.

Issue he will speak to: overview of the energy crisis

Finance Committee

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, new well tax credits, elimination of limitations on percentage depletion, all regulatory proposals.

✓ 2. Rep. Bill K. Brewster Democrat Oklahoma

One of two principal organizers of the meeting.

Issue he will speak to: tax credits

Ways and Means Committee

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, new well tax credits, all regulatory proposals.

✓ 3. Rep. Bill Archer Republican Texas

Issues he will speak to: tax credits and ANWR

Ways and Means Committee, Ranking Member

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, new well tax credits, OCS royalty relief, deep water tax credit, all regulatory proposals, access to federal lands.

✓ 4. Sen. Pete V. Domenici Republican New Mexico

Issue he will speak to: regulatory relief

Energy and Natural Resources Committee, Appropriations Committee

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, new well tax credits, deep water tax credit, all regulatory proposals, access to federal lands.

✓ 5. Sen. John B. Breaux Democrat Louisiana

Issues he will speak to: OCS and G&G expensing.

Finance Committee, Commerce Committee

Issues of concern: deepwater tax credit, gasoline import fee (Environmental Equalization Fee), expensing of geological and geophysical costs, new well tax credits, OCS royalty relief, all regulatory proposals.

540M
per
55 per barrel
\$200 in one 5 yr-

6. Rep. William (Bill) M. Thomas Republican California

Issues he will speak to: heavy oil and tax credits

Ways and Means Committee

Issues of concern: lifting the Alaskan North Slope oil export ban.

7. Rep. Calvin (Cal) M. Dooley Democrat California

Issues he will speak to: ANS and royalty relief

Natural Resources Committee

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, removing ban on export of Alaska North Slope crude oil.

8. Sen. Nancy Landon Kassebaum Republican Kansas

Issue she will speak to: marginal wells

no related committee assignments

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, new well tax credits, elimination of limitations on depletion allowance, all regulatory proposals.

9. Rep. Glen Poshard Democrat Illinois

Issues he will speak to: marginal wells and OPA

Public Works Committee

Issues of concern: expensing of geological and geophysical expenses, marginal well tax credits, new well tax credits, elimination of limitation on depletion allowance.

10. Sen. Jeff Bingaman Democrat New Mexico

up for election this year

Issues he will speak to: wrap up and call to action

Energy and Natural Resources Committee

Issues of concern: expensing of geological and geophysical costs, marginal well tax credits, new well tax credits, elimination of limitations on depletion allowance, all regulatory proposals.

TALKING POINTS ON THE CRIME BILL

6/16/94 (Liz Bernstein x62546)

PRIORITIES

This bill continues to be a very high priority for the administration. We are confident it will include the President's key principles -- more cops on the street, smart and aggressive prevention policies, tough enforcement provisions and adequate prison funding.

The President will be taking up the issues of fighting crime and our sweeps policy at the Robert Taylor Homes in Chicago tomorrow and will also emphasize our key principles in the radio address on Saturday.

TIMING

The crime conference begins today -- The leadership has assured us that they will work hard to get this bill passed as quickly as possible.

[note: we should be very careful not to put down any time parameters for floor action or the vote -- we are urging for swift action but are also in the process of negotiating some compromises on various issues and do not want to get locked in]

BIPARTISANSHIP

The crime bill is not about politics. Testimony to the spirit and strength of its bipartisan support is the commitment from both sides of the aisle to get this bill passed quickly. In addition, the Attorney General was joined by Republican Senator Danforth and Democratic Senator Bradley in a USA Today op-ed piece on the importance of the Community Schools provisions in the bill.

RACIAL JUSTICE

The Senate voted in May to reject the House's Racial Justice provisions, and both House and Senate Republicans are strongly opposed to its inclusion in the final bill.

As Attorney General Reno said in her letter to Biden and Brooks last Monday, we are willing to work with the conferees to make sure that the death penalty is fairly implemented while still maintaining the use of capital punishment for the most heinous crimes.

FUNDING

This bill has real dollars behind it. The Senate has agreed to set up a trust fund, from workforce reduction savings, that would fully fund both the enforcement as well as the prevention components of the bill.