

8:15 a.m.

M E M O R A N D U M

November 13, 1989

TO: SENATOR DOLE
FROM: JIM WHITTINGHILL
SUBJECT: SPEECH TO INGAA

You will be met in the lobby by Jerry Verkler, Senior Vice President of the Interstate Natural Gas Association of America.

This Association represents the interstate natural gas pipelines.

The attendance number is not clear, but they said somewhere between 25 and 45, mostly Washington Reps., some consultants, and maybe a few CEOs.

Your talk can be as long or short as you wish, and they hope to have Q & As.

Of most interest will be the Congressional schedule for sine die and consideration of the Clean Air Act.

Your remarks are drafted as representing a gas producing state, recognizing all in the industry -- producers, pipelines and the local distribution companies (LDCs -- like Washington Gas) must work together. The basic line is that there was too much regulation in the past, much remains, and the best solution is to let the industry work out the problems, with as little government intervention as possible.

Speak *Tues. Nov. early Dec.*
Tues - Fri
8:15 Breakfast buffet
8:30 SPEAK

October 27, 1989

TO: Senator Dole
FROM: Betty
RE: Speech to Interstate Natural Gas Assn. (INGA)

Og

Former Sen. Mark Andrews has invited you to speak to officials
of the Interstate Natural Gas Association on a Tuesday thru
Friday in November or early December at an 8:00 or 8:30 am
breakfast meeting. Approx. 15 people would attend.

Event would be at their offices at 555 - 13th St., NW - *Suite 300 West*
Suite 300 -- and there will be a \$2,000 honorarium.

Would like 10-15 min speech and 10-15 Q & A.

Contact: Mark Andrews 457-5671

Jacqueline

11/30 (advise) Jacqueline Sen would do

(Bolt) *8:15 a.m.*
30-40
people

8:15 a.m.

INGA
Ball
Room

Nov. 14
Tues



*Joyce to Greg
Cops Whit*

October 31, 1989

Honorable Robert Dole
Senate Minority Leader
United States Senate
Washington, DC 20510

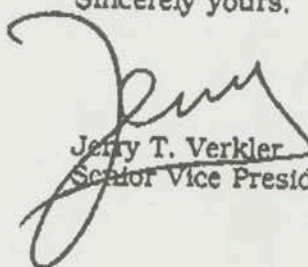
Dear Senator Dole:

I was delighted to learn from Betty that your schedule will be clear to accept our invitation to be our guest on November 14 at a program we call the "INGAA Washington Forum". It is a very informal breakfast meeting of pipeline, producer and distribution interests. Although sponsored by INGAA, virtually all segments of the natural gas industry are represented. There will be approximately 35-40 in attendance, most of them Vice Presidents of their respective companies.

Our guests usually speak for 15 or 20 minutes on current issues pending before Congress, followed by a question and answer period. We start about 8:15 a.m., and are finished by 9:15 a.m. The meeting will be held in our office at 555 - 13th Street, N.W., Suite 300 West. As Betty indicated, we will look for you about 8:30 a.m.

We look forward to your visit, and we are highly honored to have you participate in our program.

Sincerely yours,


Jerry T. Verkler
Senior Vice President

JTV:jl

REMARKS TO INTERSTATE NATURAL GAS ASSOCIATION

NOVEMBER 14, 1989

ON JULY 26 OF THIS YEAR, I BREATHED A SIGH OF
RELIEF WHEN THE PRESIDENT SIGNED THE NATURAL
GAS DECONTROL ACT OF 1989 INTO LAW.

- 2 -

WHEN THE SENATE TOOK ITS FINAL VOTE ON JUNE
22, I STOPPED TO REFLECT A LITTLE ON THE HISTORY OF
THE FEDERAL GOVERNMENT'S INVOLVEMENT IN
NATURAL GAS.

AS YOU ALL KNOW, THE PIPELINES CAME UNDER
SUPERVISION IN THE 1938 NATURAL GAS ACT, WHICH
PUT NATURAL GAS UNDER THE INTERSTATE COMMERCE
CLAUSE OF THE CONSTITUTION.

- 3 -

BUT, FOR MY INTEREST REPRESENTING KANSAS,
THINGS BECAME MUCH MORE COMPLICATED IN THE
1954 PHILLIPS CASE, WHICH SAID THE FEDERAL
GOVERNMENT COULD REGULATE THE CONTRACTS ON
THE SALE OF GAS WHICH ENDED UP IN INTERSTATE
COMMERCE.

TO PUT THIS IN PERSPECTIVE, I HAVE REPRESENTED
THE LARGEST "FOREVER REGULATED" RESERVE OF
NATURAL GAS FOR 80% OF THE TIME IT HAS BEEN
UNDER FEDERAL CONTROL SINCE THE PHILLIPS CASE.

- 4 -

SO, AS I SAID, I WAS RELIEVED WHEN THE
PRESIDENT FINALLY SIGNED THE BILL TO "LET MY
PEOPLE FREE."

REMAINING PROBLEMS

UNFORTUNATELY, LIKE MOST ISSUES BEFORE THE
CONGRESS, WE DIDN'T SOLVE ALL THE PROBLEMS IN
THE NATURAL GAS INDUSTRY.

- 5 -

AND, IT SEEMS THAT THE PIPELINES HAVE AND WILL
CONTINUE TO HAVE THE MAJORITY OF THE PROBLEMS,
SINCE I CANNOT FORESEE ANYTIME IN THE NEAR
FUTURE THAT CONGRESS IS GOING TO ABOLISH FERC
(federal energy regulatory commission).

LET ME JUST TOUCH ON ONE OR TWO MATTERS
THAT ARE RATHER TIMELY. I KNOW THAT MANY OF YOU
WILL BE LOOKING FORWARD TO TOMORROW'S MEETING
AT FERC WHEN THEY ARE SUPPOSED TO DECIDE ON A
RESPONSE TO THE D.C. CIRCUIT COURT ON ORDER 500.

- 6 -

WITH RESPECT TO THE ISSUE OF ACCESS,
CONTRACT TERMS, AND MARKETING, I BELIEVE THAT NO
MATTER WHAT HAPPENS TOMORROW, OR EVEN AT THE
CIRCUIT COURT, WE MUST EVENTUALLY FIND A PROCESS
THAT IS REMOVED FROM THE VESTIGES OF PRICE AND
MARKET CONTROLS.

- 7 -

THE CURRENT DEBATE IS TOTALLY WRAPPED UP IN
TRYING TO UNTIE THE KNOTS THAT THE INDUSTRY --
FROM PRODUCERS THROUGH PIPELINES TO THE LOCAL
DISTRIBUTION COMPANIES -- WAS BURDENED WITH BY
CONGRESS TRYING TO RUN THE BUSINESS FROM START
TO FINISH. WE FAILED, WE HAVE BEGUN TO ADMIT IT,
AND WE NEED TO CONTINUE LETTING INDUSTRY BRING
ABOUT ADEQUATE SUPPLY AT REASONABLE PRICES
WITH AS FEW FEDERAL STRINGS ATTACHED AS
POSSIBLE.

- 8 -

GETTING BACK TO WHAT CONTROLS MAY REMAIN,
THE BLACK/MARLIN POLICY DECISION IS A BEGINNING. I
KNOW YOU ARE INTERESTED IN SO-CALLED "INCENTIVE
REGULATION" WHICH WOULD REDUCE YOUR BURDEN OF
ARGUING RATE CASES EVERY THREE YEARS. AGAIN, I
BELIEVE THAT WE NEED TO GET BACK TO A PHILOSOPHY
OF LETTING PRODUCERS, THE PIPELINES AND THE LDCs
PROVIDING GAS AT REASONABLE PRICES.

- 9 -

I DON'T THINK IT'S IN THE LONG TERM INTEREST OF
THE COUNTRY TO CREATE NEW NAMES FOR BASICALLY
THE SAME TYPES OF TRANSACTIONS THAT ONLY
OCCURRED DUE TO GOVERNMENT INTERFERENCE, AND
THEN CALL IT REFORM.

- 10 -

ON ANOTHER ITEM, LET ME SAY THAT THE FUTURE
AT FERC LOOKS BRIGHT. AS YOU KNOW, PRESIDENT
BUSH HAS NOMINATED HIS LONG TIME FRIEND AND
FORMER MIDLAND, TEXAS NEIGHBOR MARTIN ALLDAY TO
BE THE NEW CHAIRMAN. THE SENATE CONFIRMED THE
NOMINATION LAST NIGHT. IT'S NICE TO HAVE THE
GOVERNMENT AGENCY THAT YOU DEAL WITH MOST
HAVING DIRECT ACCESS TO THE OVAL OFFICE, AND
BEING LED BY SOMEONE WHO KNOWS THE INDUSTRY AS
WELL AS MARTIN ALLDAY DOES.

- 11 -

FUTURE

MANY OF YOU ARE LOOKING FOR THE CLEAN AIR TO
HELP THE INDUSTRY GAIN MORE SALES, AND YOUR
WISHES MAY WELL COME TRUE. I KNOW THAT I HEAR A
LOT OF DISCUSSIONS FROM THE HIGH SULFUR COAL
SENATORS AND THE LOW SULFUR COAL SENATORS.

- 12 -

KANSAS HAS A LITTLE COAL AND I'M ALL FOR
SELLING IT. BUT WE ALSO HAVE A LOT OF NATURAL GAS,
AND WE WANT TO SELL IT -- SELL IT TO YOU, AND SELL IT
AT "REASONABLE" PRICES.

- 13 -

NOW I DON'T KNOW HOW MUCH NATURAL GAS IS
YET TO BE FOUND IN THE U.S. -- BUT NEITHER DOES JIM
SCHLESINGER OR JIMMY CARTER. BUT, I DO KNOW THAT
MANY PRODUCERS -- INCLUDING THE MAJORS -- ARE
MOVING FROM BEING OIL PRODUCERS TO GAS
PRODUCERS. THAT INDICATES THAT THE REAL EXPERTS
LOOK TO A BRIGHT FUTURE.

- 14 -

AS I SAID, WE SHOULD BE LOOKING FOR WAYS FOR
EXPERTS TO FIND THE GAS, DELIVER THE GAS AND
BRING IT INTO OUR HOMES AND BUSINESSES, AND KEEP
THE AMOUNT OF GOVERNMENT MEDDLING DOWN TO A
MINIMUM.