

Proclamation 4412

January 3, 1976

**Modifying Proclamation No. 3279,<sup>1</sup> as Amended, Relating to Imports of Petroleum and Petroleum Products, and Providing for the Long-Term Control of Imports of Petroleum Products Through a System of License Fees**

*By the President of the United States of America*

**A Proclamation**

WHEREAS, pursuant to Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), the Secretary of the Treasury investigated the effects on the national security of imports of crude oil and the principal crude oil derivatives and products, and advised me that crude oil, the principal crude oil derivatives and products, and related products derived from natural gas and coal tar, were being imported in such quantities and under such circumstances as to threaten to impair the national security, and recommended that I take action to reduce such imports; and

WHEREAS, having considered the matters required by me to be considered by the said Trade Expansion Act of 1962, as amended, I issued Proclamation No. 4341 to adjust such imports by accelerating the base fees and imposing a supplemental fee; and

WHEREAS, Congress has passed, and I have approved, legislation which establishes programs to reduce the vulnerability of the United States to interruptions in the importation of petroleum; and

WHEREAS, such legislation also provides for a system of price controls which will allow gradual increases in the cost of domestic petroleum to levels substantially above those which prevail at present and should, in the long term, promote petroleum conservation and tend to discourage the importation into the United States of petroleum and petroleum products; and

WHEREAS, I have thus determined that the purposes of the supplemental fee will be served by such legislation, and that it is consistent with the national security to eliminate the supplemental fee effective December 22, 1975; and

WHEREAS, in order to offset the relative advantages of locating refining capacity abroad, and to carry out the other long term objectives of the import program established pursuant to Proclamation No. 4210 of April 18, 1973, I have determined to retain the base fees at this time; and

WHEREAS, certain modifications to the Mandatory Oil Import Program are necessary to facilitate the availability of crude oil supplies to United States users through exchanges of Canadian and United States crude oil, and for other purposes;

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, acting under and by virtue of the authority vested in me by the Constitution and the laws of the United States, including Section 232 of the Trade Expansion Act of 1962, as amended, do hereby proclaim that, effective as of December 22, 1975, Proclamation No. 3279, as amended, is hereby amended as follows:

19 USC 1862 note.

<sup>1</sup> 24 FR 1781; 3 CFR, 1959-1963 Comp., p. 11.

SECTION 1. The last sentence of paragraph (c) of Section 1 is deleted.

SEC. 2. Subparagraph (1) of paragraph (a) of Section 3 is amended by deleting clauses (iii) through (viii), by redesignating clauses (ix) and (x) as clauses (iv) and (v) respectively, by substituting the words "paragraph 3(a)(1)(i)-(ii)" for the words "paragraph(s) 3(a)(1)(i)-(iii)" wherever they may appear, and by adding clauses (iii), (vi), and (vii) to read as follows:

"(iii) with respect to the fees imposed pursuant to paragraph 3(a)(1)(i)-(ii), the amount of such fees shall be reduced, in such manner as may be provided by the Administrator, by an amount equal to any applicable duties;

"(vi) with respect to licenses issued against a surety bond pursuant to paragraph 3(a)(1)(i)-(ii), fees shall be paid no later than the last day of the month following the month in which such imports were released from customs custody or entered or withdrawn from warehouse for consumption, whichever occurs first; and

"(vii) with respect to imports made on or before December 21, 1975, all supplemental fees payable under paragraph 3(a)(1)(iii) of this Proclamation as in effect on December 21, 1975, shall be payable in accordance with this Proclamation as in effect on that date."

19 USC 1862 note.

SEC. 3. Subparagraph (3) of paragraph (a) of Section 3 is amended to read as follows:

"(3) The Administrator is authorized to refund or reduce fees, whether in whole or in part, (i) where the licensee failed to use, wholly or in part, the license issued to him, (ii) where refunds or reductions, whether in whole or in part, are ordered pursuant to Section 5, (iii) where refunds or reductions, whether in whole or in part, are called for by reason of a person having exported finished products or petrochemicals, (iv) where crude oil imported by virtue of a license for which a fee was paid has been manufactured into asphalt, (v) for payment to the importer of record of sums refunded pursuant to clauses (iii), (iv), (v) and (vii) of paragraph 3(a)(1), as amended by this Proclamation, (vi) where the importer of record participates in an exchange in accordance with the next to last sentence of paragraph 4(b)(1), (vii) where refund of a license fee is called for by reason of the same having been improperly charged."

SEC. 4. Subparagraph (2) of paragraph (c) of Section 3 is deleted. Subparagraph (3) of paragraph (c) of Section 3 is redesignated as paragraph (2).

SEC. 5. Subparagraph (1) of paragraph (b) of Section 4 is amended by inserting the following sentence immediately before the last sentence:

"Notwithstanding the levels established in Section 2 of this Proclamation, the Administrator may make allocations to which license fees under paragraph 3(a)(1)(i)-(ii) shall not be applicable, with respect to crude oil or unfinished oils imported from Canada in exchange for crude oil, unfinished oils, or finished products produced in the United States or entered into United States Customs territory and exported to Canada."

SEC. 6. Paragraph "n" of Section 11 is deleted.

IN WITNESS WHEREOF, I have hereunto set my hand this third day of January, in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundredth.

GERALD R. FORD