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22 JUN 1979

MEMORANDUM FOR: Deputy Director for Administration

FROM: James H. McDonald
Director of Logistics

SUBJECT: Impact of Automotive Fuel Shortages on the Agency

1. The Agency is beginning to encounter difficulty in obtaining sufficient automotive fuel. Although we are continuing to provide the needed motor pool and courier services, our supplies are precariously low, and unless some relief is forthcoming in the next several days, we could be in trouble.

2. The present crisis is causing a significant drain on the gasoline inventory at the Motor Pool. With the existing stocks and the current daily consumption, the Motor Pool has only enough unleaded fuel to last until Monday, 2 July; leaded or regular fuel until Tuesday, 3 July; and enough diesel fuel until Friday, 20 July.

3. By enforcing immediate stringent measures, it would be possible to extend the number of days that this supply will last. Currently in effect at the pump is a minimum of five gallons per vehicle per day. All components operating Government vehicles have been contacted and requested to accept this five-gallon limitation and to further help whenever and wherever possible by filling their tanks at service stations along their route. Additionally, components have been asked to place more reliance on POV's for their official business, since either way their drivers will have to perhaps wait in lines. Current reserves are being held for courier and shuttle use and for use by the DCI and DDCI vehicles.

4. The Mail and Courier Branch, Logistics Services Division, Office of Logistics (LSD/OL), is reviewing the areas whereby courier runs can, for the duration of the crisis, either be combined and/or the frequency reduced. The Motor Pool Branch, LSD/OL, is also reviewing its shuttle service with the same goal in mind. Clearly, a dramatic drop in the daily gasoline issues must be achieved if we are to fulfill our mission.

Approved For Release 2005/08/02 : CIA-RDP85-00988R000100100071-3 79-2542

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5. Illustrative of current usage is the fact that during the months of March, April, and May of this year, an average of 356 gallons of leaded and 330 gallons of unleaded gasoline were used each working day, for a total monthly average of 7,832 gallons leaded and 7,260 gallons unleaded, respectively; or, for the first 15 working days of June, an average of 338 gallons of leaded and 343 gallons of unleaded were used. On a projected basis, this would total 7,436 gallons of leaded and 7,546 gallons of unleaded, respectively.

6. Although allocation figures can fluctuate depending upon product availability, suppliers have advised that our present allocation figures for July are as follows:

Headquarters Motor Pool

| | | | | |
|---|---|---|---|---|
| Leaded Gas | - | 50 percent | or | 3,956 gallons |
| Unleaded Gas | - | 75 percent | or | 3,923 gallons |

Based on the June projection, this is indicative of a projected shortfall of 3,480 gallons of leaded and 3,617 gallons of unleaded gasoline for the Headquarters Motor Pool.

7. Title 10, Code of Federal Regulations (CFR), 211.103, provides one hundred (100) percent of current requirements for agricultural production and Department of Defense (DoD) use (except for housekeeping requirements), and shall take effect only following the approval of the President. Otherwise, gasoline allocation for Government use shall be 100 percent of base period (November 1977 - October 1978) as reduced by application of an allocation fraction.*

8. If this Agency is going to improve its position, it would appear that an exception must be granted to include it under the same criteria which applies to DoD. The Agency has been designated a subclaimant to the DoD for priority allocation of materials under 50 USC App 2071, Defense Production Act of 1950. It appears reasonable to assume this Agency should also be deemed a subclaimant of DoD for its emergency fuel requirements. To this end, I have requested the Logistics and Procurement Law Division, Office of General Counsel (OGC), to seek an interpretation of the relevant Department of Energy regulations which grant DoD a 100 percent

*The allocations in paragraph 6 above are based on Agency usage during this base period.

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fuel allocation. Based on the prior approval of our sub-claimant status, we have forwarded a determination to our fuel supplier that this Agency is entitled to a 100 percent fuel allocation (copy attached). As for the immediate shortfall, we have made application to the Office of Emergency Energy Services for the immediate release of 4,000 gallons of leaded gasoline which has been approved and will be delivered to the Agency Motor Pool on Saturday, 23 June 1979.

9. Discussions have also been initiated with the General Services Administration (GSA) to explore possible methods of relieving the usage pressure on Agency supplies. GSA has scheduled a meeting for 2 July with some of the Federal agencies who are encountering problems similar to ours. A member of my staff will attend that meeting.

10. In my view, we may be able to deal with our problem in the short term. However, as you know, we place a heavy reliance on the use of POV's to move our people around. Since our employees are also experiencing the effects of the gasoline shortage, perhaps even to a greater degree than we as an agency are, we can expect our gasoline consumption to increase unless we impose the stringent measures discussed above and obtain an increase in fuel allocation.

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James H. McDonald

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