

JOURNAL OF THE SENATE

THURSDAY, October 23, 1975.

The chief clerk makes the following entries under the above date.

BILLS INTRODUCED

Read first time and referred:

Senate Bill 668

Relating to the use of the uniform traffic citation and complaint for violations of certain laws relating to the duties of drivers and pedestrians.

By Senator Lorge.

To committee on Commerce.

Senate Bill 669

Relating to altering current penalties for the possession of marijuana and establishing procedures for collecting certain forfeitures.

By Senators Risser, McKenna and Dorman, by request of the Wisconsin Association on Alcoholism and other Drug Abuse.

To committee on Judiciary and Consumer Affairs.

COMMITTEE REPORTS

The committee on Judiciary and Consumer Affairs reports and recommends for introduction:

Senate Bill 670

Relating to various criminal procedure changes.

Introduction; By unanimous consent.

Read first time and referred to committee on Judiciary and Consumer Affairs.

By request of Judicial Council.

and further recommends:

Senate Bill 267

Relating to jurisdiction of juvenile courts.

Adoption of senate substitute amendment 1; Ayes, 3; Noes, 2.

Passage as amended; Ayes, 3; Noes, 2.

Senate Bill 270

Relating to the supervision of juvenile offenders.

Passage; Ayes, 3; Noes, 2.

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Senate Bill 586

Relating to permitting city, village and town clerks to acknowledge instruments.

Passage; Ayes, 5; Noes, 0.

Senate Bill 587

Relating to the readability of conveyances and other instruments submitted to the office of the register of deeds.

Passage; Ayes, 5; Noes, 0.

Assembly Bill 146

Relating to prescribing controlled substances and providing a penalty.

Concurrence; Ayes, 5; Noes, 0.

Assembly Bill 224

Relating to the inclusion of fair market value decline and homeowner improvements in the determination of compensation in condemnation proceedings.

Concurrence; Ayes, 5; Noes, 0.

Assembly Bill 599

Relating to court costs in traffic ordinance forfeiture actions, entering pleas and demands for jury trial.

Concurrence; Ayes, 5; Noes, 0.

JAMES T. FLYNN

Chairman

The joint committee on Employment Relations reports and recommends for introduction:

Senate Bill 671

An act to ratify the agreement negotiated between the state of Wisconsin and the (professional science) Wisconsin association of science professionals, and authorizing an expenditure of funds.

Introduction; Ayes, 4; Noes, 1.

Read first time and referred to committee on Senate Organization.

Senate Bill 672

An act to ratify the agreement negotiated between the state of Wisconsin and the (education) Wisconsin federation of teachers, and its appropriate affiliated local, AFL-CIO, and authorizing an expenditure of funds.

Introduction; Ayes, 5; Noes, 1.

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Read first time and referred to committee on Senate Organization.

Senate Bill 673

An act to ratify the agreement negotiated between the state of Wisconsin and the (engineering) state engineering association, and authorizing an expenditure of funds.

Introduction; Ayes, 4; Noes, 1.

Read first time and referred to committee on Senate Organization.

Senate Bill 674

An act to ratify the agreement negotiated between the state of Wisconsin and the (building trades-crafts) Wisconsin state building trades negotiating committee, and authorizing an expenditure of funds.

Introduction; Ayes, 4; Noes, 1.

Read first time and referred to committee on Senate Organization.

Senate Bill 675

An act to ratify the agreement negotiated between the state of Wisconsin and the (professional patient care) Wisconsin nurses association, and authorizing an expenditure of funds.

Introduction; Ayes, 4; Noes, 1.

Read first time and referred to committee on Senate Organization.

NORMAN C. ANDERSON
Chairman

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Office of Emergency Energy Assistance

October 15, 1975.

To the Honorable, the Senate

In accordance with Chapter 157 of the Laws of 1973, I submit the following report covering the operation of the Office of Emergency Energy Assistance and the status of the energy situation in Wisconsin.

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Fuel Supplies

Table 1 is a new feature of the quarterly reports that I intend to utilize to put our short term energy supply situation in a more quantitative perspective than previous quarterly reports. My intention is to include in all quarterly reports a comparison of energy consumption in the quarter just completed with the same quarter in the previous year. In addition, I shall also compare the sales-supply forecasts for the two most recent months with actual sales and consumption for these same months in the preceeding year. Such comparisons are not always capable of unambiguous interpretations. However, they are the best indications of our current energy supply-demand situation and I shall tell you how I interpret their meaning.

Propane nationally continues to be a major supply problem. It is associated with natural gas production which is drastically below normal levels. It is also a good substitute for natural gas. Thus, demand for propane is increasing relative to a declining supply. In Wisconsin last quarter consumption was down slightly. This conservation, whether voluntary or due to federal controls, must continue because current supply forecasts are also down by about the same percentage contrasted with 1974 sales for September and October. One cautiously optimistic note is that the current fortuitous warm fall has reduced the need for propane crop drying purposes.

Gasoline nationally has become a "soft" supply market. Some slight price declines have been noted as competition increases. Changing marketing techniques of major oil companies, aimed in the direction of company-owned high-volume self-serve stations, will help hold down urban price increases for gasoline. But, this will also generate the opposite pressure on rural gasoline prices and fuel oil prices. Federal Energy Administration regulations, if retained, will tend to minimize, but not eliminate, these trends.

In Wisconsin the summer quarter's gasoline consumption increased slightly less than four percent. Most of the increase came in June and August, while July held constant. I offer for speculative purposes the fact that high public awareness of the 55 mph speed limit and the July gasoline price increases probably were the causes of this exemplary July performance. It is a sad comment that by August we seem to be headed down the wrong path, with gasoline consumption increasing by almost 6 percent compared to last year.

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In the short run gasoline shortages are not expected, even if we return to our gas-guzzling mind set. The reason for this, and a reflection of the softness of the national gasoline market, is the fact that current gasoline supplies are forecast to be almost 15 percent greater than last year's actual sales for these early fall months. If present ominous trends continue, gasoline supply problems by next spring will occur.

#2 Fuel Oil nationally is tight relative to gasoline markets. I am particularly concerned about the implications of the worsening national natural gas shortage for #2 fuel oil.

What I have been able to learn indicates to me that it is not only the American public that seems to doubt the announced natural gas shortage. Oil refiners are not switching refinery production over to fuel oil, which is a prime natural gas substitute for much of the country. Instead, they continue to compete for gasoline markets and increase gasoline supplies. I am particularly concerned with the implications of such myopia this winter.

In Wisconsin quarterly consumption of fuel oil in the summer of 1975 increased dramatically by almost 20 percent compared to 1974. Most of this increase in sales occurred in June. There is a small amount of evidence indicating that this may be good for Wisconsin, rather than one's first blush reaction that this is a signal that we are abandoning energy conservation. The reason for this is much of the almost 60 percent increase in June sales was probably used to fill residential fuel tanks and other inventories. It is my hope that extra pressure on fuel oil supplies due to a natural gas shortage may be somewhat cushioned by this June action. I must note that we cannot measure how much of an offset this June inventory will be, or, is still available. For that reason I remain extremely concerned about the natural gas shortage as discussed below.

Reviewing the supply forecasts for current months indicates a slight increase in #2 fuel oil availability (about 2 percent), contrasted with actual sales in this same period last year. This increase will not be sufficient to meet the additional natural gas shortage induced demands and/or the trend implied by the summer demand increase of almost 20 percent. I hope these factors are two ways of looking at the same thing, and not a compounding of bad news. At this point I do not know which is the correct interpretation. However, I remain especially concerned when I convert this year's expected natural gas supply shortage to its #2 fuel oil equivalent of between 150,000,000 and 300,000,000 gallons.

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Without major conservation efforts we simply will not be able to meet such increased demands.

Diesel Fuel is an unambiguous case. In the Summer quarter, consumption declined by about 2 percent in Wisconsin. Supply estimates for two month period are up by about 18 percent. Natural gas shortages and refinery shifts could worsen this picture, but at this point I am cautiously optimistic.

Electricity is not expected to be a short run supply problem. However, the rising cost of electricity is not expected to abate and supply problems in the long run will bring many competing social objectives into conflict. For both reasons we continue to work with the Public Service Commission for tariff reform that will have the joint objectives of economic, energy and environmental conservation. Table 2 shows that electricity sales were down slightly compared to the summer of 1975. Conservation efforts must continue in this area for obvious economic, environmental and energy-related reasons.

Natural Gas

This is the heart of our national and Wisconsin energy supply problem for this coming winter and in the years ahead. There can be no mistaking the fact that, whether contrived or blundered into, the natural gas crisis nationally is real. The extent of the problem in Wisconsin will depend on three factors:

- (1) What federal agencies decide to do nationally to share the shortage. The more this is done, the worse our own shortage will become.
- (2) How much voluntary, weather, and regulatory-induced conservation takes place in Wisconsin.
- (3) The geographic and sectoral impact of the shortage. In Wisconsin we will not all feel the shortage equally and factors (1) and (2) above will affect the problems associated with the specific differences within the state.

We are currently in the process of determining the names of, and notifying, those current gas users who have a high probability of being curtailed, and, who also have a low probability of being able to locate alternative supplies. Our computer information systems, along with what I hope will continue to be the personal touch played by our office, can help to minimize the effects of natural gas shortages on Wisconsin. I must stress, however, that despite my normal optimism, I am gravely concerned about the impact of natural gas shortages on the shortages on the state's

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economy, employment and vital public services. Table 2 shows a quite favorable decline in summer natural gas consumption. Such efforts must increase this winter. Table 3 indicates those counties, which are potentially vulnerable to a natural gas shortage due to the number of interruptible customers and the extent of natural gas usage. We currently expect the state's shortage to be approximately 25 billion to 50 billion cubic feet, and, interruptible customers will be the first to be curtailed. The problems will intensify, if other customers do not conserve. But, they can be eased if other customers increase their conservation efforts.

State Set-Aside (Hardship Allocation) Program

The third quarter of 1975 saw some profound changes take place in the operation of the State Set-Aside Program. Because the Congress and President Ford could not reach agreement on the shape of the nation's future energy policy, the federal authority under which our Set-Aside Program operates was temporarily ended on September 1, 1975. This move was anticipated by the energy office during August, and the office took steps to make certain that the amount of petroleum products allocated during August was higher than normal. This was done with the thought that as much product as possible should be allocated while controls were in place in order to eliminate future hardships. During July, 3,824,208 gallons of product were ordered delivered to successful hardship applicants. In August, the number of gallons of product ordered delivered rose to 4,586,546.

In September, with mandatory petroleum controls ended, Governor Lucey called on the oil companies to continue to cooperate on a voluntary basis with the energy office in handling hardship allocations and to continue to supply their present customers in the future. Firms supplying 80% of the sales volume in the state responded that they would continue to supply their present customers, while 45% said they would continue to participate with the energy office in a voluntary program for hardship allocations. Results of this program have been very gratifying. During September, using the voluntary program, 2,427,850 gallons of product were allocated to 91 hardship applicants.

A total of 405 applicants were provided with product during the quarter. Quantities, in gallons, of the various fuels allocated during the quarter were: Propane, 395,660; Motor Gasoline, 8,222,196; Kerosine, 30,200; Home Heating Oil, 1,276,486; Diesel Fuel, 829,202; Other Middle Distillates, 84,856.

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Presently, the Congress and the President have agreed to extend the fuel allocation program (and other oil controls) through November 15, 1975. After that date, they must decide how they wish to attack the energy problem, either with another limited term measure, or, to manage the situation in the long run.

Examples of Significant Actions Taken During this Quarter

Northern Wisconsin Colony and Training School

Northern Wisconsin Colony has, for some time, been faced with a conundrum of bureaucratic restrictions. The Environmental Protection Administration ruled that they could not longer burn coal, while the Federal Energy Administration refused to allow them to purchase fuel oil. Neither agency was willing to retreat from its original position. After this bureaucratic posturing continued for several months, the Office of Emergency Energy Assistance began to pressure the Federal Energy Administration for resolution of the matter. We are pleased to report the problem has now been resolved, and the Colony will be permitted to burn fuel oil to operate its physical plant.

Hospitals

The office was instrumental in averting serious energy problems in two of the major hospitals in Wisconsin. At Mercy Hospital in Janesville, construction of a new wing created a need for natural gas in larger amounts than the supplying utility had planned for, and it looked for a time as if there would be a curtailment of gas service to the hospital. The Office of Emergency Energy Assistance began allocating to the hospital supplies of fuel to carry it through the problem period. Once the supplying utility had examined its error, which was pointed out by this office, utility personnel agreed that it would be proper for the utility to fulfill its obligation, and to supply the hospital with its increased needs.

In the other case, St. Vincent's Hospital in Green Bay, new construction again had placed the hospital involved under a threat of curtailment. The energy office arranged for contingency backup fuel during the interim danger period. The hospital confirmed the utility's description of the seriousness of the situation with the energy office, and instituted an energy conservation program which is expected to reduce natural gas requirements to an amount no greater than prior to the new construction. This conservation is equivalent to a 40% energy savings.

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Foundry Operations

A final decision was reached during the quarter which will allow a major foundry, Malleable Iron Range Company, to continue its operations within the State. The foundry had been beset by conflicting regulations of the Federal Energy Administration and the Environmental Protection Administration. It appeared as if the foundry might be forced to curtail its manufacturing activities, causing a large loss of jobs. Through the prodding of the energy office, a decision was made in Washington, D.C. which resolved the conflict and assured a supply of energy to fuel the plant.

Pipeline Operations

The major crude oil pipeline in Wisconsin, Lakehead, almost ceased pumping product through its facility due to lack of fuel to run its pumping equipment. The Office of Emergency Energy Assistance arranged for delivery of diesel fuel to the pipeline so that it could continue to operate. These steps were taken during the uncertain period of early September when Federal controls lapsed. Therefore, the actions were even more precarious because we had to "jawbone" the suppliers due to a loss of federal authorization.

Institutional Reform of the Wisconsin Office of Emergency Energy Assistance

When I assumed my duties as energy director some nine months ago I accepted the assignment of making a recommendation concerning possible changes in the State's institutional commitment to energy problems. The Governor noted that while I am expected to maintain a continued long term interest in the related problems of energy, economy and environment, I am also on leave from the University and am expecting to return. This he hoped would make my recommendations more neutral than if they were made by a long term civil servant. I have tried to keep that thought in mind in preparing these recommendations.

Since I began work on this assignment, I have heard various recommendations, including one that a cabinet-level, consolidated Department of Energy be created and other that suggested the State Planning office should simply absorb the energy office.

I have spent the last nine months: (1) trying to deal with day-to-day emergencies, (2) using our information gathering abilities to anticipate the next day-to-day problems before they occur in order to minimize their effects on Wisconsin, and (3) attempting to analyze legislative and regulatory actions that will have a long term energy conservation effect. This in-service experience, plus

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discussions with my counterparts in other states and learning how those states have responded to the question, is the background that I have drawn upon to make my recommendation concerning the energy office.

I feel that, given the importance of this issue for all of us, you should know that I believe the thought and analysis I brought to this problem is my best. I point this out because my recommendation is not earthshaking. It is quite simply that no organizational changes should be made and the Wisconsin Office of Emergency Energy Assistance should be maintained as an independent, highly visible, barebones staff operation.

The reasons for my status quo recommendation are as follows:

The energy crisis, although changing in nature is not abating. Indeed, I believe it will intensify.

Federal inaction means that we in Wisconsin must be prepared to fend for ourselves. The emergency nature of the expected problems, plus the desirability of a highly visible-nonbureaucratic place to turn, must be maintained to protect our energy consumers and jobs.

There was a two week period during this summer when I perceived a drop in the day-to-day allocation pressures on the office and turned my thoughts to the luxury of heading an energy office becoming involved in intermediate or long term planning. While, I am happy to report that I believe we are not currently in a position where merely react to day-to-day problems, we no longer hold out the thought that we can spend a large amount of our resources on planning. The here-and-now dominates our time and effort. We have been successful in anticipating and alleviating some short term problems before they became crises. However, we cannot afford the luxury of long term planning. Our day-to-day problems are back and, are rising in complication and number. The State needs an emergency energy and assistance office. But I don't believe the research nature of planning is at home when we are involved in chasing down immediate problems.

In order not to fall into the trap of making short term decisions that will bury us in the long run, I suggest that planners in the State Planning Office, who specialize in energy, be assigned to us for specific projects and review in order to improve coordination. However, we cannot afford to get bogged down planning for the future when current forecasts are so grim.

I am not interested in growing bureaucracies and I am often appalled by the constraints of civil service. Additionally, I believe busy people are more productive. For these reasons I am opposed

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to increasing the staff of the energy office. I have no doubt that if problems continue to mount that I can come and seek additional assistance or borrow people from other agencies, but building up a stock of personnel in anticipation of this is, in my view, excessively wasteful.

The final reason for my position is pragmatic. We are currently in a position where representatives of the entire political spectrum are telling people that the energy outlook is about to take a serious turn for the worse. However, people are not experiencing that crisis with the exception of higher prices today. This means that change without a detailed set of reasons is not politically viable and therefore I believe it does not make sense.

In brief, I support a retention of the Wisconsin Office of Emergency Energy Assistance in a status quo state. I shall be happy to answer additional questions and participate in further dialog concerning this matter.

CHARLES J. CICHETTI

Director

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin

October 15, 1975.

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

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Senate Bill	Chapter No.	Date Approved
183 -----	87 -----	October 16, 1975
499 -----	88 -----	October 16, 1975

Sincerely,
PATRICK J. LUCEY
Governor

MOTIONS UNDER SENATE RULE 96

A Certificate of Congratulations by Senators McKenna and Murphy for MRS. LAURA BEANE on being chosen the 1975 National Dairy Wife by the World Dairy Expo.

A Certificate of Condolence by Senator Theno for the family of DR. HOWARD SANDIN on his death.

A Certificate of Commendation by Senator Risser for MRS. RUTH GORDON on being chosen International Secretary of the Year at the National Secretaries Association.

A Certificate of Congratulations by Senator Theno and Representative Kedrowski for the MELLENS LIONS CLUB on their 25th anniversary.

AMENDMENTS OFFERED

Senate amendment 1 to senate substitute amendment 1 to **Senate Bill 296** by Senator Thompson, by request of the Department of Public Instruction.

Senate substitute amendment 1 to **Senate Bill 656** by Senator Lorge.

Senate amendment 1 to **Senate Bill 600** by Senator Parys, by request of Tom Bertz.

Senate amendment 1 to **Senate Bill 643** by Senator Risser.

Senate amendment 1 to **Senate Bill 660** by committee on Commerce, by request of the Wisconsin School Bus Association.