

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Independent Gasoline Marketers Council, Inc. v. Duncan; Marathon Oil Corporation v. Carter

492 F. Supp. 614 (D.D.C. 1980) · No. Civ. A. Nos. 80-1116, 80-1181 · Decided May 14, 1980

SUMMARY

The United States District Court for the District of Columbia held that the Petroleum Import Adjustment Program, established through presidential proclamations, exceeded the authority granted by the Trade Expansion Act and the Emergency Petroleum Allocation Act. The court also concluded that the program's gasoline conservation fee conflicted with congressional restrictions and could not be justified as an inherent presidential power. The court declared the program unlawful and enjoined its implementation.

CASE DETAILS

COURT	United States District Court for the District of Columbia
WRITING FOR THE COURT	Aubrey E. Robinson, Jr.
JURISDICTION	USA
DECIDED	May 14, 1980
DOCKET	Civ. A. Nos. 80-1116, 80-1181
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs in consolidated actions sought preliminary and permanent injunctive relief against implementation and enforcement of the Petroleum Import Adjustment Program. The court consolidated the hearing on preliminary relief with trial on the merits and entered findings of fact and conclusions of law under Federal Rule of Civil Procedure 52(a).
STANDARD OF REVIEW	The court reviewed whether the President's program was authorized by the governing statutes and whether the statutory procedural prerequisites had been satisfied.
PRECEDENTIAL VALUE	Published federal district court memorandum opinion; persuasive authority within the District of Columbia and nonbinding authority elsewhere.

PARTIES

Independent Gasoline Marketers Council, Inc., et al., Marathon Oil Corporation v. Charles W. Duncan, Jr., Secretary, Department of Energy, et al., James Earl Carter, President of the United States, et al.

TOPICS

administrative law

statutory interpretation

judicial review of agency action

rulemaking

separation of powers

PRACTICE AREAS

administrative law

statutory interpretation

constitutional law

commercial litigation

remedies

QUESTIONS PRESENTED

1. Whether section 232 of the Trade Expansion Act authorized the President to implement the Petroleum Import Adjustment Program, including a fee whose economic burden was shifted to consumers of domestic and imported gasoline.
2. Whether the Emergency Petroleum Allocation Act authorized the program's entitlement mechanism despite the absence of the procedural safeguards incorporated from the Economic Stabilization Act and the Administrative Procedure Act.
3. Whether the President possessed inherent constitutional authority to impose a gasoline conservation fee in response to national-security and energy concerns.

HOLDINGS

1. Section 232 of the Trade Expansion Act authorizes import controls, including license fees that directly affect the price or quantity of imports, but it does not authorize the President to impose a general gasoline conservation fee whose primary purpose and effect are to regulate domestically produced goods and reduce overall gasoline consumption.
2. The Emergency Petroleum Allocation Act did not provide authority for the gasoline conservation fee or entitlement mechanism because the statutory procedural requirements incorporated into the Act were not satisfied.
3. The President lacked inherent constitutional authority to impose the gasoline conservation fee where Congress had not authorized the measure and had manifested an intent to withhold such authority.

KEY QUOTATIONS

"Although concluding that the statute authorizes a license fee, the Court cautioned that its conclusion does not mean that 'any action the President might take, as long as it has even a remote impact on imports, is also so authorized.'" (618)

"In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker." (620)

“The gasoline conservation fee at issue in the instant litigation does not fall within the inherent powers of the President, is not sanctioned by the statutes cited by Defendants, and is contrary to manifest Congressional intent.” (621)

FACTUAL BACKGROUND

The President created the Petroleum Import Adjustment Program through Proclamations 4744, 4748, and 4751 after a Treasury investigation concluded that imported oil threatened national security under section 232 of the Trade Expansion Act. The program imposed a floating fee on imported crude oil and gasoline, but its entitlement mechanism reimbursed crude-oil importers while shifting a conservation fee onto consumers of both domestic and imported gasoline. The program was intended to raise retail gasoline prices by ten cents per gallon and reduce overall gasoline consumption, although its effect on imports would be indirect and slight.

PROCEDURAL HISTORY

Independent Gasoline Marketers Council and Marathon Oil Corporation filed separate actions challenging the President's Petroleum Import Adjustment Program. The actions were consolidated, and the court consolidated the preliminary-relief hearing with trial on the merits. The court declared the program unlawful and enjoined its implementation and enforcement.

DISPOSITION

other

CASES CITED

- FEA v. Algonquin SNG, Inc., 426 U.S. 548, 561, 571 (1976)
- Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 587-588 (1952)