

ADDITIONAL STATEMENT ON CONFERENCE REPORT ON H.R. 4035—SOLAR UTILIZATION NOW

Mr. FANNIN. Mr. President, one of solar energy's greatest advantages is its applicability in remote areas where conventional power sources are unavailable. This particular solar advantage has been of great benefit to the Marine Corps Air Station near Yuma, Ariz.

In the fall of 1972, an air combat maneuvering range was installed in the desert, which included remote tracking stations. The tracking stations operate unattended for long periods of time with power provided by solar panels. This solar power allows for the operation of a sophisticated telemetry system which communicates with aircraft and relays information by microwave to a central locator.

The solar panels, which contain 57 individual solar cells, are angled for optimum solar collection. Sufficient solar conversion is accomplished by this system to generate power to operate the equipment for five 10-hour days before recharging is necessary. The maximum output of the solar-charged, lead-acid batteries is about 1½ amperes at voltages of 20 and 35 volts.

Again, these conversion systems are not new, nor are they in the development stage. The Yuma tracking stations have been operating since 1972 with only periodic inspections required. The lifetime of the panels is estimated to be "almost limitless"; leaving as the only maintenance the replacement of the rechargeable, sealed battery packs. The Marine Corps indicates that the money saved in maintenance, fuel costs, and travel time far exceed the original expense of the solar panels. To elaborate on this present utilization of solar energy, I would like to have a system performance report included in the RECORD, which gives a detailed description of the remote tracking stations. I am well aware of the interest of many of my colleagues in the use and development of solar radiation, so wish to share this specific material on the system with them.

I ask unanimous consent that the attached report on system performance be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SYSTEM PERFORMANCE.

2.1 *Description of the Air Combat Maneuvering Range.* The Air Combat Maneuvering Range (ACMR) provides a means for comprehensive monitoring of air combat flight training while simultaneously recording data that permits complete and exhaustive replay and debriefing of the exercises for the benefit of the participants. The West Coast ACMR is installed in the R-2301 restricted airspace east of Yuma, Arizona, with monitoring and debriefing facilities at the MCAS, Yuma, and at NAS Miramar, California. Briefly, the system consists of a series of remote tracking stations situated in the range area, a computer complex at Yuma, and display vans at Yuma and Miramar. Since tracking and other aircraft data is obtained through transponder techniques, aircraft involved in ACMR activities must be equipped with a specially modified Side-

winder missile instrument package. The basic elements of the system are illustrated in figure 2-1 and described in greater detail in the following paragraphs.

2.1.1 Aircraft Instrumentation Subsystem.

2.1.1.1 Inflight data for the ACMR is acquired by the use of an Airborne Instrumentation Subsystem (AIS) pod carried by the participating aircraft. The pod consists of a Sidewinder missile housing, minus the canard surfaces, and fitted with a standard air data (pitot-static) sensor probe. The probe permits continuous measurement of in-flight pressures that are subsequently converted into angle of attack, angle of sideslip, airspeed and Mach number. A compact strap-down inertial system in the AIS provides pitch, roll, heading and velocity values. The balance of the pod instrumentation is devoted to a transponder-type signal relay system for data transmission and tracking information.

2.1.1.2 Since the AIS pod is carried on the standard LAU-7A3 launcher, no special flight techniques or external attachments are needed (see figure 2-2). There are no limitations, and the electrical interface with the aircraft weapons system is essentially that of Sparrow and Sidewinder missiles.

2.1.2 Tracking Instrumentation Subsystem.

2.1.2.1 User personnel will have little contact with this element of the ACMR, other than to be aware of the exact location of the instrumented portion of the range. The remote sites are small, compact, and powered by solar cells, and as a consequence, are not visible from the air.

2.1.2.2 Each of the seven sites relays data from the Aircraft Instrumentation System by line-of-sight ground link to a Master Station where it is relayed to the processing center at Yuma. The locations of these sites and the designated range area are shown in figure 2-3.

2.1.3 *Control and Computation Subsystem.* As with the tracking system, users will not come into contact with the computer complex at Yuma other than to obtain system status information via voice link. The Control and Computation Subsystem (CCS) is responsible for converting the data from the range into a form suitable for presentation at the display consoles. The specific functions of this subsystem becomes evident during the discussion of the various aircraft and ranging data readout displays.

2.1.4 Display and Debriefing Subsystem.

2.1.4.1 The Display and Debriefing Subsystem (DDS) consoles provide the final presentation of live and replay data for ACMR. Users of the ACMR must, as a consequence, be familiar with the operation of this subsystem to a much greater extent than that of the balance of the range complex.

2.1.4.2 The Display and Debriefing Subsystem (DDS) consists of vans located at MCAS, Yuma, and NAS, Miramar, which contain identical display consoles at both ends of each van. The consoles can be used simultaneously for replay or live operations, providing the capability for a live operation and three debriefing sessions at the same time. Live operations can be monitored from any one or all of the three inactive consoles simultaneously.

2.1.4.3 The DDS vans also contain two small computers that process and record the refined data from the CCS. A teletype machine and a programing keyboard are used to input information to the system for each flight operation, and to activate and shut down the system during live and replay operations. The keyboards are manned by DDS operators at the direction of the Ground Instructor Pilot (GIP). As a consequence, this manual presents only those elements of the operator's task that the GIP must understand in order to conduct ACMR missions.

2.1.4.4 As indicated earlier, each of the DDS vans contains two complete operating consoles, including radio and other communications systems. The general layout of a DDS van is shown in figure 2-4. Figure 2-5 illustrates the arrangement of a typical console, including the DDS operator's station and the Ground Instructor Pilot's station. The operator's station at the left-hand step-down area of the console includes the keyboard, the status display tube and range intercom microphone. The GIP's station at the center of the console provides access to the graphics display tube, the alphanumeric display tube, the control panels and communications equipment. Figures 2-6, 2-7 and 2-8 show the controls available to the GIP.

2.2 DDS Console Displays.

2.2.1 *Status Display Tube.* Four types of system status data are shown separately on the status display tube. These are the Exercise Data Display, Range Status Display, Missile Data Display and Status Change Display.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1975

The PRESIDING OFFICER (MR. BELLMON). Under the previous order, the Senate will now proceed to the consideration of S. 586, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the Coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Coastal Zone Management Act Amendments of 1975".

GENERAL PROVISIONS

SEC. 102. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 302(b) of such Act (16 U.S.C. 1451(b)) is amended by inserting "ecological," immediately after "recreational."

(2) Section 304(a) of such Act (16 U.S.C. 1453(a)) is amended by inserting therein "islands," immediately after the words "and includes".

(3) Section 304(e) of such Act (16 U.S.C. 1453(e)) is amended by deleting "and" after "islands," after "uplands,".

(4) Section 304 of such Act (16 U.S.C. 1453) is amended by adding at the end thereof the following new subsections:

"(j) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of

The term includes, but is not limited to, (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and uranium enrichment or nuclear fuel processing facilities; (D) offshore oil and gas exploration, development, and production facilities, including platforms; assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary or appropriate for such exploration, development or production; (E) facilities for offshore loading and marine transfer of petroleum; and (F) transmission and pipeline facilities, including terminals which are associated with any of the foregoing.

"(k) 'Person' has the meaning prescribed in section 1 of title 1, United States Code, except that the term also includes any State, local, or regional government; the Federal Government; and any department, agency, corporation, instrumentality, or other entity or official of any of the foregoing.

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by State or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services, and facilities related thereto, and such governmental services as are necessary to support any increase in population and development."

(5) Section 305(b) of such Act (16 U.S.C. 1454(b)) is amended by deleting the period at the end thereof and inserting in lieu thereof the following new paragraphs:

"(7) a definition of the term 'beach' and a general plan for the protection of, and access to, public beaches and other coastal areas of environmental, recreational, historical, esthetic, ecological, and cultural value;

"(8) planning for energy facilities likely to be located in the coastal zone, planning for and management of the anticipated impacts from any energy facilities, and a process or mechanism capable of adequately conducting such planning activities."

(6) Section 305(c) of such Act (16 U.S.C. 1454(c)) is amended by deleting "66 $\frac{2}{3}$ " and inserting in lieu thereof "80", and by deleting in the first sentence thereof "three" and inserting in lieu thereof "four".

(7) Section 305(d) of such Act (16 U.S.C. 1454(d)) is amended by—

(A) deleting the period at the end of the first sentence thereof and inserting in lieu thereof the following: "Provided, That notwithstanding any provision of this section or of section 306 no State management program submitted pursuant to this subsection shall be considered incomplete, nor shall final approval thereof be delayed, on account of such State's failure to comply with any regulations that are issued by the Secretary to implement subsection (b) (7) or (b) (8) of this section, until September 30, 1978."; and

(B) deleting the period at the end thereof and inserting in lieu thereof the following: "Provided, That the State shall remain eligible for grants under this section through the fiscal year ending in 1978 for the purpose of developing a beach and coastal area access plan and an energy facility planning process for its State management program, pursuant to regulations adopted by the Secretary to implement subsections (b) (7) and (b) (8) of this section."

(8) Section 305(h) of such Act (16 U.S.C. 1454(h)) is amended by deleting "June 30,

1977" and inserting in lieu thereof "September 30, 1979".

(9) Section 306(a) of such Act (16 U.S.C. 1455(a)) is amended by deleting "66 $\frac{2}{3}$ " and inserting in lieu thereof "80".

(10) Section 306(c) (8) of such Act (16 U.S.C. 1455(c) (8)) is amended by adding at the end thereof the following new sentence: "In considering the national interest involved in the planning for and siting of such facilities which are energy facilities located within a State's coastal zone the Secretary shall further find, pursuant to regulations adopted by him, that the State has given consideration to any applicable interstate energy plan or program which is promulgated by an interstate entity established pursuant to section 309 of this title."

(11) Section 306 of such Act (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(i) As a condition of a State's continued eligibility for grants pursuant to this section, the management program of such State shall, after the fiscal year ending in 1978, include, as an integral part, an energy facility planning process, which is developed pursuant to section 305(b) (8) of this title, and approved by the Secretary, and a general plan for the protection of, and access to, public beaches and other coastal areas, which is prepared pursuant to section 305(b) (7) of this title, and approved by the Secretary."

(12) Section 307(c) (3) of such Act (16 U.S.C. 1456(c) (3)) is amended by (A) deleting "license or permit" in the first sentence thereof and inserting in lieu thereof "license, lease, or permit"; (B) deleting "licensing or permitting" in the first sentence thereof "licensing, leasing, or permitting"; and (C) deleting "license or permit" in the last sentence thereof and inserting in lieu thereof "license, lease, or permit".

(12) Sections 308 through 315 of such Act (16 U.S.C. 1457 through 1464) are redesignated as sections 311 through 318 thereof, respectively; and the following three new sections are inserted as follows:

"COASTAL ENERGY FACILITY IMPACT PROGRAM

"Sec. 308. (a) The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility. Such a grant shall be for the purpose of enabling such coastal State to study and plan for the economic, environmental, and social consequences which are likely to result in such coastal zone from exploration for and development or production of such energy resources or from the location, construction, expansion, or operation of such an energy facility. The amount of such a grant may equal up to 100 percent of the cost of such study and plan, to the extent of available funds.

"(b) The Secretary is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources or by the location, construction, expansion, or operation of an energy facility, if such adverse impact will result as a consequence of a license, lease, easement, or permit issued or granted by the Federal Government which permits—

"(1) the exploration for, or the drilling, mining, removal, or extraction of, energy resources;

"(2) the siting, location, construction, expansion, or operation of energy facilities by a lessee, licensee, or permittee; or

"(3) the siting, location, construction, expansion, or operation of energy facilities by or for the United States Government.

The proceeds of such a loan or grant shall be used for—

"(A) projects which are designed to reduce, ameliorate, or compensate for the net adverse impacts; and/or

"(B) projects which are designed to provide new or additional public facilities and public services which are made necessary, directly or indirectly, by the location, construction, expansion, or operation of such an energy facility or energy resource exploration, development or production.

The amount of such a loan or grant may equal up to 100 percent of the cost of such a project, to the extent of available funds.

"(c) (1) The Secretary may make a grant to a coastal State for a purpose specified in subsection (b) of this section, if he determines that such State will suffer net adverse impacts in its coastal zone, as a result of exploration for, or development and production of, energy resources; as a result of the location, construction, expansion, or operation of an energy facility over the course of the projected or anticipated useful life of such energy facility; or as a result of exploration, development, or production activity.

"(2) The Secretary may make a loan to a coastal State for a purpose specified in subsection (b) of this section, if the Secretary determines that such State will experience temporary adverse impacts as a result of exploration for, or development or production of, energy resources or as a result of the location, construction, expansion, or operation of an energy facility if such facility or such energy resource exploration, development or production is expected to produce net benefits for such State over the course of its projected or anticipated useful life. No such loan, including any renewal or extension of a loan, shall be made for a period exceeding 40 years. The Secretary shall from time to time establish the interest rate or rates at which loans shall be made under this subsection, but such rate shall not exceed an annual percentage rate of 7 percent. The borrower shall pay such fees and other charges as the Secretary may require. The Secretary may waive repayment of all or any part of a loan made under this subsection, including interest, if the State involved demonstrates, to the satisfaction of the Secretary, that due to a change in circumstances there are anticipated or resultant net adverse impacts over the life of an energy facility or energy resource exploration, development or production which would qualify the State for a grant pursuant to paragraph (1) of this subsection.

"(d) The Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant and loan eligibility pursuant to this section. Such requirements shall include criteria, which may include a formula, for calculating the amount of a grant or loan based upon the difference, to the State involved between the benefits and the costs which are attributable to the exploration for or development and production of energy resources or to the location, construction, expansion, or operation of an energy facility. Such regulations shall provide that a State is eligible for a grant or loan upon a finding by the Secretary that such State—

"(1) is receiving a program development grant under section 305 of this title or is engaged in such program development in a manner consistent with the goals and objectives of this Act, as determined by the Secretary, and is making satisfactory progress, as determined by the Secretary, toward the development of a coastal zone management program, or that it has an approved such program pursuant to section 306 of this title;

"(2) has demonstrated to the satisfaction of the Secretary that it has suffered, or is

likely to suffer, net adverse impacts, according to the criteria or formula promulgated by the Secretary, and has provided all information required by the Secretary to calculate the amount of the grant or loan; and

"(3) has demonstrated to the satisfaction of the Secretary and has provided adequate assurances that the proceeds of such grant or loan will be used in a manner that will be consistent with the coastal zone management program being developed by it, or with its approved program, pursuant to section 305 or 306 of this title, respectively.

"(e) Within 180 days after approval of this Act, the Secretary shall issue regulations prescribing criteria in accordance with this Act for determining the eligibility of a coastal State for grants pursuant to subsections (a), (b), and (c) (1) of this section, and regulations for determining the amount of such grant or loan, in accordance with the following provisions:

"(1) The regulations shall specify the means and criteria by which the Secretary shall determine whether a State's coastal zone has been, or is likely to be, adversely impacted, as defined in this section, and the means and criteria by which 'net adverse impacts' and 'temporary adverse impacts' will be determined.

"(2) Regulations for grants pursuant to subsection (a) of this section for studying and planning, shall include appropriate criteria for the activities for which funds will be provided under such subsection, including a general range of activities for which a coastal State may request funds.

"(3) Regulations for grants and/or loans for projects pursuant to subsections (b) and (c) of this section shall specify criteria for determining—

"(A) the amounts which will be provided for such projects; and

"(B) guidelines and procedures for evaluating those projects which each coastal State considers to be most needed.

"(4) Regulations for loans shall provide for such security as the Secretary deems necessary, if any, to protect the interests of the United States and for such terms and conditions as give assurance that such loans will be repaid within the time fixed.

"(5) In all cases, each recipient of financial assistance under this section shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall until the expiration of 3 years after the completion of the project or undertaking involved (or repayment of a loan, in such cases) have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which, in the opinion of the Secretary or the Comptroller General may be related or pertinent to any financial assistance received pursuant to this section.

"(6) In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, with representatives of appropriate State and local governments, commercial and industrial organizations, public and private groups, and any other appropriate organizations with knowledge or concerns regarding net adverse impacts that may be associated with the energy facilities affecting the coastal zone.

"(f) A coastal State may, for the purpose of carrying out the provisions of this section and with the approval of the Secretary, allocate all or a portion of any grant or loan received under this section to (1) a local government; (2) an areawide agency desig-

nated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966; (3) a regional agency; or (4) an interstate agency.

"(g) A coastal State which has experienced net adverse impacts in its coastal zone as a result of the development or production of energy resources or as a result of the location, construction, expansion, or operation of energy facilities prior to the date of enactment of this section is entitled to receive from the Secretary grants or loans pursuant to subsections (a) and (b) of this section to the same extent as if such net adverse impacts were experienced after the date of enactment, and to the extent necessary to reduce or ameliorate or compensate for such net adverse impacts, within the limit of available funds. This subsection shall expire 5 years from the date of enactment of this section.

"(h) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Coastal Energy Facility Impact Fund. This fund shall be administered and used by the Secretary as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to this fund. Moneys in this fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest by the United States.

"(i) In calculating the amount of a grant or loan, the Secretary shall give adequate consideration to the recommendations of a Coastal Impacts Review Board. Such Board shall consist of two members designated by the Secretary, one member designated by the Secretary of the Interior, and two members appointed by the President from a list of not less than six candidates submitted to the President by the National Governors' Conference. Such Board shall recommend the award of grants or loans upon a determination of net adverse impacts and following the procedures and criteria set forth in this section.

"(j) Nothing in this section shall be construed to modify or abrogate the consistency requirements of section 307 of this Act.

"(k) In addition to other financial assistance to the States provided under this section, the Secretary shall make an automatic grant to each coastal State which is, as of the first day of the fiscal year—

"(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

"(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or natural gas produced adjacent to that State were also landed in that State.

Such States shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a

volume of 100,000 barrels per day of oil or an equivalent volume of natural gas. The Secretary shall establish regulations to assure that funds authorized by this subsection for grants to States shall be expended by the States for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion or operation of a related energy facility. Such funds not so expended shall be returned to the Treasury. There are authorized to be appropriated for this purpose sufficient funds to provide such States with grants in the amount of 20 cents per barrel during the first year, 15 cents per barrel during the second year, 10 cents per barrel during the third year, and 8 cents per barrel during the fourth and all succeeding years during which oil or gas is landed in such a State or produced on Outer Continental Shelf lands adjacent to such a State: *Provided* (A) such funds shall not exceed \$50,000,000 for the fiscal year ending June 30, 1976; \$12,500,000 for the fiscal quarter ending September 30, 1976; \$50,000,000 for the fiscal year ending September 30, 1977; and \$50,000,000 for the fiscal year ending September 30, 1978; and (B) such funds shall be limited to payments for the first million barrels of oil (or its gas equivalent) per day per State for the 10 succeeding fiscal years. The amount of such grant to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. Such grants shall initially be designated by each receiving State to retire State and local bonds which are guaranteed under section 316 of this Act: *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds.

"(l) There are hereby authorized to be appropriated to the Coastal Energy Facility Impact Fund such sums not to exceed \$250,000,000 for the fiscal year ending June 30, 1976, not to exceed \$75,000,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed \$250,000,000 for the fiscal year ending September 30, 1977, and not to exceed \$250,000,000 for the fiscal year ending September 30, 1978, as may be necessary, for grants and/or loans under this section, to remain available until expended. No more than 20 percent of the total amount appropriated to such fund for a particular fiscal year, not to exceed \$50,000,000 per year, shall be used for the purposes set forth in subsection (a) of this section.

"INTERSTATE COORDINATION GRANTS TO STATES

"Sec. 309. (a) The States are encouraged to give high priority (1) to coordinating State coastal zone planning, policies, and programs in contiguous interstate areas, and (2) to studying, planning, and/or implementing unified coastal zone policies in such areas. The States may conduct such coordination, study, planning, and implementation through interstate agreement or compacts. The Secretary is authorized to make annual grants to the coastal States, not to exceed 90 percent of the cost of such coordination, study, planning, or implementation, if the Secretary finds that each coastal State receiving a grant under this section will use such grants for purposes consistent with the provisions of sections 305 and 306 of this title.

"(b) The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) developing and administering coordinated coastal zone planning, policies, and programs, pursuant to sections 305 and 306 of this title, and (2) the establishment of such agencies, joint or otherwise, as the States may deem desirable for making effective such agreements and compacts.

Such agreement or compact shall be binding and obligatory upon any State or party thereto without further approval by Congress.

"(c) Each executive-instrumentality which is established by an interstate agreement or compact pursuant to this section is encouraged to establish a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone. The Secretary, the Secretary of the Interior, the Chairman of the Council of Environmental Quality, and the Administrator of the Environmental Protection Agency, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, whenever any such Federal-State consultation is requested by such an instrumentality.

"(d) Prior to establishment of an interstate agreement or compact pursuant to this section, the Secretary is authorized to make grants to a multistate instrumentality or to a group of States for the purpose of creating temporary ad hoc planning and coordinating entities to—

"(1) coordinate State coastal zone planning, policies, and programs in contiguous interstate areas;

"(2) study, plan, and/or implement unified coastal zone policies in such interstate areas; and

"(3) provide for a vehicle for communication with Federal officials with regard to Federal activities affecting the coastal zone of such interstate areas.

The amount of such grants shall not exceed 90 percent of the cost of creating and maintaining such an entity. The Secretary, the Secretary of the Interior, the Chairman of the Council of Environmental Quality, and the Administrator of the Environmental Protection Agency, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, upon the request of the parties to such ad hoc planning and coordinating entities. This subsection shall become void and cease to have any force or effect 5 years after the date of enactment of this title.

"COASTAL RESEARCH AND TECHNICAL ASSISTANCE

"Sec. 310. (a) In order to facilitate the realization of the purposes of this Act, the Secretary is authorized to encourage and to support private and public organizations concerned with coastal zone management in conducting research and studies relevant to coastal zone management.

"(b) The Secretary is authorized to conduct a program of research, study, and training to support the development and implementation of State coastal zone management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government shall assist the Secretary, upon his written request, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and in the actual conduct of any such research, study, and training so long as such activity does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts and other arrangements with suitable individuals, business entities, and other institutions or organizations for such purposes. The Secretary shall make the results of research conducted pursuant to this section available to any interested person. The Secretary shall include, in the annual report prepared and submitted pursuant to this Act, a summary and evaluation of the

research, study, and training conducted under this section.

"(c) The Secretary is authorized to assist the coastal States to develop their own capability for carrying out short-term research, studies, and training required in support of coastal zone management. Such assistance may be provided by the Secretary in the form of annual grants. The amount of such a grant to a coastal State shall not exceed 80 percent of the cost of developing such capability."

(14) Section 316, as redesignated, of such Act (16 U.S.C. 1462) is amended by (A) deleting "and" at the end of paragraph (8) thereof immediately after the semicolon; (B) renumbering paragraph (9) thereof as paragraph (11) thereof; and (C) inserting the following two new paragraphs:

"(9) a general description of the economic, environmental, and social impacts of the development or production of energy resources or the siting of energy facilities affecting the coastal zone;

"(10) a description and evaluation of interstate and regional planning mechanisms developed by the coastal States; and"

(15) Section 318, as redesignated, of such Act (16 U.S.C. 1464) is further redesignated and amended to read as follows:—

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 320. (a) There are authorized to be appropriated—

"(1) the sum of \$20,000,000 for the fiscal year ending June 30, 1976, \$5,000,000 for the transitional fiscal quarter ending September 30, 1976, \$20,000,000 for the fiscal year ending September 30, 1977, \$20,000,000 for the fiscal year ending September 30, 1978, and \$20,000,000 for the fiscal year ending September 30, 1979, for grants under section 305 of this Act, to remain available until expended;

"(2) such sums, not to exceed \$50,000,000 for the fiscal year ending June 30, 1976, \$12,500,000 for the transitional fiscal quarter ending September 30, 1976, \$50,000,000 for the fiscal year ending September 30, 1977, \$50,000,000 for the fiscal year ending September 30, 1978, \$50,000,000 for the fiscal year ending September 30, 1979, and \$50,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for grants under section 306 of this Act, to remain available until expended;

"(3) such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, \$5,000,000 for the fiscal year ending September 30, 1980, and \$5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 309 of this Act, to remain available until expended;

"(4) such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, \$5,000,000 for the fiscal year ending September 30, 1980, and \$5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(b) of this Act, to remain available until expended;

"(5) such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending Septem-

ber 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, \$5,000,000 for the fiscal year ending September 30, 1980, and \$5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(c) of this Act, to remain available until expended;

"(6) the sum of \$50,000,000 for the fiscal year ending June 30, 1976, \$12,500,000 for the transitional fiscal quarter ending September 30, 1976, \$50,000,000 for the fiscal year ending September 30, 1977, \$50,000,000 for the fiscal year ending September 30, 1978, \$50,000,000 for the fiscal year ending September 30, 1979, \$50,000,000 for the fiscal year ending September 30, 1980, and \$50,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, for the acquisition of lands to provide for the protection of, and access to, public beaches and for the preservation of islands under section 306(d) (2) of this Act, to remain available until expended; and

"(7) such sums, not to exceed \$10,000,000 for the fiscal year ending June 30, 1976, \$2,500,000 for the transitional fiscal quarter ending September 30, 1976, \$10,000,000 for the fiscal year ending September 30, 1977, \$10,000,000 for the fiscal year ending September 30, 1978, \$10,000,000 for the fiscal year ending September 30, 1979, \$10,000,000 for the fiscal year ending September 30, 1980, and \$10,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 315 of this Act, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending June 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, and \$5,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for administrative expenses incident to the administration of this Act."

(16) The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.) is amended by inserting therein the following two new sections:

"LIMITATIONS

"Sec. 318. (a) Nothing in this Act shall be construed—

"(1) to authorize or direct the Secretary, or any other Federal official, to intercede in a State land- or water-use decision with respect to non-Federal lands except to the extent and in the manner specifically authorized by this Act;

"(2) to require the approval of the Secretary as to any particular State land- or water-use decision as a prerequisite to such State's eligibility for grants or loans under this Act; or

"(3) to expand or extend Federal review or approval authority with respect to the siting or location of any specific energy facility.

"(b) Any grant or loan made pursuant to this Act shall not be deemed a 'major Federal action' for the purposes of section 102 (2)(C) of the National Environmental Policy Act of 1969 (Public Law 91-190).

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES

"Sec. 319. (a) The Secretary is authorized, subject to such terms and conditions as the Secretary prescribes, to make commitments to guarantee and to guarantee against loss of principal or interest the holders of bonds

or other evidences of indebtedness issued by a State or local government to reduce, ameliorate or compensate the adverse impacts in the coastal zone resulting from or likely to result from the exploration for, or the development or production of, energy resources of the Outer Continental Shelf.

"(b) The Secretary shall prescribe and collect a guarantee fee in connection with guarantees made pursuant to this section. Such fees shall not exceed such amounts as the Secretary estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

"(c) (1) Payments required to be made as a result of any guarantee pursuant to this section shall be made by the Secretary of the Treasury from funds hereby authorized to be appropriated in such amounts as may be necessary for such purpose.

(2) If there is a default by a State or local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary pursuant to this section, any holder of such a bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, upon investigation, shall pay such amounts to such holders, unless the Secretary finds that there was no default by the State or local government involved or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the State or local government involved for the amount of such payment plus interest at prevailing rates. Such right of reimbursement may be satisfied by the Secretary by treating such amount as an offset against any revenues due or to become due to such State or local government under section 308(k) of this Act, and the Attorney General, upon the request of the Secretary, shall take such action as is, in the Secretary's discretion, necessary to protect the interests of the United States, including the recovery of previously paid funds that were not applied as provided in this Act. However, if the funds accrued by or due to the State in automatic grants under section 308(k) of this Act are insufficient to reimburse the Federal Government in full for funds paid under this section to retire either the principal or interest on the defaulted bonds, the Secretary's right of reimbursement shall be limited to the amount of such automatic grants accrued or due. Funds accrued in automatic grants under section 308(k) of this Act subsequent to default shall be applied by the Secretary toward the reimbursement of the obligation assumed by the Federal Government."

Sec. 103. (a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be a qualified individual who is, by reason of background and experience, especially qualified to direct the implementation and administration of this Act. Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration."

The PRESIDING OFFICER. The time for debate on this measure is limited to 2 hours, to be equally divided between and controlled by the Senator from South

Carolina (Mr. HOLLINGS) and the Senator from Alaska (Mr. STEVENS), with 1 hour on any amendment and 20 minutes on any debatable motion, appeal, or point of order.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Commerce be granted privileges of the floor during consideration of S. 586: John F. Hussey, James P. Walsh, Pamela Baldwin, Alan Rosenblum, David Rosenblum, Jill Gideon, and S. Lynn Sutcliffe, and I ask unanimous consent that Mary Jo Manning of my staff also be accorded such privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the following members of the minority staff of the Committee on Commerce be accorded the privileges of the floor during the consideration of this bill: David Keto, Gerald Kovachs, Michael Spaan, Arthur Pankopf, Steven Perles, and George Jetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I take great pride and pleasure, on behalf of the Committee on Commerce, in bringing to the floor of the Senate S. 586, amending the Coastal Zone Management Act of 1972. It is with particular emphasis that I state the need for these amendments in the face of both increasing pressures upon our Nation's coastal zone and increasing recognition and awareness of the importance of the mechanism of the Coastal Zone Act in dealing with such conflicts and their resolution.

Passage of the Coastal Zone Management Act in 1972, culminated years of increasing concern about the destruction of valuable coastal wetlands and beaches. The public first became aware that the coastal areas of the country, including the Great Lakes, represent some of our most valuable national assets. At that time scientists published reports describing the amazing productivity of estuarine areas. Researchers found these coastal waters to be 5 or 10 times more biologically productive than average agricultural lands. Estuaries, it was noted, provide the breeding ground for most of the important commercial fisheries in the country and are habitats for many species of wildlife.

Demographic trends putting special pressures on the coastal zone also continued during the 1960's. More than ever, the coastal regions proved to be a magnet drawing both people and industry.

Although only 8.5 percent of the Nation's total land area is usually considered to be within the coastal zone, the coastal share of the total U.S. population rose from 40 percent to 50 percent between 1940 and 1970. Current projections place the coastal population share as high as 80 percent by 2000, and current and future numbers must be adjusted upward seasonally to account for the millions of people who vacation on the seacoast and the Great Lakes shores each year. Furthermore, in 1970 the coastal zone supported almost half of the Nation's industrial work force.

S. 586 is a bill to amend the Coastal Zone Management Act of 1972—Public Law 92-583. Its major provisions are designed to assist those States facing OCS oil and gas development or other energy-related developments affecting the coastal zone. Other sections provide funds for research and technical assistance to coastal States; for interstate compacts or other entities to facilitate interstate coordination of coastal zone management policies and programs; for land acquisition to establish estuarine sanctuaries and to encourage preservation of and public access to beaches, islands, and other critical areas; and for expanded development and implementation grants under sections 305 and 306 of the act. The Federal share of CZM funding under these sections would rise from the present 66½ percent to 80 percent to bring it into line with other Federal grant projects. The Office of Coastal Zone Management would henceforth be directed by an Associate Administrator of the National Oceanic and Atmospheric Administration, appointed by the President with the advice and consent of the Senate.

The "Federal consistency" provisions of the act would be clarified by stating explicitly that its terms apply to all Federal "licenses, leases, or permits." Inclusion of the word "lease" is new.

The bill provides in section 308 for a Coastal Energy Facility Impact Fund of \$250 million annually, giving the States 100 percent funding to plan for and cope with existing or potential net adverse impacts or temporary adverse impacts of exploration for or development and production of energy resources, and/or the location, construction, expansion, or operation of an energy facility requiring a Federal permit.

The funds are to be used for two purposes:

First, grants for enabling such coastal State to study and plan for economic, environmental, and social impacts—up to 20 percent of the amount in the fund—and, second, loans or grants for "reducing, ameliorating, or compensating for the net adverse impact . . ." and/or "providing public facilities and public services made necessary, directly or indirectly" by energy facility or resource development. Outright grants may be made when States can show to the satisfaction of the Secretary of Commerce that they will experience net adverse impacts over the entire life of a facility or resource development activity. Where negative impacts are likely to be temporary—essentially "front end" problems until new tax revenues cover them—loans could be made. If impacts expected to be temporary actually turn out to be permanent, the loans could be forgiven. States may pass on part or all of their funds to local, regional, or interstate governmental entities.

States must meet three requirements to be eligible for grants or loans from the Coastal Energy Facility Impact Fund. First, they must be participating in a coastal zone management program, by receiving a development grant and by making good progress under section 305, by having such a program under State auspices, or by having a program ap-

proved by the Secretary of Commerce. Second, they must make a satisfactory showing of need, based on actual or anticipated impacts. Third, they must indicate to the Secretary's satisfaction that they will use the funds in a manner that is consistent with their coastal zone management programs. These restrictions are designed to prevent the new funds from resulting in unplanned, adverse, incompatible impacts of their own.

The Secretary of Commerce is directed to promulgate regulations within 180 days of enactment, specifying criteria for determining a State's eligibility for grants or loans from the impact fund. In developing regulations, the Secretary is to consult with appropriate Federal officials, State and local governments, industry organizations, and public and private groups.

In making determinations about specific grant or loan applications, the Secretary is directed to consider the recommendations of a Federal-State Coastal Impacts Review Board, which is established by this legislation.

In addition to the Coastal Energy Facility Impact Fund, the bill also provides for automatic grants to be given to any State which is actually landing OCS oil or natural gas in its coastal zone, or which is adjacent to OSC lands where oil or natural gas is being produced. Although the grants come from the General Treasury, and not from OCS revenues in particular, the formula for calculating the amount of the grant is tied to the number of barrels of oil—or the natural gas equivalent—which are produced on adjacent OCS lands and/or landed in the State. Like the grants and loans made from the Coastal Energy Facility Impact Fund, these automatic grants must be used to ameliorate adverse impacts of energy resource development or related energy facilities.

The bill (S. 586) which the Commerce Committee has reported to this body, unanimously, is a bill which has been developed to respond to a clear need in the best possible manner based on exhaustive hearings and studies of the subject. The knowledge of the Commerce Committee in this area is based upon years of working with all of the management problems in the coastal zone.

With much foresight, this body first passed, and the Congress enacted, the Coastal Zone Management Act of 1972 for the purpose of providing a land and water use management mechanism, through the States, for the Nation's coastal zone. It mandates appropriate attention to planning for and protection of the coastal zone.

The present bill, S. 586, builds on and utilizes this existing structure to, in effect, up date it to assure that it responds to current problems.

The main focus of this bill is to meet specifically, and deal with, the multitude of problems being experienced, and expected to be experienced, in the coastal zone as a result of energy facilities and the search for, and production, of energy resources. By further providing for these activities in this existing law, I believe that the nation will be able to increase its domestic energy supply and capability

for the reason that we cannot undertake efforts to do so without being sure that these activities proceed in an orderly and rationale fashion which coincides with the coastal zone management programs which each State develops to manage development of its coastal zone. The President has also said this.

S. 586 contains provisions extending and increasing the authorizations for the entire program, recognizing its growing importance and its acceptance by all of the coastal States. The bill makes specific what is otherwise generally implicit the many energy related provisions of the Coastal Zone Management Act.

The bill also sets up a specific method, under the Coastal Zone Management Act, to give to the coastal States the funds they need to offset unreimbursed net adverse impacts which they may experience as a result of having these energy facilities and activities in and near their coastal zones. It takes into account the benefits which may accrue to the State and only deals with the cases where there is a net adverse impact. It is not simply a grant program. Where there is question concerning whether the net impacts will be adverse, the Secretary of Commerce will only make a loan to the State pending resolution of that question.

Up to 20 percent of the funds will be used for planning for the impacts from such facilities and activities.

Mr. President, everyone recognizes that the nation is going to have to pay a price to keep, and hopefully increase, its domestic energy supplies and capabilities in lieu of much greater costs later on. I believe the way we should do this in the coastal zone is by planning, through the States, to avoid undesirable impacts and to compensate the coastal states which experience them. The mechanism for doing so should not be a separate mechanism which fragments state coastal zone management but should be part and parcel of the entire coastal zone management effort. To do otherwise would be contrary to the congressional intent and declaration of 1972, when we decided that the states should have the basic coastal zone administrative responsibility in the form of a single comprehensive program supported by the Federal Government. The States support S. 586 and so do the environmental organizations which have seen the disastrous effects of attempting to protect the environment in fragmented fashion.

The only price the Nation can afford to pay is a monetary one and this bill and the entire Coastal Zone Management Act are designed to head-off other irreversible costs. These include those caused by unplanned urban development which is ordinarily attendant to increased energy development as well as costs of massive environmental damage as a result of a lack of proper planning and management.

Almost 80 percent of the Nation's population soon will live in the limited coastal zone. Most of the impacts of increased energy development will be experienced there. Unfortunately, the critical nature of the coastal zone, which inspired the Coastal Zone Management Act, magnifies

many of the adverse impacts of energy facilities and activities. As I said, the new provisions complement the existing Coastal Zone Management Act and the existing administrative mechanisms already in existence. One of the more important features of the existing act is its consistency requirements which mandate that Federal agencies issuing licenses, permits, et cetera which authorize activities affecting the coastal zone must be consistent with approved State coastal zone management programs except where a matter of national security is involved. I wholeheartedly support the provisions of S. 586 to be part of the Coastal Zone Management Act for this reason as well. We need to continue to support and encourage the States in decisionmaking and S. 586 does this.

S. 586 is a responsible bill. I urge my colleagues to support it so that the Congress may make another needed legislative contribution in response to our national energy needs.

Furthermore, Mr. President, former President Nixon's January 1974 energy message to the Congress, on behalf of the administration, called for congressional enactment of legislation recommended by the administration for planned orderly siting of energy facilities.

Subsequently, the Congress received other administration energy bills from it. But even though requests were made by Members of Congress for the energy facilities siting proposal so we could see just what the administration had in mind, the administration bill was never transmitted to us during all of the 2d session of the 93d Congress.

At the same time, the Congress was the recipient of criticism from the administration for an alleged failure to pass energy legislation.

In the careful deliberations of the Congress on various legislative alternatives in different energy related areas, I do not know that this paradox has ever been pointed out.

A major reason for the administration's failure to produce its energy facilities siting bill, I understand, was recognition of the fact that the Coastal Zone Management Act of 1972 had already created a State operated coastal zone management program for planning and management in the coastal zone which included State planning for, and management of, facility siting.

This was a problem in the administration because some groups within the administration sought to ignore the Coastal Zone Management Act and to foist upon the States a federally mandated compulsory law, contrary to the existing coastal zone law.

Finally, in the 94th Congress the administration belatedly produced a proposed energy facility siting law which gives lipservice to the State Coastal Zone Management programs but is, in effect, contrary to the intent and spirit of the 1972 act.

I am told that there was no consensus in the administration on the bill which was sent to Congress but, instead, it was finally sent so the administration could say it had, in fact, at last transmitted a bill to us.

The bill before the Senate today, S. 86, rejects the motion that the coastal States must be bludgeoned into adhering some federally directed facility siting process which can tell them to site certain energy facilities. Instead, S. 586 mends the Coastal Zone Management Act of 1972 in which all of the coastal States have voluntarily elected to participate. The amendment adds to the specific requirements of the Coastal Zone Management Act a proviso that the State program should include an energy facility siting planning process and a process for the planning for anticipated impacts from such facilities.

I have confidence in the coastal States and believe that this requirement for a State developed planning process and the provision of Federal money to help to develop and administer these processes is all that is required or is appropriate.

Each of the coastal States has different circumstances for which I believe that they alone can develop the planning process. The Coastal Zone Management Act is flexible in permitting each State to develop its own program and the coastal States have responded remarkably well in developing their individual programs in a responsible manner.

I will vote for S. 586 because it recognizes a pressing national need, provides for it under existing Federal and State mechanisms, eliminating duplication and needless bureaucracy, and because that existing mechanism is one which gives full recognition to the rightful authority and ability of State governments.

The approach which is provided by S. 586, I believe, will result in the expenditure of less Federal funds to accomplish its purpose.

The question could be asked by some as to why energy facility siting, planning and matters relating thereto, should be provided for in the Coastal Zone Management Act rather than in some law of nationwide applicability.

I think this is a logical question which might be asked by those who are not familiar with the Coastal Zone Management Act and its history.

I believe that the history of the act has been explained in the committee report on S. 586 but, for the benefit of my colleagues who will be voting on this bill who may not have read the report, I want to briefly answer the question or, in actuality advise them, that this question was raised, fully explored and debated and finally decided by the 91st Congress.

The Stratton Commission report in 1969, "Our Nation and the Sea," work done in conjunction with it and work done by Congress prior to, and after it, fully and completely established, even to the satisfaction of doubters, that the coastal zone of the Nation comprised of land and water, including ocean waters, estuaries, coastal wetlands, and immediately adjacent dry lands constitute one single and complete ecological system which is separate and distinct from inland areas. It must be managed as a whole in accordance with separate and distinct principles in order to protect and preserve all and every part of that unique area.

Decisions for facility sitings are an example of the decisions which must be made for the coastal zone based upon completely different considerations as would exist for inland areas.

For the edification of some of our newer Members, and to refresh the memories of others, I would point out that one of the times the reason for providing different management systems for the coastal zone and for inland areas has come to the fore, is in connection with national land use legislation conceived by Senator Jackson and the Interior Committee and sometimes supported by the administration. The most serious of considerations which can be given a matter took place in connection with the reason for having a separate land-use bill for inland areas and a coastal zone management law for the coastal areas. The result of those considerations was an education and understanding of how scientifically different the coastal zone is and why it must be under a separate management regime. The current land use bills now recognize that there should be such a separate planning and management system for the coastal zone because of this education and understanding.

At this time, of course, there is another reason for providing for energy facility siting and the impacts therefrom separately in the Coastal Zone Management Act. This is the fact that the CZM Act has been on the books for 3 years and that all coastal States have voluntarily elected to participate in it. The act itself, and the plans and programs of many of the States pursuant to it, already provide mechanisms for energy facilities in the coastal zone.

It would be wasteful, duplicative and chaotic to not use these existing mechanisms. S. 586 strengthens them and adds complimenting provisions.

Mr. President, I ask unanimous consent that the committee amendment in the nature of a substitute be agreed to, and that the bill as thus amended be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I request that the Senator from Massachusetts (Mr. BROOKE) be added as a cosponsor of S. 586.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I would like at this time to publicly thank the Senator from Alaska (Mr. STEVENS) for his complete awareness and understanding on one of the more intriguing problems that confront us all, and that is, coping with on-shore energy developments which affects the coastal zone. He has been a real leader in the coastal zone management concept and more specifically as it affects where one half the oil and gas is remaining in this country, the shores of his native State of Alaska.

Mr. STEVENS. Mr. President, I am a cosponsor of S. 586, a bill amending the Coastal Zone Management Act of 1972 and assisting the coastal States to study, plan for, manage, and control the impact of energy resource development and pro-

duction which affects their coastal zones. The bill provides tripartite aid in the form of a coastal energy facility impact fund, Federal guarantees of State and local bonds, and automatic grants to qualifying States. Each of the three forms of assistance is designed to help States cope with the present and future impact upon their coastal zone resulting from either the exploration, development, or production of oil or natural gas on adjacent Outer Continental Shelf lands, or the landing of such oil or natural gas directly from the Outer Continental Shelf lands of another State.

Let me emphasize that this is not a revenue-sharing bill. We have no provisions in here pertaining to revenue sharing.

The Coastal Energy Facility Impact Fund authorizes \$250 million for 3 fiscal years and the 1976 transitional quarter to be spent upon grants and/or loans to the States. Such grants and/or loans must be spent on efforts to reduce, ameliorate, or compensate for the net adverse impact resulting from Outer Continental Shelf energy resource development or other related activities. Up to 20 percent of this fund may be spent on planning and the balance, up to 100 percent of the fund, on direct impact aid. States which have experienced net adverse impact prior to the enactment of this legislation may receive compensating grants and/or loans from the Coastal Energy Facility Impact Fund up to 5 years after the approval of this bill. Any State wishing to receive funds from the Coastal Energy Facility Impact Fund must participate in a coastal zone management program under either section 305 or 306 of the Coastal Zone Management Act or under a State plan approved by the Secretary of Commerce as being consistent with this act.

The remaining two provisions, the automatic grant and the bond guarantee, which I proposed, integrally connect to provide nonrevenue sharing, front-end money to States and municipalities so that they may build the necessary schools, roads, sewers, and other related facilities needed to cope with the impact of Outer Continental Shelf oil and natural gas production.

These are the sections which the amendment of the Senator from Louisiana addresses and which I have joined him in presenting. It is an amendment to make certain that S. 586 and S. 521 meet the same objectives with regard to the financing of those activities necessary to meet the impacts of OCS development. It is the concept of front-end money which I wish to emphasize. Again, I emphasize that these are not revenue sharing proposals. They are designed only to ameliorate coastal zone impacts.

The need for front end money should be obvious. Modern Outer Continental Shelf drilling projects are mammoth undertakings, potentially involving tens of thousands of construction workers and support personnel. Much of the Outer Continental Shelf oil and/or natural gas bearing lands are located off of rural or, in the case of my own State, frontier coastline.

The small towns and villages along these coasts are incapable of assimilating the large influx of oil related personnel and their families. Many of these communities will suffer a three- or four-fold increase in population almost overnight. If we wait for the large influx of population to occur before awarding grants and/or loans to the municipalities for the building of roads, schools, sewers, and the like the resulting hardship and chaos during the lag time will be tragic. In order to deal effectively with impact as extensive as that created by an Outer Continental Shelf oil and/or natural gas drilling and production project States and municipalities must plan ahead and be given adequate front end money to build the impact compensating facilities prior to the time the impact occurs. Impact related facilities can only be built with great difficulty after the impact has occurred. These facilities must be completed and ready for the oil workers and their dependents when they arrive. Front end money is an absolute necessity for successfully dealing with the severe impacts created by the production of Outer Continental Shelf oil and natural gas.

The bond guarantee and automatic grant provisions of this bill are surprisingly simple, nonrevenue sharing means for dealing with the problem of front-end money for State and local governments. When a State or local government learns that an Outer Continental Shelf energy resource project is to be commenced either within its jurisdiction or on adjacent Outer Continental Shelf lands, the State or municipality will want to take measures that will reduce, ameliorate, or compensate for impact prior to its occurrence so that adequate facilities will exist when the large influx of people occurs. In order to obtain the front-end money for the financing of these projects, State and local governments will issue bonds which could be guaranteed by the Secretary of Commerce.

Let me emphasize that. This is really a discretionary concept; because, under the provisions of this bill, this money would revert to the Treasury, if it is not used to meet impacts that have been approved under the plan or used to repay bonds guaranteed by the Secretary of Commerce. I think the Secretary of Commerce will have a great deal of discretion in administering this concept.

The Secretary's guarantee would produce enough confidence among investors to enable a small municipality to issue large amounts of bonds which it would otherwise be unable to do. The Secretary's guarantee is discretionary and he is entrusted with the responsibility of insuring that the projects funded by the Federal-guaranteed bonds are used to cope with the impact from Outer Continental Shelf energy resource exploration or production.

The automatic grants, awarded to States adjacent to Outer Continental Shelf lands producing oil or natural gas, or States landing oil or natural gas shipped directly from the Outer Continental Shelf lands adjacent to another State, are used by the State and local governments to retire the federally guar-

anteed bonds. The bill mandates that the automatic grants be used to retire local bonds first, State bonds second, and that the balance must be spent on impact related projects. Any funds not used for impact related activities must be returned to the Federal Government. It should be noted that since the automatic grants must be spent on impact related projects and the surplus returned to the Federal Treasury; the automatic grants are not revenue sharing. States become eligible to receive automatic grants when the volume of oil or its natural gas equivalent produced on or landed from Outer Continental Shelf lands exceeds 100,000 barrels per day. In the event that oil or natural gas is produced on the Outer Continental Shelf lands adjacent to one State and landed in another State, each State shall receive automatic grants at a rate half as great as if the same State landed and produced the oil or natural gas from adjacent Outer Continental Shelf lands.

The level of automatic grants shall be 20 cents per barrel for the first year, 15 cents per barrel for the second year, 10 cents per barrel for the third year, and 8 cents per barrel for the fourth and all succeeding years in which oil or natural gas is produced or landed. The decreasing amounts of the grant reflect the fact that the impacts of Outer Continental Shelf oil and natural gas production upon State and local governments are more severe in the early years of the project. Funding is limited to \$50 million annually for each of the fiscal years through September 30, 1978. Following that date payments are limited to the first million barrels of oil or its natural gas equivalent per day per State for each of the 10 succeeding years.

Realistically, some Outer Continental Shelf oil or natural gas projects are going to fail. When a State or municipality issues bonds guaranteed by the Secretary of Commerce with the intent of retiring the bonds from anticipated revenues in the form of automatic grants and such revenues are not forthcoming because of the failure of an Outer Continental Shelf project, it is only equitable that the Federal Government bear the risk of such a failure. State and local governments cannot and should not pay the high cost of constructing impact-related projects when they receive no revenues. The Secretary must, under the terms of the guarantee, pay the bondholder upon a default by the State or municipality. When the default results from the failure of an Outer Continental Shelf project and the accompanying lack of expected automatic grants, the Secretary's right of reimbursement shall not exceed the amount of automatic grants accrued or due the defaulting State. Funds accrued in automatic grants subsequent to the default shall be applied by the Secretary toward reimbursing the Federal Government for the defaulted bonds which it assumed.

The provisions of S. 586 are administratively workable and easy to manage. A Coastal Impact Revenue Board consisting of two members designated by the Secretary of Commerce, one member designated by the Secretary of the Interior, and two members appointed by the Presi-

dent, chosen from a list of not less than six candidates submitted to the President by the National Governor's Conference, shall advise the Secretary of Commerce regarding the awarding of grants and loans.

Mr. President, I urge my colleagues in the Senate to give favorable consideration to this bill, which is of such great importance to our coastal States. This bill not only provides for grants and loans to States and municipalities impacted by Outer Continental Shelf oil and natural gas development but, also provides, through a system of bond guarantees and nonrevenue sharing automatic grants, for the much needed front-end money designed to allow State and municipalities to prepare, in advance, for the severe impact of large Outer Continental Shelf energy resource projection projects.

I wish to point out to the Senate that many of us have discussed revenue sharing concepts. I have discussed it at length with my good friend from Delaware (Mr. ROHN). We realize there is growing sentiment in the country to accept the concept of revenue sharing from the OCS. I am one who favors it and I have a bill pending before the Senate to authorize revenue sharing from OCS funds.

This is not that proposal. We know that when we get to the point where we have substantial production, we will, in fact, be in a position then to define what kind of revenue sharing we want and to seek the aid of people from the Atlantic coast States, the gulf coast States, the Pacific coast and the Alaska coast. I think when we are finally able to show the country what it means to produce oil and gas from the OCS, there will, in fact, be accepted a revenue-sharing concept, as there has been from Federal lands in the West.

I also point out that if this production which we contemplate now of my State were actually within the 3-mile limit, my State would receive, at the very minimum, an 8-percent severance tax. Based on a price of \$7 a barrel for oil, we would get 56 cents a barrel. This proposal provides that there would be available to the State; to meet agreed-upon impacts, 8 cents a barrel. So we are a great deal below the taxing level of oil and gas producing States; but we are, I think, acting responsibly to give the local communities and the States the opportunity to enter into bonds to finance the facilities and to take care of the impacts ahead of time and provide the financing means so that, when production occurs, the money that will come from the cents-per-barrel concept that is in the bill will retire those bonds and meet the impacts when the income is produced from the OCS.

Mr. BENTSEN. Mr. President, I rise today to speak today in favor of S. 586. I feel it is a beginning, a step in the right direction.

The bill would strengthen the Coastal Zone Management Act, while keeping the program on an incentive, nonmandatory basis. My home State of Texas has made good use of the act, and has an exemplary coastal zone management program. It has served well to protect the 1,081 miles of Texas coastline.

One section of this bill is a concern to me, however, because I feel it falls short of meeting the need that generated it. It is a first step in the right direction.

I am speaking of the provisions that recognize and would compensate the coastal States for the adverse impact of energy production offshore. The bill would assign \$300 million for this purpose, but this figure falls short of the actual need.

The Coastal States Organization, which represents all the various Coastal States, has conducted a careful survey to determine the actual financial needs of the several States in regard to Outer Continental Shelf development. The organization's able president, Texas State Senator A. R. Swartz, has testified that the coastal States need between \$800 million and \$1.2 billion annually to cope with energy resource development and related facility siting. The average of this range, or \$1 billion, is roughly 15 percent of the \$6.7 billion that the Federal Government earned from Outer Continental Shelf leasing in 1974.

This \$1 billion figure is far greater than the \$300 million figure of this bill.

Thus, there is further need for Senate consideration in this area. For that reason, I would encourage the Interior Committee to continue its consideration of my compensation plan embodied in my bill, S. 1383.

This type plan is imperative to encourage additional States to develop their offshore energy sources. It is imperative to compensate the presently producing States for the adverse effects of their production efforts.

Mr. President, I would also like to comment on the open beaches portion of the measure before us today. Texas has had an open beaches act since 1959, and it is landmark legislation toward protecting the public access to this country's beaches. I call my colleagues' attention to the Texas law and hope that it will serve as a pattern for other States.

Mr. HUMPHREY. Mr. President, S. 586, which would amend the Coastal Zone Management Act, offers a balanced and restrained approach to a critical national problem, the problem of providing for needed sources of energy without disrupting coastal communities or threatening permanent harm to valuable coastal regions. These amendments to the coastal zone program embodied in S. 586 and the Coastal Zone Management Act of 1972 itself, are promising steps in the right direction, in my opinion.

We have heard a good deal of talk about turning power over to State and local governments, and in fact serious and constructive measures have been taken to try to accomplish this, as in the revenue-sharing program.

The Coastal Zone Management Act, which was initiated by this body and adopted and implemented over the objections of the executive branch, is a pioneering program. Through this program, the Federal Government, in the national interest, helps the States and localities prepare their own coastal zone management plans to meet their own objectives.

With the onset of the energy crisis, major new and accelerated demands are being made on the coastal zone. These demands have led to a new set of problems in coastal zone management. S. 586 recognizes this, and provides a reasonable approach to addressing the problems.

The legislation provides for a Coastal Energy Facility Impact Fund to enable States to plan for and address the adverse impacts of Federal energy activities. This is a new and necessary departure from our earlier practice of largely ignoring the interests and concerns of coastal zone States.

S. 586, however, is not a giveaway program. Coastal zone States must demonstrate adverse impacts to receive assistance. Furthermore, to be eligible to receive assistance, States must be engaged in coastal zone management programs consistent with the goals and policies of the act. This point seems to me to be a critical one—we have in the coastal zone management effort a balanced approach to dealing with our coastal problems, an approach which recognizes the interests of the Nation and coastal zone State.

I am particularly pleased to see that of the \$250 million annual Coastal Energy Facility Impact Fund, 20 percent for \$50 million, is earmarked for planning for energy facilities and assessment of their impact.

Such preparation marks a significant step ahead in this country. In the past we have blithely assumed that introduction of a major plant such as a refinery was an unmixed blessing. There would be new jobs, new income and business would boom. In those days, we did not calculate the environmental costs. Now we not only count such impacts, we also are concerned about the impact on the community as a social structure. Through the planning assistance provided by S. 586, we will be able to take a hard look at the cost and benefit relationship for local communities and State governments providing the basic support for such facilities.

There is one final aspect of S. 586 which I would like to call to the attention of the Senate. This is the bill's recognition that not only our East and West coasts and gulf areas, but also the coastal zones of States which border the Great Lakes, will be faced with problems as a result of decisions on siting of energy facilities.

For this reason, I am especially pleased to see that we have in this bill a broad definition of energy facilities for which assistance may be granted when adverse impacts can be shown, thus making the Great Lakes coastal States eligible for grants under the Coastal Energy Facility Impact Fund.

The Great Lakes States have a major stake in the success of the coastal zone management effort and, in fact, have already recorded significant progress in perfecting their programs. It is essential that the impacts from major energy facilities such as powerplants and refineries which are located on the Great Lakes be included in the assistance provisions of this bill, as well as the serious effects likely to flow from the introduction of

offshore operations into new frontier areas along the ocean coastal areas.

Mr. President, I urge that my colleagues give their most careful consideration and support to this bill.

Mr. JOHNSTON. Mr. President, will the Senator yield for the purpose of putting in what I believe is a mutually-agreed-upon amendment, at which point the Senator can then discuss the whole package?

Mr. STEVENS. Yes. I am happy to.

Mr. HOLLINGS. I yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I have an amendment, which I send to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

S. 586

On page 25, commencing at line 21, strike out all through page 28, line 7, and insert in lieu thereof the following:

"(k) The Secretary shall, in addition to any financial assistance provided to, or available to, coastal States pursuant to any other subsection of this section, distribute grants annually in accordance with the provisions of this subsection. The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under section 316 of this Act: *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds.

Subject to the foregoing expenditure requirements, each coastal State shall be entitled to receive a grant under this subsection if such State is, on the first day of the fiscal year,

(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or

natural gas produced adjacent to that State were also landed in that State.

Such States shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of 100,000 barrels per day of oil, or an equivalent volume of natural gas. There are authorized to be appropriated for this purpose sufficient funds to provide such States with grants in the amount of 20 cents per barrel or its equivalent during the first year, 15 cents per barrel or its equivalent during the second year, 10 cents per barrel or its equivalent during the third year, and 8 cents per barrel or its equivalent during the fourth and all succeeding years during which oil or gas is landed in such a State or produced on Outer Continental Shelf lands adjacent to such a State: *Provided*, That (A) such funds shall not exceed \$100,000,000 for the fiscal year ending June 30, 1976; \$25,000,000 for the fiscal quarter ending September 30, 1976; \$100,000,000 for the fiscal year ending September 30, 1977; and \$100,000,000 for the fiscal year ending September 3, 1978; and (B) such funds shall be limited to payments for the first one and one-half million barrels of oil (or its gas equivalent) per day per State for the 10 succeeding fiscal years. The amount of such grant to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. For the purposes of this section, one barrel of crude oil equals 6,000 cubic feet of natural gas.

On page 28, line 10, strike out "\$250,000,000" and insert in lieu thereof "\$200,000,000".

On page 28, line 11, strike out "\$75,000,000" and insert in lieu thereof "\$50,000,000".

On page 28, line 12 through 13, strike out "\$250,000,000" and insert in lieu thereof "\$200,000,000".

On page 28, line 14, strike out "\$250,000,000" and insert in lieu thereof "\$200,000,000".

On page 28, line 17, strike out "20" and insert in lieu thereof "25".

On page 28, lines 12 through 13, strike out ", not to exceed \$50,000,000 per year."

On page 28, between lines 7 and 8, insert the following new subsection and redesignate accordingly:

"(1) Any funds provided to any State under this section not expended in accordance with the purposes authorized herein shall be returned to the Treasury by such State."

Mr. JOHNSTON. Mr. President, this amendment represents the fruit of many hours of negotiation and discussion between the Committee on Interior and Insular Affairs and the Committee on Commerce to try to meld the results of our two bills, one dealing with coastal zone management and one dealing with the Outer Continental Shelf. Both bills recognize that there are impacts to the adjacent coastal States.

The jurisdiction and the concern of the Coastal Zone Management Act and, in turn, of the Commerce Committee, is somewhat broader than that of the Interior Committee since our jurisdiction is limited to the Outer Continental Shelf.

In any event, Mr. President, what this amendment does is it deals with part of the funds that are to be authorized under the instant legislation.

What it says is that we will have a fund of not to exceed \$100 million, that that fund will be distributed to States which have either production adjacent to that State or have oil first landed in that State, and provides that that State

shall be compensated at the rate specified in the bill.

There is a sliding scale of specification of impact, which is in the first year of the bill 20 cents per barrel, 15 cents per barrel or its equivalent in natural gas during the second year, 10 cents per barrel or its equivalent during the third year, and 8 cents a barrel or its equivalent during the fourth or all succeeding years, again with two limitations: first, that the total amount distributed under this formula may not exceed \$100 million or \$25 million for the transition quarter and, further, provided that no State may receive more than the equivalent of 1½ million barrels of oil a day. Both oil and natural gas in its equivalency are recognized under this bill.

The bill also provides, Mr. President, that when a State is eligible for this money, that the money shall be paid, first, to retire locally issued bonds previously approved by the Secretary of Commerce and authorized to be issued under section 316 of the act, second, to retire State issued bonds again which were previously authorized by the Secretary of Commerce and issued pursuant to section 316 of the act, and, third, to compensate the State for projects undertaken or for monies expended by the States and resulting from the location, construction, expansion, or operation of any related energy facility and/or for projects designed to provide new and additional public facilities and public services which are related to such exploration, development, production, location construction, expansion, or operation of offshore mineral activities.

What we have, Mr. President, is a carefully worked out formula by which adjacent coastal states shall receive money for projects when such projects are to be used to relieve the effects of drilling and production in the Outer Continental Shelf.

Other concerns are dealt with in this bill which are the fruit solely of the work of the Committee on Commerce and relate to other energy-related facilities as well as Outer Continental Shelf activities. But this amendment is the joint work of the Committee on Commerce and the Committee on Interior and Insular Affairs. While, from my point of view, as a Senator from Louisiana, it misses the mark by far in terms of alleviating the impact on the adjacent coastal States, I and my colleagues on those committees present this as a carefully considered compromise of the various issues involved.

I think it is a fair compromise, Mr. President, and I therefore offer it and trust that it will be approved.

Mr. HOLLINGS. Mr. President, as floor manager for this bill, I welcome the amendment offered by Senators JOHNSTON, STEVENS, JACKSON, MAGNUSON, and myself to further clarify and strengthen the automatic grants provision of S. 586. The inclusion of this amendment in S. 586 as a substitute for section 308(k) effects an agreement between chairman of the Committee on Commerce (Mr. MAGNUSON) and the chairman of the Committee on Interior and Insular Affairs (Mr. JACKSON) as to the respective jurisdictions of the two committees regarding

offshore oil and gas development and administration of the Outer Continental Shelf Lands Act and coastal zone management and protection pursuant to programs under the Coastal Zone Management Act or consistent with its goals and objectives.

As I have stated, the purpose of this amendment is to resolve inconsistencies between S. 586 and S. 521. In S. 586, there are significant differences between the approach of section 308 and the approach in section 24 of S. 521. The public interest clearly would not be served by creation of two inconsistent impact funds, and the chairman of the Interior Committee, Mr. JACKSON, agrees with me that the needs of the coastal States can best be met through a synthesis of the two approaches.

The amendment, which will be offered to both bills, would adopt the basic provisions of section 308 providing grants and loans to States for the purpose of planning for environmental, social, and economic impacts in the coastal zone resulting from or likely to result from energy resource development or energy facilities, and for actually handling such impacts by reducing or compensating for them by providing necessary public facilities and services.

The amount of the fund would be reduced, in the amendment, from \$250 million to \$200 million. Further, the amendment would substitute new language for section 308(k), the automatic grants provision, which would be increased from \$50 million annually to \$100 million annually, as is proposed in section 24(d) of S. 521. This subsection would also be changed by increasing the ceiling on the amount of oil and natural gas equivalent landed annually by which State's grant are determined by the Secretary of Commerce—though NOAA. The original intent of both S. 586 and S. 521 provisions as to the requirement that such grants be spent to offset and ameliorate adverse impacts remains a central feature of this new language, and both committees would wish to stress their concern that money not so spent shall be returned by the States to the Treasury.

It is the agreement of the two committees that, with the approval of this amendment by both parties, the Committee on Interior and Insular Affairs will move to strike from S. 521 section 24 which would establish a coastal State fund administered by the Secretary of the Interior. This would remove the concern of the Committee on Commerce that such fund would duplicate and, perhaps, even conflict with the coastal energy facilities impact fund and the automatic grant provisions of S. 586. The agreement further provides that, when S. 521 is considered on the floor of the Senate, the committee floor manager for that bill will move to insert section 308 in S. 586 in its entirety in S. 521 so these bills will be consistent on this issue.

The result would be, Mr. President, a clean division between the responsibilities of the two committees with respect to the administration of Outer Continental Shelf lands on the one hand—which is the Interior Committee's juris-

action—and coastal zone management issues on the other—which fall within the jurisdiction of the Committee on Commerce.

Once again, on behalf of the Committee on Commerce, we are pleased to work this agreement with the Committee on Interior and Insular Affairs respecting one another's areas of jurisdictional responsibility, which Senator JACKSON has agreed to.

I know that the principal negotiations today have been carried on by the Senator from Alaska and the Senator from Louisiana. As I understand it, under the amendment of the Senator from Louisiana, we have joined under the coastal impact fund rather than the revenue sharing fund originally proposed in S. 21. Is that correct?

Mr. JOHNSTON. It was not really a revenue sharing fund. It was an impact fund.

Mr. HOLLINGS. All right, an impact fund. This agreement would supplant the fund in S. 521.

Mr. JOHNSTON. Really, what we would intend to do, would be to come forward in the OCS bill, with the same language, realizing that one of these bills may not come through, but that the language which would be in the bill of the Senator from South Carolina also would be in the OCS bill and would supplant the language dealing with the same subject in the OCS bill.

Mr. STEVENS. Mr. President, I believe that the suggestion of the Senator from Louisiana, in this amendment, is a good one. I have joined with him, Senator JACKSON, Senator HOLLINGS, and Senator MAGNUSON in this amendment and I hope that the Senate will adopt our amendment. It meets some of the problems that an existing oil-producing State, such as Louisiana or Texas or California, would face under our original proposal. It will have no great impact on States such as mine, which have, at the present time, no OCS production.

We have a vast potential off Alaska. I think that the Members of the Senate should be aware of that. Sixty-five percent of the Outer Continental Shelf is off Alaska. Ultimately, these frontier areas will be subject to oil and gas production. The distances are vast and the areas that will be affected by this kind of production are very small in population. They have no facilities, really, to handle the influx of population that would be associated with this kind of development. They have no ability to finance even the planning for this type of development. That is why this bill wisely has two separate funds. One is the grants and loan fund, which is a purely discretionary fund—it is subject, of course, to the appropriation process. It can be used to meet the planning needs and the actual expenses of those States that already have OCS development.

The other is the system of guaranteed bonds and the automatic financing of impact moneys, with a payment of specified amounts per barrel of production to the States or local governments, which will, in fact, retire those bonds that are guaranteed by the Secretary of Commerce and assist the States and the

local governments in taking care of the problems within the coastal zone.

As I say, I hope that, at some later date, we will get to the question which is in the mind of the Senator from Delaware (Mr. ROSS) and that we have discussed in terms of revenue sharing. This is not that bill. As a matter of fact, as I pointed out to the Senator from Louisiana, as I understand the jurisdiction of the House committees, we cannot even have OCS revenue sharing in a bill that will go to conference with the House Fisheries and Merchant Marine Committee, because if they are agreed to a position there—

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. BELLMON. I wish to understand this. If there is an oil strike in a small town in the State of Oklahoma, for instance, it will take care of that? In terms of this bill, if there is an oil strike in the Outer Continental Shelf, the Federal Government will take care of the facilities it needs to accommodate that population.

Mr. STEVENS. If there are Federal lands in Oklahoma—

Mr. BELLMON. There are no Federal lands in Oklahoma.

Mr. STEVENS. If there are private lands, in the first place, the State will get a severance tax. In the second place, it will get a tax on the private development within its State. We cannot tax that development outside of the 3-mile limit. We have no way at all to finance it. Those platforms are outside the 3-mile limit. Yet the families and people live onshore. There is no revenue associated with that.

Mr. BELLMON. Does the State of Alaska not levy a State sales tax or an excise tax, the same as in Oklahoma?

Mr. STEVENS. No, there is no State sales tax in Alaska.

Mr. BELLMON. The State has the authority.

Mr. STEVENS. But, there is no such tax.

Mr. BELLMON. Alaska has the same taxing authority any other State has?

Mr. STEVENS. Yes, but we do not have that kind of tax.

Mr. BELLMON. That is up to Alaska.

Mr. STEVENS. We do not have the oil revenues Oklahoma has, because the resources that would be subject to tax that would produce revenue are within Oklahoma's jurisdiction. These OCS facilities—the platforms, the oil wells, the oil—are outside of the jurisdiction of the State. We could not tax them.

If the Senator would like to give us the permission to extend our severance tax out to OCS production, he can be my guest. As I pointed out, we would get 56 cents a barrel if it were within our jurisdiction. We are only asking 8 cents a barrel here, and only to retire those bonds which have been guaranteed by the Secretary of Commerce or to meet those impacts agreed to by the Secretary of Commerce as being necessary to meet OCS development. That is a very, very limited proposition. It is not something that is an extension of the concepts that I think the Senator from Oklahoma would recognize.

If the Senator had an oil well being drilled in Oklahoma, he could tax it, could he not? Do they not tax oil in the ground?

Mr. BELLMON. The State of Oklahoma has a gross production tax on oil produced. What about the States of Texas and Louisiana? They have had offshore development on the OCS down there for many years.

Mr. STEVENS. Yes, and we have watched what has happened there and that is one thing that has bothered us.

Mr. JACKSON. Will the Senator yield for a unanimous-consent request?

Mr. STEVENS. Yes, I yield.

Mr. JACKSON, Mr. President, I ask unanimous consent that Mr. William Van Ness, Mr. Michael Harvey, and Mr. Steven Quarles be granted the privileges of the floor in connection with the pending measure.

The PRESIDING OFFICER. (Mr. BARTLETT). Without objection, it is so ordered.

Mr. STEVENS. I hope my friend from Oklahoma will study this amendment and realize that the bill originally had provision for loans and grants. The Coastal Zone Act in effect now has a provision for loans and grants. The problem is, as we address the areas, in the rural areas, where there is little population and where there is an inability to prepare for development of this type, we are trying to find a mechanism so their bonds will be salable. We are providing a minimum amount of Federal assistance to repay those bonds and to meet these impacts.

I do not think this kind of money will entirely repay the bonds. The maximum amount of money that would be payable to any State, under my proposal, in a year, at the time it reaches a million barrels per day production from the OCS, would be \$29,200,000. That would be the maximum amount payable to both States and localities.

The estimate for the production from the Gulf of Alaska—which we think is low—in the environmental impact statement is 550,000 barrels per day. In other words, my State can look for a payment of something like \$15 million out of this, payable to all the local communities and the State, for taking actions to try to ameliorate the development impacts that come about from the offshore development.

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. BELLMON. Ever since I have been in the Senate, I have heard testimony from communities like Santa Barbara that do not like oil wells cluttering up their landscape. I have heard that from other Atlantic coast States that do not like refineries in their areas. They want the oil coming from Oklahoma, Texas, and other States. Yet they do not want these smelly refineries or other things on their land. What this looks like to me is a bribe to get these States to do the things they ought to do, anyway.

Mr. STEVENS. I hope the Senator will join me in that bribe later on, because I think that is what it is going to take to get offshore development.

Mr. JOHNSTON. It is not a bribe at

all, if the Senator from Oklahoma would yield. There is a real and measurable impact, and the record made in our committee by testimony last year when we had similar legislation so indicates. There is a real impact on offshore drilling. The Gulf Council made such a report 3 years ago and showed a net impact, adverse, of \$33 million.

The theory here, the mechanism, is not a new one; it is not unique to Outer Continental Shelf drilling. Indeed, there is an impact fund from which Oklahoma benefits—I am responding to his comment—this is not a unique kind of mechanism.

For example, we have an impact fund for Army bases, from which the State of Oklahoma gets a great deal under its impact funds for Fort Sill, for example, recognizing that there is impact from these Government children who are educated by the State of Oklahoma and by the counties surrounding. It is that same kind of idea incorporated in this bill, recognizing a real impact and not a bribe.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, may I inquire of the Senator from Louisiana if he wishes to proceed at this time with that amendment he has offered or what the wishes of the manager of the bill are? As I understand it, we did receive consent—and correct me if I am wrong, I would make a parliamentary inquiry—has the bill as reported by the committee been deemed original text for the purpose of amendment?

The PRESIDING OFFICER (Mr. BARTLETT). The committee amendment has been agreed to as original text for the purpose of further amendment.

Mr. JOHNSTON. I would think it would be the more orderly procedure to proceed with that amendment.

Mr. HOLLINGS. Then we could take up the amendment of the Senator from Washington.

Mr. JACKSON. Mr. President, I deeply appreciate the spirit of cooperation which has prevailed between the Commerce Committee and the Interior Committee as both committees have been working on legislation relating to Outer Continental Shelf oil and gas development and its impact on the coastal zone.

While I am opposed to any sharing of Federal revenues from Outer Continental Shelf activity with the States, I have consistently supported the concept of Federal impact aid to those States suffering adverse impacts from Federal decisions to develop OCS oil and gas. The Outer Continental Shelf Lands Management Act (S. 521) which the Interior Committee has ordered reported and should be before the Senate next week, contains provisions for a coastal State impact fund as did its predecessor (S. 3221) which was passed by the Senate last year. S. 586 contains a provision for automatic impact aid grants. The Interior Committee bill also contains an automatic impact aid provision based on a formula which was specifically designed to provide funds to coastal States in so-called frontier areas—those areas

where there has been no Outer Continental Shelf oil and gas development in the past.

I supported this approach because I felt it imperative that the Federal Government provide assistance to such States so that they could do the necessary planning and provide the necessary public services before, or as, they were impacted rather than incur the impacts and only be able to provide adequate facilities long after they were needed.

I have agreed to the compromise approach being offered today because the Senator from South Carolina and the Senator from Alaska assure me that it meets the legitimate needs of frontier area States for front-end money.

They assure me that the needs of frontier area States can be met by loans under section 308(b) of S. 586 or federally guaranteed State or local bonds pursuant to section 319. Once actual production takes place, the automatic aid will be available to repay the loans or retire the bonds. I am pleased that the compromise requires that the automatic grants must be expended for the purpose of reducing or ameliorating adverse impacts. This requirement should eliminate any possibility that any State will receive a windfall. I am sure that all the coastal States will make their views on this subject known prior to any Senate-House conference so that if inequities may occur we will have an opportunity to revise the distribution formula.

Mr. President, with that understanding, I urge that the Senate adopt the proposed amendment.

Mr. JOHNSTON. I move the adoption of my amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. STEVENS. I have no request for further time. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. BUMPERS. Mr. President, I have an unprinted amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an amendment on page 37, line 11, strike "(a)".

On page 37, lines 24 and 25, and page 38, lines 1 and 2, strike subsection (b) in its entirety.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, this subsection would provide that any grant or loan made pursuant to S. 586 shall not be deemed a "major Federal action" for the purpose of section 102(2)(C) of the National Environmental Policy Act. Under this provision, therefore, any grant or loan made by the Federal Government

from the \$250 million coastal energy facility impact fund for major construction projects would be exempt from NEPA's requirement for preparation of environmental impact statements.

Mr. President, I have just received from the Executive Office of the President, from the chairman of the Council on Environmental Quality, Mr. Russell Peterson, a letter in opposition to this provision of the bill. I wish to read the letter now from Governor Peterson, speaking for the administration on this matter:

COUNCIL ON ENVIRONMENTAL QUALITY.

Washington, D.C., January 16, 1975.

HON. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: The Senate Commerce Committee recently reported out the Coastal Zone Management Act Amendments of 1975 (S. 586). Since the Committee Hearings on these amendments, at which I presented testimony of the Council on Environmental Quality on June 11, 1975, a provision has been added to the bill, section 318(b), which would exempt any grants or loans made from the \$250 million impact fund from the requirements of the National Environmental Policy Act (NEPA) for environmental impact statements. This provision, which was not discussed in committee hearings, is not supported by the Council.

Under the proposed bill, the Secretary of Commerce would be permitted to make both planning and construction grants to the states to mitigate impacts resulting from federally permitted energy developments on the coasts. The proposed exemption to the impact statement requirement of NEPA would apply to federal actions on both types of grants, regardless of whether, in fact, significant impacts would occur. In many instances, particularly where planning grants are involved, such impacts should not result. Consequently, under present provisions of NEPA and the Guidelines of the Council and the Department of Commerce, no impact statement would be required. However, grants may also be sought from the federal impact fund to permit the purchase of land or the construction of a new public facility, not otherwise related to a Federal action. Even though such grants may be intended to mitigate the impacts of certain coastal energy production or facilities such activities may have important environmental effects, or alternatives with lesser effects, that should be thoroughly analyzed by the grantee and the Department of Commerce. Without the impact statement exemption, these effects would be so analyzed and a detailed impact statement of the Department would be required when, on the basis of the particular facts in each case, significant impacts were foreseen. This document would then be used to help federal decisionmakers and the public determine the merits of a particular construction grant application. It is the Council's judgment that the Secretary of Commerce should be permitted to make the judgments permitted by NEPA as to whether and when an impact statement should be required and used.

In addition to these reasons, it would be unfortunate for the provisions of NEPA to be limited at a time when Congress and the Executive Branch are exploring a number of new ways to pursue and control the development of outer continental shelf oil and gas. Since the provisions of NEPA are intended to proceed and complement federal agency decisionmaking processes it would be unwise to specify in this legislation precisely when the impact statement provision should or should not be applied. This is a subject that I believe requires considerably more discus-

sion and analysis than has been devoted to the proposed NEPA provision of S. 586:

Sincerely,

RUSSELL W. PETERSON,
Chairman.

Mr. President, subsection 319(b) is entirely unnecessary and clearly undesirable. It is a wide-ranging exemption to NEPA which was not addressed in committee hearings, did not receive detailed discussion or analysis in the markup of S. 586, and has not been considered by the Interior Committee which has the jurisdiction over NEPA. As such it is a dangerous precedent that should not be established by the Congress.

Section 102(2)(C) of NEPA requires the preparation of an environmental impact statement on "major Federal actions significantly affecting the quality of the human environment." The effect of S. 586's NEPA exemption is to say that no action under S. 586 or the Coastal Zone Management Act is a "major Federal action". It transfers from the Secretary of Commerce to the Congress the decision on what is or is not a major Federal action. Whereas without the NEPA exemption the Secretary would make that decision on a project-by-project basis taking all the relevant facts into consideration, the exemption would make a one-shot, prior congressional determination that no major Federal action is involved in any impact fund loan or grant without giving consideration to any of the potentially massive construction projects which those loans or grants may support. Clearly, in many instances, no significant impact on the environment would be likely to occur when a grant or loan is made under S. 586. In such cases the Secretary or his designated Federal official, under existing law, would decide that no impact statement was necessary. However, in some situations such as a proposed land purchase or new public facility which would be paid for with the grant or loan funds but would not necessarily be otherwise tied to Federal action, the environmental impacts might be significant and deserving of analysis. Moreover, alternatives might exist with lesser impacts which should also be explored. The judgment on whether or not an impact statement should be written to address these questions in detail is, therefore, best made in light of the circumstances of each case.

Without the NEPA exemption proposed by this bill any probable significant environmental impacts would be examined, if appropriate, by the grant applicant. Such analyses, and any subsequent impact statement deemed necessary by the Department of Commerce, would then serve to aid federal decisionmakers and the public in determining the merits of the grant application. Over the past 5 years the record of Federal agencies under NEPA has proved the value of the impact statement process in forcing the analysis of environmental effects and alternatives before decisions are made. In short, the impact statement mechanism has proved to be a useful management tool for Federal administrators and there is nothing in the public record to suggest that it would not also be a useful

tool for the Secretary of Commerce in administering the impact fund.

Mr. President, this NEPA exemption is particularly unfortunate because it has far wider application than first appears. It would effectively destroy NEPA. The impact fund loans and grants could be used to finance almost any public construction projects and, under the exemption, no impact statement would be required. There is nothing in this provision to prevent the funding of highways, ports, airports, sewer interceptors, or other facilities now funded under other Federal-aid programs. As NEPA fully applies to those programs, by transferring the projects which would otherwise be funded under them to S. 586's grants or loans, the impact statement requirement could be avoided altogether. I cannot believe that public policy would be served by exempting such major Federal actions as highways, airports, and other facilities from the requirements of NEPA. If such facilities were exempted from NEPA, NEPA itself would be only a regional bill whose application would be limited largely to non-coastal states and inland areas.

Page 30 of the report on S. 586 contains the following statement:

This does not mean, however, that the construction of a public facility or any other action paid for with such grants or loans, which requires an environmental impact statement on its own merits, is exempt from that requirement.

But, Mr. President, this is entirely misleading. Many of these actions, if funded under other Federal programs would likely be major Federal actions and, thus, require impact statements. However, once these programs are funded under S. 586 rather than other Federal programs, they are no longer "major Federal actions" to which NEPA would be applicable. S. 586 says they are not major Federal actions despite Federal funding under S. 586, and there is no longer any other Federal funding or other Federal nexus to make them "Federal actions" for purposes of NEPA. Thus the words "which requires an environmental impact statement on its own merits" are totally illusory for, once S. 586 exempts all projects funded under its grants or loans from NEPA, there would be no residual impact statement requirement.

Mr. President, as the Congress and the executive branch consider various new approaches to the development of offshore oil and gas resources, including ways to expedite offshore leasing and production, it is essential that the provisions of NEPA remain fully applicable. It would be premature and unwise to dictate by this legislation that NEPA shall not apply to decisions to make impact fund grants. It would be doubly unwise to insert such a provision after as little legislative analysis and public attention as this NEPA exemption has received.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. STEVENS. On my own time, if we have enough time on this amendment, and I assume we do.

As the Senator knows, one of the first things I did when I came to the Senate was to sit with the Senator through discussions leading to the formulation of NEPA, as one of the original sponsors of the NEPA Act, and I believe in it.

Mr. JACKSON. The Senator is correct, and he was most active in support and in the passage of that legislation.

Mr. STEVENS. I would like to point out that our problem is this: We are trying to assist in financing the actions taken by the municipalities or States which would otherwise not involve any Federal action, and that provision here—and it may not be stated as expertly as it could be to meet that objective, and I want to explore with my good friend from Washington whether he would be able to agree with us on some limited aspect of this provision—we are talking not about the areas where there has been no environmental impact statement. In the first place, there will be an environmental impact statement on the approval of the coastal zone plan. That is, in fact, an environmental impact statement.

Mr. JACKSON. I understand.

Mr. STEVENS. Second, we are dealing with the action to be taken by a small town, say, Yakutat, Alaska, which wants to build a facility, a dock. It would have to have, if it needed Corps of Engineers approval an environmental impact statement to begin with.

In any area where there would be required a substantial Federal action other than the making of a grant, there would be an environmental impact statement. We tried not to bring these problems into Washington and require the procedure of an environmental impact statement, in a redundant way, only in those areas where the making of a grant or of a loan under this Act in and of itself would be considered a Federal action under NEPA. That is the only string we were trying to untie.

We were not trying to exempt an area from NEPA, we were not trying to take away from the power of the EPA, or the Council of Environmental Quality.

We were trying to say, in the instances which, but for a grant or loan provided for under this bill there would be no requirement of NEPA for environmental impact statements for particular projects, then there would be none required as a result of such a grant or loan.

That was a very, very little thing in trying to eliminate delay for most municipalities, for State actions, which if they involved any other Federal action would require an environmental impact statement.

I ask my good friend: Is it not possible we could recognize that we do not want to bring to Washington those actions of a municipality or State which but for the funding provisions would not be here, and again understanding that the whole concept of the coastal zone management plan would, in fact, be subject to the environmental impact statement procedure in the beginning?

Mr. JACKSON. May I say that my understanding, of course, of the law is that it has to be determined to be a major Federal action.

We are not talking about every small

sewer project, and that sort of thing. But, for example, let me just point out to the Senator, an environmental impact statement is required for the overall—

Mr. STEVENS. Right.

Mr. JACKSON. I agree with that, that is in there. We all agree on that.

The question arises in that connection, what can be done under this \$250 million fund? For example, they could get money for a highway and an impact statement would be required under the existing Federal-aid highway law, but under S. 586 and its NEPA exemption, they would not have to submit an impact statement if it were funded under section 308.

Mr. STEVENS. I beg the Senator's pardon. That is what I am afraid it is interpreted to be, that is not what we meant.

We meant the making of the loan or grant in and of itself would not require an NEPA statement. A road under the Highway Act would require it, any other local action—

Mr. JACKSON. But if we apply for a grant or loan under S. 586, an impact statement for the highway would not be required because we are acting under the section 319(b) exemption and not under the Highway Act and they would have an exemption.

I am sympathetic with the Senator, I would just hope he would accept this amendment and let us see later if we cannot work something out. I worked with the Senator from Alaska continuously. I just do not want to bring about a situation, very candidly, in which we can find ourselves in deep trouble.

This is an important measure and I would be glad to sit down with the Senator and take a look later at a reasonable way of avoiding impact statement requirements which could be onerous and unnecessary.

Mr. President, I am not happy with all of the procedures—

Mr. JOHNSTON. Will the Senator yield?

Mr. JACKSON [continuing]. In connection with NEPA, but this does open up Pandora's box.

Mr. STEVENS. May we pursue this for 1 minute?

Mr. JACKSON. Surely.

Mr. STEVENS. At least in terms of the automatic grants provided under this bill, which are payable annually to repay bonds that would be guaranteed years in advance, we do not want to have to go back and have an environmental impact statement when production finally occurs and they get ready to repay the bonds. We do not want an environmental impact statement when an automatic grant is made, based upon production 2, 3, or 5 years later. The automatic grants at the very least ought to be exempt from the procedure; they are not major Federal actions.

Mr. JACKSON. I agree. NEPA does not necessarily apply in that situation.

Mr. STEVENS. If the Senator, who is the principal sponsor of NEPA, will agree with me that an automatic grant under this act is not a major Federal action, I am prepared to accept that concept and

I think the Senator from Louisiana will, too.

Mr. JACKSON. No, it all depends on what it is. It could be a major Federal action. I do not want a blanket exemption. It may or may not be a major Federal action. That is the trouble with the exemption.

Mr. STEVENS. I am talking about the sums that would be paid under this amendment which are based upon production concepts and will not occur until production commences and, as I said, that will be years after the project is built, to repay bonds.

Mr. JOHNSTON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. JOHNSTON. I want to ask the Senator from Washington if this is not correct, the stage at which the automatic grants are made from the Federal Government to the State does not require an impact statement, that part does not require the impact statement.

Mr. STEVENS. We have not had agreement on that yet.

Mr. JOHNSTON. I think what the Senator is saying is when the State undertakes to use that money and the impact statement would now be required, as an example, they might build a highway in its coastal zone for the purpose of serving the offshore industry and have it presented, in fact, they would use Federal funds and an impact statement would be required, then that same kind of impact statement would be required under the Senator from Washington's amendment as is now required, but unless this amendment were adopted, then if this money were used it would completely be freed from any impact statement even though it might be commingled with other Federal money which itself would require an impact statement, am I correct?

Mr. JACKSON. The Senator is correct.

Mr. STEVENS. The Senator from Louisiana has stated what I hope is going to be placed in the record by my good friend from Washington because we had no intention of waiving an environmental impact statement in any area where it would be required by any other Federal law.

We did intend to waive the requirement of an environmental impact statement where moneys were raised under the grant or loan provision under this bill where there would not be otherwise required an environmental impact statement.

The Senator from Washington just stated, as I understand it, that he would agree with me, that moneys would be paid under an automatic grant provision which, in fact, would be used to repay bonds issued for projects commenced years before or for impacts that had been financed years before, that there would be no necessity for an additional environmental impact statement by the making of the grant at that time.

If I understand the Senator from Washington that that is not a major Federal action, we do not need this provision. We were fearful there would not be this interpretation.

Mr. JACKSON. I would agree with that.

I hope we can have a vote and the chairman of the committee would agree.

Mr. HOLLINGS. Mr. President, I want to agree to this amendment, if I can get my distinguished friend from Alaska, Mr. STEVENS, to agree as well.

What we passed as the Coastal Zone Management Act back in 1972, was after about 3 years of endeavor.

It passed through the support of the Council of State Governments, the National Governors' Conference, the Association of Counties, the Coastal States Organization, and everyone else, to work for environmental, social, economic impact and management as well as other impacts within the coastal areas and the Great Lakes of the United States of America.

Specifically, they said that by the year 2000 we are going to have 80 percent of the population, 80 percent of the industrial work force is there now, but by the year 2000 we will have over 225 million Americans living in this area. These impacts are what they wanted assessed and planned for.

Where was the recreation going; where was the urbanization going; where were the facilities for water-consuming industries, and where were the power facilities to be located?

We estimated at that particular time that there would be 80 nuclear powerplants that would have to be built within a 25-year period.

Incidentally, this has been updated upwards to an estimation of 176 facilities that will have to be built between now and 1985, in order to take care of the energy crisis.

But back to the fundamental concept of coastal zone management, the distinguished Senator from Alaska is dead on target; that before the Federal Government will approve a coastal zone management plan of a State, it must submit an environmental impact statement. Thereafter, any variations from this plan by any particular facility siting would require an additional NEPA statement. What the Senator from Alaska was getting at is that every local water facility or sewage line that would be planned would have to come all the way to Washington for approval.

I happen to know because I live in an area where we are trying to build a bridge, and we have to get the Coast Guard to go along, the Corps of Engineers to go along, EPA to go along, and the Council of Environmental Quality, and everybody else to agree, just to build a bridge.

In that county it is next to impossible. For 7 years we have been trying to check off all the different impact statements.

So the trust of the amendment which was included in the committee at that time, at the behest of the Senator from California, was not in any way to avoid, evade or go around NEPA. On the contrary, the Senator from Alaska has been a warm supporter of the Environmental Protection Agency and the various impact statement requirements under the particular law of Senator JACKSON.

I am sure the Senator would insist on including it, because if we have to err, would rather err, on the side of the Senator from Washington—that there be a little more reporting rather than a little bit less. We are not trying to weaken in any way the National Environmental Policy Act.

Mr. JACKSON. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. JACKSON. I want to agree with the Senator's comments with regard to the Senator from Alaska. As I indicated earlier, we worked together on the original National Environmental Policy Act when it was up for final action taken in 1969. The President signed it, as I recall, on January 1, 1970. The Senator from Alaska has always been supportive. I just wanted to call this matter to the attention of the Senate, and I offered the amendment for that reason. I hope the Senator will accept the amendment.

Mr. STEVENS. I would prefer to see it retained at least as to section 308(k). If the Senator from Washington would agree with me with regard to the automatic grants that are payable under 308(k), that the environmental impact statements are not required, then I do not see any necessity for it.

Some of them will be sizeable payments. I call the attention of the Senator from Washington to the fact that it is possible that we will have a \$30 million payment made to a State.

It is dedicated, pursuant to this law, to the repayment of investments made years prior to the actual payment. But I think it could be argued by some people later on that there would have to be a new environmental impact statement every time the Secretary of Commerce prepared to pay that grant over to the States. It is automatic under the terms of this bill. I think at least as to the automatic grants there is absolutely no requirement for an EIS because it is not a major Federal action. We are taking that Federal action if we pass this bill, and I do not think we ought to have an environmental impact statement on that.

If the Senator from Washington will agree to that, fine. If he does not agree with it, I think we ought to retain the section at least for 308(k).

Mr. JACKSON. The real question is whether it is a major Federal action. That is what we are talking about. That is the test. If we just say it is automatic, that, in itself, an automatic grant, is not the test. The real test is whether it concerns a major Federal action significantly affecting the quality of the environment. That is what we are talking about.

Mr. STEVENS. If the Secretary of Commerce guarantees bonds in 1976, and they are for facilities in Yakutat, Alaska, and the money starts coming in from production in 1981, this bill mandates the payment of those funds, an automatic grant to repay those bonds which have been guaranteed by the Secretary of Commerce.

At the time those grants are made, to go back and have an environmental im-

pact statement as to whether the facilities that the money is to be spent for should be built, to me is wrong. The decision to make them was at the time of the guarantee. That is a major Federal action and there would be the EIS there. But the making of the grant itself is not a major Federal action.

Mr. JACKSON. It would only be at the time of the guarantee. Let me try to state it in one or two sentences.

A small project which, if it were under any other program, would not be "a major Federal action significantly affecting the quality of the environment," it would not otherwise require an impact statement solely because it is funded under S. 586.

Mr. STEVENS. I think that is all we are seeking. That is what this bill provides.

Mr. JACKSON. I will stand on that statement. That ought to be a sufficient legislative record. I would hope the Senator would—

Mr. STEVENS. I am satisfied with the statement which as I understand it is exactly what the bill says where only the grant or loan is the Federal action, to repay previously approved projects which were subject to an EIS in the beginning, no NEPA statement will be required.

Mr. HOLLINGS. With that agreement, I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. I notice S. 586 adds "islands" to the definition of coastal zone, and the concept of breach access to the subject matter of a development grant, under the Coastal Zone Management Act. As you undoubtedly know, for the last two Congresses I have introduced the National Open Beaches Act and the National Islands Conservation and Recreation Act. These bills have, in each instance, been referred to the Interior Committee. They would make use of Land and Water Conservation Fund moneys for the express purpose of acquiring islands and beach access. In addition, they would set up a procedure for adding undeveloped islands to the national park or wildlife refuge system, to speed the "surplusing" of islands owned but no longer needed by the Department of Defense and other Federal agencies, and declare Federal support for the common law "open beach" concept.

I would certainly hope that you would regard such legislation as entirely supportive of S. 586 and that there is no attempt by the Commerce Committee, in making the changes in the Coastal Zone Management Act which I mentioned, to remove Interior Committee jurisdiction over these bills. I would appreciate your assurances on this matter, and I can assure you that such legislation will be consistent with the Coastal Zone Management Act.

Mr. HOLLINGS. I agree.

Mr. HOLLINGS. I yield to the Senator from Utah such time as is necessary.

Mr. MOSS. Mr. President, I support S. 586. It is a good bill. Certainly, the coastal States need Federal assistance, as the bill says, to study, plan for, manage and control the impact of energy resource development which affects the coastal zone.

I want to call the attention of my colleagues to the fact that it is not just the coastal zone which is experiencing the impact of energy resource development. Throughout the West there are energy supply projects springing up like mushrooms after a heavy rain: four coal gasification plants slated for construction in New Mexico; 11,000 megawatts of new electric generating capacity heading for construction in southern Utah; new coal mines opening in Wyoming, Montana, the Dakotas, and so on. Some of these projects are still in planning stages; some are on the verge of construction, and some have already started up.

In the sparsely settled areas of the West, it is particularly difficult for communities to find planning money to study the coming impacts. It is impossible for them to find early financing to build the community infrastructure needed to serve new population influxes. Sewers, water, roads, schools and hospitals, police and fire protection all have to be in place long before they can be paid for with tax revenues from the new energy facility.

So the Senate must return to the principle embodied in S. 586 later this year. This is legislation more broadly based than coastal zone energy siting. Considerations both of equity and need dictate we produce for the whole country a program of financial assistance on energy impact problems comparable to that which we will provide in the coastal States with this legislation today.

I have drafted legislation which meets that goal, which I will have ready to introduce after the August recess. I will be speaking to a group of national experts on front-end financing who are gathering August 14 and 15 in Utah to consider the bill which I have drafted and to suggest ways of improving it. I solicit the support of all my colleagues, and particularly those from Western and coastal States, to find a solution to the problem of meeting the needs of the States which will be providing energy for the Nation.

Mr. BELLMON. Will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Oklahoma.

Mr. BELLMON. I have been informed by the comments of the Senator from Utah but if I understand properly, he is talking about applying the provisions of this bill to all States?

Mr. MOSS. The same general principle. I support this bill and I think it is timely and needed. But I think we must not overlook the fact that there are a lot of other areas with similar problems.

Mr. BELLMON. Would the Senator agree that we have a better chance of getting legislation like this to apply to the rest of the country if we had it altogether in the same package?

Mr. MOSS. I would not be averse to that.

Mr. BELLMON. That is the reason I think we ought not take this bill until we take care of the needs of the rest of the country at the same time.

Mr. STEVENS. If the Senator from Utah will yield, I hope the Senate will not follow that concept. The fact that we thought of a good approach to provide front end money for those places that are about to suffer this type of impact ought not mean that we should hold it up because there are other places that are going to have the same experience later. I happen to agree with the Senator from Utah. The Senator from Washington and I held some hearings in Hanford. They said this 3 years ago to us, that we have to find a way to deal with these impacts that the local communities cannot face. We have found a mechanism, to guarantee the bonds and to later provide some income when you produce something that is salable. That is all we are saying. We will be happy to work with the Senator from Utah and the Senator from Oklahoma in that regard.

But I would point out this, and I think in fairness it must be admitted, that a nuclear powerplant that may be located within a State is subject to taxation by some local community, some local entity, some county, city or State because it is located within their taxing jurisdiction. We are also talking about facilities that are outside the State, where the bulk of the impact takes place in the State from the points of view of schools, roads, docks, communications, all of the facilities that are not there. The entities that could be taxed, the platforms, the oil reserves, are outside the State.

Mr. MOSS. I agree.

Mr. STEVENS. I am perfectly willing to work with the Senator from Utah on the problem facing these cities and States to meet the problems that will come from the energy siting, the nuclear powerplants, and the hydroelectric plants. Today if we went through a Grand Coulee Dam project as compared to the time we went through it before, it would be seen as having a severe impact on the State of Washington.

Mr. MOSS. I appreciate the comments of the Senator from Alaska. I am not disposed to delay this matter at all. As a matter of fact, I am drafting a bill that I hope to introduce immediately following our August recess, that will have this effect on the States that have energy projects within their boundaries.

I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I would like to say to the Senator from Utah that I could not agree with him more on a part of his statement, but I honestly think all of us landlocked States are rather foolish to give up whatever leverage we might have by supporting this bill in its present form, because to hope that States such as Utah, Montana, and Arkansas will get equal treatment, I think, may be overly optimistic.

I ask the supporters of this measure whether they would support an amendment to eliminate the word "coastal" and then give all 50 States the same treatment. If we are going to give coastal States this special treatment, why not broaden it to include every State in the

Nation, and then we will know everyone will be treated fairly?

Mr. MOSS. Mr. President, it is a matter of time. I do not have anything drafted at this point. I have a seminar coming up with some experts, during the recess, in my home State, and we are going to finally put the whole thing together, what we think we ought to have.

I am not willing to stand in the way of going ahead with the coastal States, because I accept the assurances of Senators who have spoken that they will support the same thing for the landlocked States with internal energy problems.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. JOHNSTON. I might add that our distinguished colleague from Wyoming (Mr. HANSEN) offered an amendment in the Committee on Interior and Insular Affairs to our OCS bill relative to all the strip mining that is going to occur in his State and out in the West.

That amendment had great sympathy in our committee, and was rejected on a close vote, not because we were against the amendment, but because the matter needs to go through the process of introducing a bill, having hearings, and providing a record, which I am sure can be done. We cannot cure all the problems of the world in one bill. Recognizing that this is a coastal zone bill, where hearings have been held in the Committee on Commerce for a long time, several years in fact, and in the Interior Committee for a period of months, is not to say that we will not be sympathetic to reforms in other parts of the country.

Mr. STEVENS. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I believe I was yielded to by the Senator from Utah, and that he has the floor.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Who has the floor?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. HOLLINGS. Mr. President, I yield for a minute to our distinguished chairman, the Senator from Washington (Mr. MAGNUSON).

Mr. MAGNUSON. Mr. President, having been associated with this matter for a number of years—

Mr. STEVENS. Mr. President, who has the floor at this time?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. MAGNUSON. Having been associated with this matter for some years now, I wish to make a statement for the record affirming my support for this bill, and to compliment all of those who have worked so hard over the years, in hearings, with witnesses, and in conferences, particularly the Senator from South Carolina, the Senator from Alaska, and the Senators on my colleague, Senator Jackson's committee.

I hope that we will adopt this bill. I have listened with a great deal of interest to what the others have to say about the possible extension of this meas-

ure to inland States, and I hope they will introduce that sort of bill at a proper time.

Mr. MOSS. I will.

Mr. MAGNUSON. But what we are dealing with here, basically, is that if all the States would be included now, with regard to the things we are going to put into this bill, there would not be too much of a problem for the States, but we are dealing with great uncertainty as to the use those States would make of the funds. It is a different type of thing with coastal States with the Coastal Zone Management Act.

I surely would support another bill similar to this that would apply to inland States which the Senators have been talking about now for the last half hour.

So, Mr. President, I wish to register my wholehearted support for S. 586, the Coastal Zone Management Act Amendments of 1975, which is now before the Senate for consideration. I urge my colleagues to approve this bill. This legislation is an essential part of our energy program and should be adopted as rapidly as possible by the Congress. Without this legislation, I am afraid, our coastal and Great Lakes States may be unprepared to shoulder their fair share of the Nation's burden in meeting energy needs.

In January of 1969, a blue ribbon panel of experts on ocean affairs made the following statement introducing the concept of management of the coastal zone:

The coast of the United States is, in many respects, the Nation's most valuable geographic feature. It is at the juncture of the land and sea that the greater part of this Nation's trade and industry takes place. The waters off the shore are among the most, biologically productive regions of the Nation.

The uses of valuable coastal areas generate issues of intense State and local interest; but the effectiveness with which the resources of the coastal zone are used and protected often is a matter of national importance. Navigation and military uses of the coastal and waters offshore clearly are direct Federal responsibilities; economic development, recreation and conservation interests are shared by the Federal Government and the States.

Rapidly intensifying use of coastal areas already has outrun the capabilities of local government to plan their orderly development and to resolve conflicts. The division of responsibilities among the several levels of government is unclear, and the knowledge and procedures for formulating sound decisions are lacking.

The key to more effective use of our coastland is the introduction of a management system permitting conscious and informed choices among development alternatives, providing for proper planning, and encouraging recognition of the long-term importance of maintaining the quality of this productive region in order to ensure both its enjoyment and the sound utilization of its resources. The benefits and problems of achieving rational management are apparent. The present Federal, State, and local machinery is inadequate. Something must be done.

Based on the report issued by this panel, referred to as the Stratton Commission, Congress considered and passed the Coastal Zone Management Act of 1972, a law which must be considered a landmark in the area of State/Federal partnership in land and water use planning.

At that time, however, the tremendous pressures on the coastal zone for the building of energy facilities were just beginning to mount and had not reached crisis proportions. Refineries, deepwater ports, LNG terminal facilities, powerplants, and similar facilities are either water related or water dependent. Most such facilities are now located in the Nation's coastal zone, as are those proposed for construction in the future.

Furthermore, we have learned that oil and gas development on the Outer Continental Shelf will generate onshore support facilities, pipelines, and accompanying problems for State and local officials to cope with.

The funding of the Coastal Zone Management Act, nonexistent for nearly a year after its enactment, is still modest. Despite this slow beginning, nearly all States are participating in the program. But the advent of energy pressures of great magnitude have made the original coastal zone management program of greater importance and have demonstrated the inadequacy of the funding of its implementation. In fact, for most States, the biggest planning headaches are those associated with energy facilities or development. The siting of the Pittston refinery in Eastport, Maine, is but one example. More and more, State and local permission to site a facility is approaching the status of a social contract between the industry involved and government. This is as it should be if a proper balancing of the interests of industry and the public can be achieved. But the parties to this contract must have equal bargaining power. S. 586 is intended to bolster local efforts to rationally plan for energy facilities in an independent and expert fashion.

Of primary importance to the States at the outset is planning assistance. It is most difficult to plumb the reaches of impact associated with energy facilities. Without adequate staff and resources, a State must rely on the information provided by industry. This bill will give the States a jump on the problem and allow them to deal with the complex problems of coastal energy development on an informed basis, ahead of time.

It is important to underscore the fact that S. 586 continues the basic philosophy of the Coastal Zone Management Act of 1972. Using the carrot approach, States are encouraged to establish a statewide planning process and statewide plan for the balanced development and protection of coastal areas. The planning decisions are left to the States themselves. With an approved process comes Federal financial assistance. This initial phase, program development, has attracted nearly every coastal State.

Recently, my own State of Washington was informed by the Office of Coastal Zone Management that it was the first to receive preliminary approval of the management program itself. As a State with one of the Nation's longest coastlines, Washington State knows well the need to protect our coastal areas. In this regard, there has been a long, and sometimes difficult, debate over the siting of deep draft oil tanker terminals in the State. Continually, the effort to estab-

lish a State energy plan was frustrated by a lack of knowledge about industry plans and an unwillingness on the part of oil companies to work closely with local government. In fact, announcements of company plans to build tanker terminals came as bombshells in the newspapers, rather than as part of some orderly process. The legislature, understandably miffed, simply outlawed large tankers from inner Puget Sound.

Mr. President, the Coastal Zone Management Act was designed to bring order to the planning process at the local level. But it can only be as successful as the capability of any State will allow. S. 586 enables the States to develop the adequate capability.

The impact assistance in the bill is a vital part of the proposal. Through the efforts of the national ocean policy study, the burdens associated with energy facilities became clear. A quick buildup of onshore staging areas for OCS development, pipelines, support facilities, tanker terminals, and the like can sorely strain a local government's ability to provide schools for the workers' children, fire, and police protection, water, sewage, and other public services. S. 586 provides impact assistance to the States without busting the budget by giving such assistance only where overall adverse impact is shown.

In summary, Mr. President, S. 586 is a balanced bill to meet a very real coastal State need. I urge my colleagues to pass the bill.

I hope we will not stall this measure. I do not mean to say that anyone wants to stall it; everyone wants to discuss it. But it is long overdue, and all these things are piling up on us in the coastal zone.

I guess all 50 States have environmental acts now, and they will require an impact statement, but they have had no comprehensive legislation other than in this zone we are talking about, and that is why the bill is very necessary at this time.

Mr. BELLMON. Mr. President, will the Senator from Utah yield the floor at this time?

Mr. MOSS. Well, the Senator from South Carolina yielded to me. Perhaps he should yield it directly.

Mr. HOLLINGS. Mr. President let me yield the floor, so that the Senator from Alaska may speak.

Mr. STEVENS. Mr. President, first let me inquire, what is the time situation?

The PRESIDING OFFICER. The Senator from Alaska has 41 minutes remaining, and the Senator from South Carolina has 42 minutes.

Mr. STEVENS. I am happy to yield to either of my colleagues, the Senator from Oklahoma or the Senator from Delaware.

First let me state just briefly, that I hope the Senate will listen to the chairman of our committee. We have a jurisdiction problem, particularly when we get to the House of Representatives and are subject to the terms of their jurisdiction. We are going to be dealing with the House Fisheries and Merchant Marine Committee, not the committee that deals with power siting, or the people

who generally deal with public works concepts.

If the bill which the Senator from Utah has been discussing needs to be introduced, I would be happy to support it, but we could not get it through the House committee in conference, and that is the simple fact of the matter. We could get this through; it is limited. It does not refer to OCS revenue funds; it deals only with financing that comes through the Appropriations Committee on the basis of the eligibility guaranteed under the provisions of the bill.

I am happy to yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I wish to ask the Senator from Alaska a question.

I would like for the Senator from Alaska to explain to me if, under the terms of this bill, an oil company chose to build a refinery at Baton Rouge, in a coastal State, or if, on the contrary, it chose to build a refinery at Little Rock, in a landlocked State, or at Tulsa, in what is also a landlocked State, the State of Louisiana could receive a grant under this bill, but the landlocked States could not; is that correct?

Mr. STEVENS. That is true. It is also true under existing law. There is an existing grant authorization for the coastal zone area, which we justified here 3 years ago on the basis that in the area within 50 miles from our coastline, I believe—the Senator from South Carolina has the exact figures—over 50 percent of our population lives within that 50 miles of the coastline, and they have a more serious problem when additional facilities are introduced than do the interior States. I would also say there are provisions for grants and loans under HUD to deal with these same concepts as they affect the interior States.

Mr. BELLMON. Those grant provisions apply to coastal States as well as to landlocked States. Why do we need a bill that gives the coastal zone States a favored position?

Mr. STEVENS. We are continuing the favored position of the coastal States because of their peculiar problems with relation to population density, in some instances, and the entire lack of population in other instances. In ours it is the latter type of case. We always are plagued with a lack of infrastructure to deal with any problems. Some of these areas are going to be impacted by this OCS development in my State. On the other hand, in Louisiana, California, Delaware, or New Jersey, where they are proposing to put in facilities to handle the oil that is coming onshore, the impact will cause severe dislocations, will particularly cause planning problems, and under the new Coastal Zone Management Act they are going to have to have a plan. We did not require Oklahoma to have a plan, or we did not require Arkansas to have a plan.

Mr. STEVENS. We are required to have a plan.

Mr. BELLMON. Under the Environmental Act we have to have the same kind of plans as the State of Alaska has.

Mr. STEVENS. No. They do not have

to have a management plan like the Coastal Zone Management Act requires.

Mr. friend from South Carolina will affirm this. We, in fact, enacted the planning concept that applies to coastal zone that does not apply to the rest of the country, and as such we are in a different situation.

Basically, the loans that the Senator is talking about are loans for planning to meet the requirement that Congress set down for the coastal zone States. It is to meet the fantastic impact coming about in some areas from excessive population in the case of my own State from lack of population.

We in the coastal States also have some problems that the Senator does not have, and that is to protect the fishery resources, to protect the sanctuaries for fish and wildlife, to protect the scenic areas, such as the beaches along the great eastern shore of the United States or the California shore. In order to protect those areas we have required a coastal zone plan, and the coastal zone States are trying to meet that obligation.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. BUMPERS. In the coastal zone plan, does the plan provide for industrial development other than energy resources?

Mr. STEVENS. Yes, but only as contemplated in the original act. Let me answer the question, yes, and not anticipate the Senator from Arkansas. It does.

It does, but this act would not finance projects to cope with that impact. This act would only finance those projects that are related to the adverse impacts from OCS development.

Mr. BUMPERS. Also in this bill, it is not necessary that a plant be built in the coastal zone. It is only necessary that it at least allegedly impact the coastal zone and the Secretary agrees with that allegation. Is that correct? In other words, if a coal-fired generating plant is built in western New Jersey—I do not know how far the coastal zone goes in New Jersey.

Mr. STEVENS. It is up to the State.

Mr. BUMPERS. I understand it includes the entire State. But if a coal-fired generating plant is built in western New Jersey, and it is a part of their coastal zone, they are entitled to receive aid from the Secretary upon application, for any social, economic, or environmental impact they may have sustained as a result of that coal-fired plant.

By the same token, if such a plant is built in the State of Arkansas, which is about to be done, we are not entitled to anything for any kind of impact. Would that be correct?

Mr. STEVENS. Not quite. I would agree that the Arkansas situation requires, as I have said to the Senator from Utah, a new concept.

Mr. BUMPERS. I understand.

Mr. STEVENS. With regard to the first part of the Senator's statement, to the extent that the State defines the incursion of salt water influence, there would be required a coastal zone management plan. Part of that plan would be to try and protect that area and it might well

be that one of the requirements would be that the refinery be built out of that area in order to protect the coastal zone and that could lead to financing under this Act, as I understand it.

But again, I hope that, in trying to deal with special problems that are coming about because of development beyond the jurisdiction of any State—and there are such special problems—that my friend from Arkansas would not delay this bill because he also has problems within his own State. We will be most willing to address these problems in the future.

Mr. BUMPERS. Let me say to the Senator from South Carolina and the Senator from Alaska, that I supported the Coastal Zone Management Act. I support the concept of what is trying to be done in this bill, or at least as I originally understood the concept, and that was to protect the coastal zone from all of the impact that one might sustain as a result of offshore drilling. This bill goes much farther than that. It covers everything.

I will support an amendment which changes the language of section 308 to say "any State," or I will support an amendment which confines the aid you can get from the Secretary for coastal zone impact to those impacts which are sustained as a result of offshore drilling and exploration and development on shore as a result. Then we can all address land-use management hopefully later in this session and all 50 States be put on the same basis. I support land-use management.

Mr. STEVENS. I say to the Senator from Arkansas that we did that. We passed the bill. It is over in the House of Representatives now. We passed it twice. We have done this in terms of the land use planning bill, and I supported it. It came out of the Committee on Interior and Insular Affairs. I supported it, and I think the Senator did also. It is over in the House of Representatives, and it has been, as I understand it, slightly delayed in the House.

But the concept that the Senator is seeking we agree to.

But let us not step backward with regard to the coastal zone. The coastal zone does have special problems that the noncoastal zone does not have.

Mr. BUMPERS. I recognize that.

Mr. BROCK assumed the chair.

Mr. STEVENS. That is not only the protection of the onshore areas, that human beings enjoy, but also the protection for the living resources of the sea. We have required the States to plan for it. We have hopes that they will, in fact, reduce the runoff of oil, and other things, that go in our streams and are destroying the fishery and other resources of the sea. We hope we can restore these things.

That is what some of the money which we are talking about in terms of loans and grants here is intended to accomplish. If we can induce the State to move an industrial area that has potential risk of pollution back out of the coastal zone and give it a loan or grants to do that, I hope the Senator from Arkansas will agree that that ought to be done. If we limit it to OCS development only,

we are going to miss the great thing that we did 3 years ago in terms of giving an inducement to the States to plan and manage the coastal zones that will be preserved.

Mr. BUMPERS. I am willing to concede this much: that the coastal-zone States do indeed have peculiar problems that are not peculiar to States such as my own. By the same token, as a matter of fact, I am willing to concede, for example, a nuclear powerplant, off the coast of Massachusetts or South Carolina, does indeed have a terrible environmental impact on those States.

By the same token there is the Arkansas River, which is near and dear to my heart, as it is to my distinguished colleagues from Oklahoma. Arkansas has two nuclear generating plants within 2 miles of each other, and I can tell the Senator that those two plants have a very significant impact on the safety of the Arkansas.

So I am willing to concede that, if a nuclear generating plant is built on any of the coasts that are under the Coastal Management Act, they indeed ought to have aid, although I know we are not going to get aid under the same provision, but I am simply saying let us treat all 50 States fairly when we go beyond what is peculiar to that State, and that is offshore exploration.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. HOLLINGS. I will in just a minute.

First let me clarify one thing.

Mr. President, No. 1, let us go to the Coastal Zone Management Act—If I could have the attention of the distinguished Senator from Arkansas. Reading from Public Law 92-583; among those things funded by Congress under paragraph sub 302(c), one finds mention of "the increasing and competing demands upon the lands and waters of our coastal zone occasioned," but not by offshore drilling; "by population growth," but not offshore drilling; "economic development, including requirements for industry," but not offshore drilling; "commerce, residential development," but not offshore drilling; population growth, economic development, industry, commerce residential development, recreation.—I could go right on down the list. This was not an offshore drilling. I am willing and trying hard to reconcile the different philosophies and thoughts, when we worked the original act out with our friends on the committees on Interior and Insular Affairs, particularly on the House side, we passed it with this view in mind, so do not go and use the language "original concept of offshore drilling."

On the contrary, this is a coastal-zone area.

Let me go to the next definition that should be alluded to, because someone suggested that the entire State of New Jersey might come under this Act. It is only the coastal counties we are speaking of, as a reading again from Public Law 92-583, states:

The zone extends inland from the shoreline only to the extent necessary to control shore lands, the uses of which may have a

direct and significant impact upon the coastal waters.

I will read one other particular section that alludes specifically to the facilities which is again in 92-583, subsection 306(8):

The management program provides for adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature.

We have previously debated the matter of powerplant siting. We are not injecting something new in the original concept of offshore drilling.

What does this mean to South Carolina? We have a nuclear powerplant, up at Trotter Shoals, just above Columbia, S.C. There is no provision for the Trotter Shoals plans under this bill, and there have not been and will not be if the Senate passes these particular amendments to the basic act. There is another such plant at Keowee-Towaway with the Duke Power Company in the Piedmont section of South Carolina.

It is not entirely correct, as the Senator from Oklahoma suggest, that the "coastal States get some thing while inland States get nothing."

The contrary is true. Coastal regions get something, but that aspect of the coastal States, outside that region which is the majority of my State, are not going to get a dime. So, ordinarily, by way of self-interest, I should go along with the Senator from Arkansas. But he violates the fundamental principle that this Congress, after all the debate and in passing it twice, finally found. That is that there is a national concern and a national problem to be solved by the Coastal Zone Management Act.

The Senator asks why his inland State cannot share in these funding provisions. When a Trotter Shoals subjects itself to national zoning, or to a land use plan, or when Keowee-Toxaway, then perhaps his question could be answered. Incidentally, there was not a single coastal area zoned as a coastal area when we started this legislation. The distinguished Senator from Maine is in the Chamber. They have the best coastal zone program. They have been leading the country in planning their coastal area. California has already put \$10 million into their program. Florida has put \$10 million into theirs. They have all come along as a result of the impetus of the Coastal Zone Management Act of 1972.

But I would like to note to my colleagues that we would not give these funds right away. The money has to conform to the overall impact and in accordance with an approved plan of development. There is not funds for the State of Arkansas, and as is not for the majority of the State or South Carolina, which is outside of the coastal zone thus the majority of the State of South Carolina, and the State of Arkansas are not the focus of this measure. But perhaps the entire State of Arkansas and the State of Oklahoma would be included under a land use measure but not under one designed for the coastal zone.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. BELLMON. I thank the Senator for yielding.

The Senator from South Carolina says that the entire State of South Carolina will not be covered. So far as I can tell, there is no definition of "coastal zone" in this matter.

Mr. HOLLINGS. Yes, there is. These are amendments to the law. That is why I read the law earlier. I thought it was quite clear.

Mr. BELLMON. Will the Senator define "coastal zone" as it relates to this measure?

Mr. HOLLINGS. Section 304, Public Law 92-583, at the bottom of page 1489: "Coastal zone" means the coastal waters * * * and the adjacent shorelands * * *

It continues right on down. It says the zone extends inland.

Mr. BELLMON. How far?

Mr. HOLLINGS. From the shorelines, only to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters.

Mr. BELLMON. How much of the State of South Carolina is involved in the coastal zone?

Mr. HOLLINGS. We have not had an approved plan as yet. I would say about a 10-mile strip inland, and in two or three areas, perhaps 30 miles inland.

Mr. BELLMON. The State of South Carolina being alert as it is, is anything in there to keep the whole State from being in the coastal zone?

Mr. HOLLINGS. Yes—what I have just read. This is no tricky legislation. This is responsible law. The Senator from Oklahoma looks at this and says it is one thing. The other Senator looks at the amendments and says that the thrust of this is offshore to compensate just for drilling. I have just read to him what this amendment concerns. I should perhaps keep reading it to the Senator from Oklahoma.

Mr. BELLMON. The language is unambiguous. It is going to be up to the Governor or the legislature.

Mr. HOLLINGS. It is going to be up to the Federal Government. It does not affect the coastal areas above Trotters Shoals.

Mr. BELLMON. The Senator from Alaska said earlier that it is up to the State to decide how large its coastal zone is.

Mr. HOLLINGS. It has to be approved by the Federal Government. Under this law, never has an entire State been considered a coastal zone, with perhaps the exception of island States and territories.

Mr. BELLMON. I am sure there will be surprises when they get into this.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. GLENN. Mr. President, I associate myself with the remarks of the Senator from Arkansas. I have the same reservations about this, and I would like to see some of the changes he proposed.

The distinguished manager of the bill referred to some of the reasons why this bill was in existence, and he referred to population growth, economic development, industrial development, commerce,

residential development, and recreation. Those certainly are things we would like to see benefit every State of the Union. They have nothing whatsoever to do with whether the location of a State happens to be on a shoreline or not on a shoreline.

The one big thing we have seen come along since this was passed has been on the Outer Continental Shelf activity. We will bring out of the Interior Committee shortly a \$100 million fund to provide for coastal help and impact.

One other item mentioned was that we wanted management programing in response to the national interest in powerplant facilities siting. That is another one that applies to every State. We can defer to a land use bill and that we should get it passed, but everyone knows what the history of that has been so far. But the Senator from Arkansas has put his finger on what I look at as very special legislation, benefiting special States, whereas all our States have a particular need. We may not have funds available at the moment to expand this program to cover every State in the Union, but perhaps we will at some time.

Mr. BUMPERS. Mr. President, is an amendment pending now?

Mr. HOLLINGS. No. Does the Senator from Arkansas wish to submit it?

Mr. BUMPERS. Yes. I call up my amendment at this time.

Mr. STEVENS. Mr. President, I say to the Senator from Ohio that I wish he would discuss with the Senator from Louisiana what we have done. We have made this bill similar—

The PRESIDING OFFICER. Will the Senator suspend until the amendment is reported?

The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17 strike lines 10 through 14 and the words "or operation of an energy facility." on line 15, and insert in lieu thereof the following:

"Sec. 308. (a) The Secretary is authorized to make a grant to a coastal State, if he determines that such state's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources offshore, or by the location, construction, expansion, or operation of an energy facility which is made necessary by such exploration, development, or production of energy resources offshore."

And by striking lines 24 and 25 on page 17 and lines 1 through 4 on page 18 and the words "energy facility" on page 18, line 5, and inserting in lieu thereof the following:

"(b) The Secretary is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources offshore, or by the location, construction, expansion, or operation of an energy facility which is made necessary by such exploration, development, or production of energy resources offshore."

Mr. STEVENS. Mr. President, I hope the Senator from Ohio will discuss with the Senator from Louisiana the fact

that we have reached an agreement making S. 521 and S. 586 identical in terms of the funding for the coastal zone grants and loans. We are not being redundant with other legislation.

I hope he will also take into account the problem we have with regard to some of the areas that are in fact subject to OCS development.

I understand what the Senator is saying with regard to the entire country. We are prepared to work with the Senator. As a matter of fact, I have introduced a bill that would provide money from the income of OCS to take care of that. It would provide one-quarter of the revenues that would go into the general revenue-sharing fund for all 50 States to meet some of these problems. That would provide an extra carrot to some of our friends along the coastline to bring about development of the OCS, where we have vast resources, because they also would get a quarter of the income.

Mr. GLENN. I am interested in seeing fewer carrots put out. We have States that have development commissions, and they are anxious to see business and industry come to their States. We are setting up a huge Federal subsidy for this. I would like to see the saving of tax dollars and let States have a little more independence.

I am for legislation that is going to address the impact problem along the coasts.

What we have disagreed with in this matter is provision for impact aid with respect to powerplants or oil wells or anything that in any other States would be considered normal development. Just because a State has a shoreline next to it, it means they get special help under this legislation. I agree with the Senator from Arkansas that that is not fair.

Mr. STEVENS. This is for oil wells outside of State jurisdiction on the Outer Continental Shelf.

Mr. GLENN. That is not correct. That is the language we wanted this bill to apply to. We wanted to make it apply only to impact from offshore development, but it does not do that. Under the bill, you can have interior development in your coastal State, and so long as there is any impact, the Federal Government can take care of it.

Mr. STEVENS. The Senator is talking about 308, not the coastal zone.

Mr. BUMPERS. It would probably be time consuming and perhaps not very effective to explain my amendment, because I have really explained my feelings already.

Before I get into this, Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. Brock). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, this amendment changes section 308, which presently reads in pertinent part:

The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, con-

struction, expansion, or operation of an energy facility.

In the bill, "energy facility" is described as electric generating plants, fuel plants, uranium enrichment plants, pipeline facilities, petroleum refineries, and so on.

In other words, an energy facility is anything that has to do with coal, oil, gas, utility plants, and so on.

My objection, of course, is not to what I thought the intent of this bill was, that is, to assist coastal-zone States with any impact they might sustain resulting from the exploration for and development of offshore energy resources. I have only been here about 6 months, but my ears become better attuned every day, and I can hear the train coming on this amendment. Nevertheless, I feel very strongly about the principle, as a matter of public policy, of what we are doing here.

The other night, at a meeting of the Committee on Interior and Insular Affairs, the distinguished Senator from Wyoming (Mr. HANSEN) offered an amendment to the offshore drilling bill which would have given impact aid to all States who sustained any kind of impact as a result of the exploration for and development of energy resources within their State. That is extremely important to the Senators from Wyoming and Montana, who know that their States are about to be strip mined for coal. I am sympathetic. I was sympathetic the other night. But I voted against that amendment. It was finally defeated on a tie vote. I voted against it because I did not think that was the proper place to bring it up.

The Outer Continental Shelf drilling bill which we were considering, which has been ordered reported out and will soon be on the calendar here, was designed, one, to make certain that the Secretary leased that land with the utmost concern for the impact it would have onshore. Second, it provides for funds for that impact—be it social, economic, or environmental—just as the bill does. My point is simply that we are going too far with this bill.

I support this bill. The concept is good. I have no quarrel with it, except that I simply cannot see a coastal State, which has had an accepted and approved coastal-zone management plan, receiving impact aid—and, I might add here, it is not necessary that any facility in that State be in the coastal zone. It only need be in that State. If a plausible argument can be made to the Secretary that a coal-fired generating plant, anywhere in the State of South Carolina or any other coastal State, will have any kind of impact on the coastal zone, they are eligible to apply for and the Secretary is entitled to give them aid.

I am saying simply that as a matter of equity and fairness, I would like to see a land use management bill pass the Senate and the House. It is unfortunate that last year—and there was good bipartisan support for land use management. The Senate passed it; the House did not. This year, the President sent over word that he will veto a land use management bill. I think that is terribly unfortunate.

Mr. HATHAWAY. Will the Senator yield?

Mr. BUMPERS. Yes, I yield.

Mr. HATHAWAY. Does the Senator's amendment apply to both the impact money and the planning money?

Mr. BUMPERS. No, it does not. It only amends section 308.

Mr. HATHAWAY. 308(a) covers both. 308(a) is planning.

Mr. BUMPERS. All it does is eliminate aid for planning or impact aid for other than impact due to offshore development. In other words, I am trying to eliminate all of the other things that will come under that umbrella so that all States can be—

Mr. HATHAWAY. I think that the Senator has a good point with respect to the impact money, but I think that with respect to planning money, the coastal States, with their peculiar problems, should have it for all facilities and not have it restricted just to planning for facilities as a result of offshore drilling.

With the planning money, I think the coastal States need that for all energy facilities and activities.

Mr. BUMPERS. Let me say to the Senator from Maine that I appreciate very much his comments. Let me meditate on it a little bit.

I point out a classic case of what I am talking about here. Congress passed what I thought was a fine bill in the 1960's which provided aid to the Appalachian region of the United States—13 States. Later on, because of other States who were not in Appalachia, and because of an outcry from Senators on this floor who represented those States not in Appalachia, Congress began to set up the title V commissions. I think Senator MUSKIE was instrumental in that. Now we have—I do not know how many, but I think most States are covered in what we call the title V commissions. I happened, while I was Governor of my State, to be a member of the Ozarks Regional Commission, which was the commission that served Arkansas, Missouri, Oklahoma, Kansas, and Louisiana.

The point is that then and now, the title V commissions are funded at a level of roughly 20 cents per person. Appalachia is still funded at approximately \$17 per person. I believe that is correct.

That is what I have an inordinate fear will happen to the landlocked States, one of which I represent, if we pass this now. I hope nobody will suggest, and certainly I want to make it clear that I am not casting any aspersions on my colleagues in the coastal States. On the contrary, I think they are sensitive to the problem. But I believe they would be more sensitive to it if we were all in the same boat when we get around to land use legislation, treating all States alike.

Mr. STEVENS. Will the Senator from South Carolina yield me 5 minutes on this matter?

Mr. HOLLINGS. I yield.

Mr. STEVENS. I understand the amendment of the Senator from Arkansas. Being from Alaska, I probably should support it on the basis that if we have any energy facilities offshore of the type we are talking about, they would be related to OCS development. But I took a

trip to Scotland and went up to see Dunrea, which is the fast breeder reactor up in Scotland. I went down to Florida and looked at their powerplants down there. I went over to Canada and took a look at their nuclear powerplants there. The amazing thing is that every powerplant of the type I am talking about has been in a coastal zone. They have, in fact, been located in a coastal zone.

The impact of this section we are talking about, the coastal energy facility impact program, is to recognize that, in fact, these large power installations are going to be located adjacent to the sea. They are going to pose fantastic problems for the coastal zone. Those problems can be met only by adequate planning and by assistance from the Federal Government so that the States and communities can finance those actions that will mitigate the harm that would otherwise come to the coastal zone and to coastal States from this kind of development.

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. I am happy to yield. I have just gotten to the point of asking the question.

Mr. BELLMON. Assuming that the Senator is right, that most of the plants will be located in the coastal areas and that they will have a big impact, does this change the fact that if a plant is located away from the coastal zone, it will have an impact and deserves the same treatment?

Mr. STEVENS. I agree 100 percent with the Senator from Oklahoma. But he has not seen the Senator's amendment, which will limit this only to the exploration for or the development or production of energy resources offshore. This wipes out entirely nuclear plants, wipes out entirely any coal-fired plants that are located in the coastal zone, where, again, 50 percent of the population of this country lives and where the most difficult problems are in terms of siting.

I agree with the Senator. I will help him get a bill to deal with the inshore impacts, but right now we are going to take this bill over to the House and sit down with people who have limited jurisdiction, just as we are supposed to have. They do have very firm rules, and I know that we cannot get through that committee a bill that would extend to the whole country.

Now, the Senator's amendment goes in the other direction and says "but do not cover coal-fired plants or any other plants; only those related to production energy resources offshore."

That is too limited. That is not what the coastal energy impact program is designed to do.

Mr. BUMPERS. Mr. President, will the Senator yield to me?

Mr. STEVENS. Yes.

Mr. BUMPERS.—This covers nuclear powerplants, for example, in the coastal zone.

Mr. STEVENS. Right.

Mr. BUMPERS. But that is not what this bill says. It says any energy facility which will have an impact on a coastal

zone. It does not have to be located in the zone.

Mr. STEVENS. That is what we are trying to protect.

Mr. BUMPERS. I understand that. Of course, what the Senator is doing here is giving people an incentive to build powerplants in the coastal zone because he is giving them money to do it.

Mr. STEVENS. No, we are giving them an incentive to build out of the coastal zone. That is what we hope we are doing.

Mr. BUMPERS. Let me ask another question and ask the Senator to respond.

Under section 102, general provisions, which is on page 12 of the bill, subsection (j) which says "energy facilities" means new facilities, or additions to existing facilities," and then on down in subparagraph (2) "which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection * * *" that could mean if Westinghouse has a plain turbine manufacturing plant not in a coastal zone, not located in the coastal zone or any of the coastal zone States, and they are going to ship one of those turbines to Arkansas, you are still entitled to aid for that Westinghouse plant, be it located in that State, because it is directly involved in the manufacture of equipment which will be used to generate electricity.

Mr. STEVENS. Well, I think the Senator from Arkansas could probably stretch it that far, but I doubt that.

Mr. BUMPERS. Let me say to the Senator from Alaska, I have been a Governor, and your imagination is unlimited when it comes to looking at Federal money. [Laughter.]

Mr. STEVENS. I sometimes wish some of us had that experience because many of us do not have that kind of imagination, and I wish we did.

Let me say to the Senator from Arkansas he is really stretching the meaning of this bill. We are talking about extraction, exploitation, treatment, transportation and storage of any energy resources.

I do not know of anybody who is flying fuel, except in my State where we are building a pipeline and are flying gas by air, but that would not be related to this. We are talking about the resource that is extracted from the coastal zone. I am sure the Senator realizes that his example would be a strained interpretation of this.

It is certainly not the intent of this. The intent of this is to recognize that the coastal zone is going to continue to be impacted by continual migration to the California coast, the Florida coast, the South Carolina coast. A lot of people are even leaving Alaska and going down to live in Seattle, and I sort of think our climate in Alaska is better than theirs down there but, as a practical matter, more and more people are moving to the coastal zone. We are trying to find a way to prevent the incentives to move into that zone, and to assist the States in meeting the impact on that

zone from the facilities that are necessary to meet our energy problem.

I do not think this is stretching it to say that we should recognize that unless we take care of the coastal zone we are going to destroy the resources of that coastal zone. This was the basic motivation that led the Committee on Commerce to recommend the act. It was the problem of the oceans that led the Committee on Commerce to demand planning for the protection of the coastal zone. Now we are saying that anything that would impact that coastal zone ought to be planned for and you ought to get assistance in financing the impact in that area.

—Again, maybe we are going slowly, more slowly than the Senator from Arkansas would like, and we would—I do not know whether I speak for the chairman of the committee and the subcommittee, but I would—support legislation to assist onshore States with their problems of energy siting and energy impact, the impact from energy development, but that is not this bill. The amendment of the Senator from Arkansas limits this bill only to oil and gas production which, I think, is wrong.

The PRESIDING OFFICER (Mr. Ford). Who yields time?

Mr. HOLLINGS. Mr. President, I know the Senator from Arkansas is not persuaded, but he tries in this particular amendment to amend section 308. What he has not done and what is not being done is to amend the original act.

His concept of it is that this was an offshore drilling act when it was originally passed, and limited only to that.

Now, the Senator from Arkansas is marking up a little amendment over there, but I can tell the Senator—I think by now, I can tell my distinguished friend, that they moved that proposed New Jersey powerplant offshore right within the 3-mile zone. At the particular time we had hearings, some 4 years ago, when this was even beyond the 3-mile area. So now we were talking of those facilities sited out in the waters that would have an impact upon the coastal zone area.

But I can see that I could well be wasting the time of the Senate. If there are any questions I would be glad to try explain them. This is not coastal State legislation, it is coastal zone legislation; 90 percent of the State of Virginia, 90 percent of the State of Georgia, 90 percent of the State of South Carolina and 90 percent of the State of Georgia, as the distinguished Senator from Georgia knows, are not included because they have not agreed to submit to an overall plan. But there is real concern about national zoning.

If we are going to have anything we are going to have to come to Washington and, as a result, propose land use, which nationally has not passed. But it is the idea now of the Senator from Arkansas, talking about the regional commissions and everything else, to say,

No, you do not have this particular problem until you spread it to Arkansas, and it is really just a dealing out of money.

On the contrary, this bill allocates planning and development grants in accordance, Senator, with an overall plan.

If we can get the State of Arkansas—and I do not believe I can get the entire State of South Carolina to agree to that overall plan—

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HOLLINGS. I will be glad to yield.

Mr. TALMADGE. I certainly hope the State of Georgia does not agree to an overall plan where they have to come to Washington to get permission to build a chickenhouse on a farm.

Mr. HOLLINGS. Exactly. We do not have to come all the way, and I could not make a more eloquent argument than the one that has already been made on my question and the comment by my distinguished friend from Georgia.

It is not coastal versus interior States. It is this coastal area versus other areas, which are 90 percent of my State, which I cannot get them to agree to.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BUMPERS. How can the State of Arkansas or the State of Georgia get any money for the chickenhouse without applying for it to the Secretary?

Mr. HOLLINGS. That is exactly right. They have to apply in accordance with an overall plan. Congress has never passed that national land use law. But Congress has passed overwhelmingly, with only 12 dissenting votes in the House, a plan for that coastal region I have just described.

Mr. BUMPERS. But under this bill we are weighing now there is not any way for any aid to be given a State for any impact or for planning, either one, unless they apply for a grant from the Secretary, and unless he approves it; is that correct?

Mr. HOLLINGS. You have got to pass a land use plan first for the remainder of the States, 90 percent of the remaining portion of the State of South Carolina and 100 percent remaining of Arkansas, a particular State land use plan.

Mr. BUMPERS. I am not talking about the coastal zone management plan; I know that has to be approved also, does it not?

Mr. HOLLINGS. That is right. A coastal zone management plan has to be approved by the Federal Government.

Mr. BUMPERS. Once that plan is approved and any kind of energy facility is then built or manufactured in that State that could impact that coastal zone you do not get any aid automatically. You have got to apply for it, and you have got to send a letter to Washington to get it, do you not?

Mr. HOLLINGS. Well, there are two provisions. There is an automatic grant with respect to offshore oil and gas drilling, may I say to my distinguished friend, which says should either oil or gas be developed offshore and landed onshore, or developed adjacent to that State on the Outer Continental Shelf, then there is an automatic grant. But the \$200 million now in accordance with the amendment of the Senator from Louisiana, has to be for planning and adverse impact

compensation in accordance, as the Senator from Arkansas says, with an application to the Secretary. That is right.

Mr. STEVENS. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I will yield the floor right now and yield time to the Senator.

Mr. STEVENS. Let me ask the Senator from Arkansas why does he want to limit this only to those facilities related to oil and gas production? As I understand the Senator from Arkansas' amendment, it limits the energy grants under this bill to only oil and gas production.

We have a problem that goes beyond oil and gas production onshore. Why does he want to limit this to oil and gas production? I understand why he wants help in Arkansas, and I am willing to try to give it to him, but why does he want to limit aid given in the coastal zone to oil- and gas-related activities?

Mr. BUMPERS. Well, one thing, it is my honest belief that this bill could go further than even its authors and its most ardent proponents really intended.

As I pointed out a while ago, I do not think, for example, manufacturing energy-producing equipment in any of the coastal zone States, whether that equipment is going to be used there or further inland, that it was ever intended we would be entitled to impact aid for the siting of such a facility.

Second, the Senator from South Carolina pointed out earlier that this aid goes to coastal zone States because, one, they are growing at a fast rate.

My State has a little over 2 million people, but all of a sudden since 1970—and that is the year they elected a dynamic young Governor down there—that State has been growing at the fourth fastest rate populationwise—and percentage-wise of any State in the Nation.

We have growth pains, too, that is what I am trying to point out.

I am saying, I do not oppose anyone getting this additional aid. On the contrary, I support it and will support it when all States are treated equally.

I am saying here that I admire the Senator for supporting this act and for what he is trying to do to protect his coastal land. We have wetlands in Arkansas that I am trying to protect. But I say that this is unfair and it is unfair to the rest of the Nation not to include it in this provision.

I am saying the President has certainly strongly indicated that he will veto any land use legislation that comes out of this Congress, tomorrow and probably for all time to come, and there is very little use of our having a land use bill if we do this in bits and pieces as we are about to do here.

Mr. STEVENS. I thank the Senator from Arkansas. I still do not understand why he wants to limit these resources. We cannot produce nuclear power offshore, we cannot produce coal, under 308 (a) —

Mr. BUMPERS. Let me say to the Senator from Alaska, we have been producing nuclear power in Arkansas for a long time, we have been producing electricity, natural gas. We cannot do it any more.

We are about to start a half billion dollar, 1,400-megawatt operation, and

we will suffer terrible environmental impacts from that. We will continue to do that.

I am saying that it is not fair for all States to be doing this and some be compensated for the impact.

Mr. STEVENS. I say to the Senator from Arkansas, the only difference is this: If one makes a mistake down there, one does not affect the living resources of the sea, and I thought the Coastal Zone Management Act was primarily intended to protect the living resources of the sea. That was our motivation. We were trying to make the people who live in that zone adjacent to the sea follow a plan that would provide for the protection of that ocean and the coastal zone so that we would bring about some increased protection for the living resources of the sea.

We have put a burden again, a special burden, on those living in that coastal zone that we have not put on the rest of the country, and that is: they must plan. They will not get any money under this except for planning, before they do plan, and are not going to get any impact money or anything else unless they have a plan and that is going to be approved by the Department of Commerce. That is the basic goal under the original act.

It is to protect the living resources of the sea and the coastal zone upon which they rely, the sanctuaries and those areas off our shores.

I agree that the Senator's State has rivers and I know of the fishery resources there, but the oceans of the world need protection. We were trying to set an example in the same way when we passed the act to provide a moratorium for this country on the taking of ocean mammals, to lead the nations of the world in providing those resources some protection.

The Senator from Washington has my great devotion because he sets an example to all of us in this period saying that we should remember those living resources of the sea. They do not vote.

If one makes a mistake out there in Arkansas, and really makes a mistake, one is going to be voted out of office.

If one makes a mistake in the coastal zone, things are affected that do not vote.

I really firmly believe we are dedicated in this act, again, to giving the incentives to protect the coastal zone with the end objective of protecting the oceans.

Mr. BROCK. Will the Senator yield?
Mr. STEVENS. Yes.

Mr. BROCK. I do not argue with one thing the Senator said, but I think what the Senator from Arkansas is saying is something slightly different. Maybe we are like two ships passing in the night, if we are dealing with those things which do impact on the living resources of the sea, to wit, the offshore development, which the Senator would limit this to. That is fine.

I cannot argue that. I do not think the Senator from Arkansas argues that at all.

Mr. BUMPERS. The Senator is right.
Mr. BROCK. But this bill goes well beyond that.

If we want to deal with the offshore impact problem of drilling, and so forth, let us pass this bill with this amendment and hold it to that, and then let us consider a total bill on the impact problem of any energy development anywhere in the country so that all States are treated equally.

But the Senator from Arkansas is saying nothing different from the Senator from Alaska. Their objectives are the same. He is just saying, "Let us apply the same standards across the board."

I think that is a reasonable request.

Mr. STEVENS. With the exception, I would say to my friend from Tennessee, that in the coastal zone, if we are going to have nuclear plants, and I do not know of any nuclear plant or major power facility that is not within a shoreline, now there are some inland—

Mr. BROCK. There are some in Tennessee.

Mr. STEVENS. And involve substantial use of that. Take a look at Florida and the one I told about in Scotland, all of them are impacting the oceans, and we are putting the burden on those people in the coastal zone that we have not placed on the people in the interior.

We have tried in the Senate, but the House apparently will not agree in terms of land-use planning.

Mr. HOLLINGS. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. HOLLINGS. How could my distinguished friend from Tennessee deal with them equally if, No. 1, they have not submitted to an overall plan as have the coastal regions and around the Great Lakes region? How can they be treated equally when they will not submit to a national land use plan?

Mr. BROCK. I think the point was made earlier, and made very well by the Senator from Arkansas, and perhaps some others, that the way this bill is now drawn, we get something more than protection of the sea, which we all, I think, favor.

If we are dealing only with offshore, we get that protection, but when we include energy developments onshore, nothing to do with offshore, then we are into something else. We almost have an inducement or incentive to develop facilities in the coastal plain or zone.

Mr. HOLLINGS. The economics of that, of course, make that absolutely prohibitive. But mainly, all these power plans are not going to locate in a particular place for the reason stated. The fact is that the basic law does take care of more than offshore impact. It takes care of those impacts particularly by way of population, and urbanization.

I was just reading from the basic law of the Coastal Zone Management Act, and I have got the rules and regulations which apply to the particular area. Earlier I was reading all those things which Congress found.

I do not know whether the Senator was on the floor.

Mr. BROCK. I was in the Chair.

Mr. HOLLINGS. The population expansion, industry, commerce, economics, that is the basic law in that area.

They were all fighting, whether to put

an industry, or a power plant, or a recreation facility, or put in fishing, or all of these water-consuming industries, or otherwise, port facilities. They say, "How can we get orderly planning in the area where everything is jammed in?" And they said that if the States or those areas will submit to an overall plan, namely a coastal zone management plan approved by the Federal Government, we will, first, assist in that planning financially, and, second, help defray the costs of their management programs.

Mr. BELLMON. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BELLMON. Will the Senator explain why this act would not serve as a magnet to draw additional development into the coastal zone? If I were a power-utility executive looking for a new place to build, I would pick the coastal zone because of the economic advantages I would have under this act.

Mr. HOLLINGS. No. 1, we have the fact in the testimony, when we had the 3 years of hearings, that they were going to locate there. The answer is that without any import aid, they are going to locate in or near the coast. That was one of the main purposes for the act. Now that we have the basis for the enactment by both Houses of Congress, and signed into law by the President, that we are going to try to assist with these impacts, the Senator says we are attracting that which was the very basis for actually passing the law.

No. 2 in the answer is economics. The FEA has just put out a report that says by 1985, under the Blueprint for Project Independence, there are going to be somewhere around 176 new nuclear powerplants in that coastal area. On an average cost they are going to be between \$500 million and \$1 billion each.

Mr. BELLMON. Will the Senator say how many plants there will be in other parts of the country?

Mr. HOLLINGS. Relatively few.

Mr. BELLMON. There will be something like 1,500 plants nationwide.

Mr. HOLLINGS. No, sir; not nuclear powerplants.

Mr. BELLMON. Yes, nuclear powerplants.

Mr. HOLLINGS. There is a proposed powerplant siting bill. We have tried to look at it in the Commerce Committee and we have tried to get it past the administration. They tell us now they support one and I would gladly vote for it.

But the economics do not bring to a local area \$1 million or \$2 million for local planning. The impact of a powerplant in that particular area does not say that that particular community will get \$1 million to put the plant down.

Mr. BELLMON. What does the \$1 million do?

Mr. HOLLINGS. It can do various things.

Mr. BELLMON. It serves to grease the skids so they can come in there. It is a great magnet to draw the plants into the areas where they apparently do not want them.

Mr. STEVENS. If the Senator will yield, this is not a grant to the facility, it is a grant to the local government to meet the problems caused.

Mr. BELLMON. But it does things that the companies have been doing on their own for many years. We had 1 project that brought some 4,000 workers into our State of Oklahoma which we were glad to have, but every community impacted had to take care of their school needs, water needs, street needs, all the rest of it. They are much better for having done it. We did not come to the Federal Government to get a handout. I do not know why the coastal States cannot do what the rest of us have been doing for years.

Mr. HOLLINGS. How much time have we remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Arkansas has 10 minutes, and the Senator from South Carolina has 17 minutes remaining.

Mr. HOLLINGS. Does the Senator from Arkansas have any further questions or does he want to yield back the remainder of his time?

Mr. BUMPERS. I have one question to either manager of the bill. It is with regard to the first funds. As I understand, the bill says \$50 million and it is my understanding that that is an error. It should be \$100 million.

Mr. STEVENS. It was \$50 million in the first one and \$250 million in the second one. It was changed by the Senator and myself to \$100 million in the first and second. The total exposure of \$300 million is still there.

Mr. BUMPERS. The first \$100 million, the first part of the aid, while it does not tax offshore production, it does relate the amount of money that goes into the fund to the number of barrels of oil and cubic feet of gas actually produced offshore; is that correct?

Mr. STEVENS. As I say, it is not a fund but it is a measurement for a guaranteed grant. It is still subject to the appropriate process but primarily used to finance those developments that have taken place prior to production. That is an automatic grant concept that is based on cents per barrel of production, later production. The other grant concept, grant in loan, is in the area the Senator has been addressing, in the more discretionary area of planning to meet total coastal zone problems related to energy siting, energy development, and energy production.

Mr. BUMPERS. The second question: The State of Alaska, of course, is a major producer and certainly will be a major supplier to the lower 48 when the pipeline is finished. Most of this oil will be landed in the State of California. Will the State of Alaska and the State of California share on the basis of the number of barrels produced and landed in California?

Mr. STEVENS. If the oil is produced offshore in Alaska and landed in California, yes.

Mr. BUMPERS. Alaska will be entitled to certain sums of money based on their production and based on the number of barrels landed, completely aside from any impact that may be measurable; is that correct?

Mr. STEVENS. No, that is not so. This money will be used to repay bonds guaranteed by the Secretary of Commerce or to finance impacts that have been outlined in the plan. To the extent that the

moneys are not used for that, they would revert to the Treasury. That is carried out in the amendments that the Senator from Louisiana and I have offered. The funds would revert to the Treasury unless they were used to meet adverse impacts from OCS developments on shore.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. STEVENS. Yes.

Mr. JOHNSTON. With respect to the first part, the \$100 million fund, the measure of what a State gets is the oil produced and landed in that State, which gives them full credit; or the oil landed, which gives half credit, if not produced there; or the oil produced and not landed gets half credit as well. In other words, it is full credit for produced and landed and half credit for either produced or landed.

Mr. BUMPERS. And that is a fixed amount per barrel; is that correct?

Mr. JOHNSTON. A fixed amount per barrel or natural gas equivalency. That is entitlement to receive it. But the uses are also spelled out and must be related to these impacts subject to the Secretary of Commerce. The uses are in three categories in this priority: First, to pay off bonds previously approved by the Secretary of Commerce under section 306 issued by municipalities or lower subdivisions of Government; second, to pay off similar bonds under section 306 previously approved by the Secretary of Commerce or by a State; and, third, the balance within the same framework of overall amount eligibility goes to the State, but to be used for those purposes to ameliorate the impacts. Those impacts are spelled out, I think, rather carefully under the bill to relate to ameliorating the effects of oil and gas production.

Mr. STEVENS. May I emphasize to the Senator from Arkansas if they are not used to meet adverse impacts from offshore development, the funds revert to the Treasury of the United States.

Mr. BUMPERS. Is the word "adverse" in the bill? Does it say impact or adverse impact?

Mr. STEVENS. "Adverse impact."

Mr. BUMPERS. Finally, for the Senator from Alaska my final question is this: We have just reported the Outer Continental Shelf drilling bill, S. 521, which will soon be on the calendar and which will be coming up before the August recess. That bill also has substantial authorizations of sums to be appropriated for this identical purpose.

Mr. STEVENS. We have consented and we will offer to that bill the amendment that the Senator from Louisiana and I have offered to this bill so that we would not have redundant provisions. The first act passed, of course, would be the one that would govern. Obviously, in the second act the matter would be dropped. But they are identical provisions with the exception, as I understand it, in S. 521 we will have a concept that would regard the Secretary of the Interior's jurisdiction over the revenues from OCS lands. This bill does not have any reference to the revenues from OCS because of the fact that we do not have that jurisdiction.

Mr. BUMPERS. I thank the Senator.

Mr. HOLLINGS. The Senator from Washington and myself have signed a joint statement with regard to that.

Mr. President, we are ready to yield back the remainder of our time. I know the Members want to move forward.

We have problems. We have problems in the coastal regions, not just States but regions. I emphasize that.

We have utility siting problems everywhere in Arkansas, and in the remainder of South Carolina. But as to the contention of the Senator from Arkansas in this particular amendment, until we can solve the whole problem, let us not attempt to solve part of it.

Congress saw otherwise, and has already been solving a part of it with the Coastal Zone Management Act of 1972. This measure merely updates that act. The distinguished Senator tries to extract from that particular provision of the act that nothing, unless it is offshore, should be compensated for, even though it might have an impact within that particular area.

That was not the original intent of the concept. We read it from the original act.

I hope my colleagues will reject the amendment.

Are we going to get the yeas and nays?

Mr. BUMPERS. How much time do we have remaining, Mr. President?

The PRESIDING OFFICER. The yeas and nays have been ordered. The Senator from Arkansas has 3 minutes remaining.

Mr. HOLLINGS. The yeas and nays have been ordered?

Mr. BUMPERS. The yeas and nays have been ordered. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Ford). The question is on agreeing to the amendment of the Senator from Arkansas (Mr. BUMPERS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Rhode Island (Mr. PASTORE), are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from New York (Mr. JAVITS), is necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN), is absent due to a death in the family.

The result was announced—yeas 30, nays 62, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—30

Abourezk	Clark	Metcalf
Bartlett	Culver	Montoya
Bellmon	Ford	Morgan
Brock	Garn	Nelson
Buckley	Glenn	Proxmire
Burdick	Hart, Gary W.	Ribicoff
Byrd	Hart, Philip A.	Stafford
Harry F., Jr.	Hartke	Stevenson
Byrd, Robert C.	Haskell	Young
Chiles	Mansfield	
Church	McGee	

NAYS—62

Allen	Hollings	Pearson
Baker	Hruska	Pell
Bayh	Huddleston	Percy
Beall	Humphrey	Randolph
Biden	Inouye	Roth
Brooke	Jackson	Schweiker
Bumpers	Johnston	Scott, Hugh
Case	Kennedy	Scott,
Cranston	Laxalt	William L.
Curtis	Leahy	Sparkman
Dole	Long	Stennis
Domenici	Magnuson	Stevens
Eagleton	Mathias	Stone
Fannin	McClure	Symington
Fong	McGovern	Taft
Goldwater	McIntyre	Talmadge
Gravel	Mondale	Thurmond
Hansen	Moss	Tower
Hatfield	Muskie	Tunney
Hathaway	Nunn	Welcher
Helms	Packwood	Williams

NOT VOTING—7

Bentsen	Griffin	Pastore
Cannon	Javits	
Eastland	McClellan	

So Mr. BUMPERS' amendment was rejected.

CHANGE OF VOTE ON BUMPERS AMENDMENT

Mr. CHURCH subsequently said. Mr. President, I rise for a unanimous-consent request.

When the Senate was considering voting on the amendment offered by the distinguished Senator from Arkansas (Mr. BUMPERS) I vote "no" by mistake. I intended to vote and wanted to vote "aye." Since it will not change the result, I ask unanimous consent of the Senate that my vote may be recorded as "aye" on that particular rollcall vote.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

(The rollcall vote on Mr. BUMPERS' amendment reflects the foregoing unanimous-consent request.)

Mr. BUMPERS. Mr. President, this is an extremely important measure we just voted on. I move for reconsideration, but I might say, with the manager's permission, I feel that there are a great number of Senators here who do not really understand the impact of what the bill does with the amendment. It simply provides that any coastal State—

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. I ask the Senator to yield me 120 seconds.

Mr. HOLLINGS. I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, this bill provides that coastal States will receive planning and impact funds not just for offshore development and production but also for any energy facility which is built in the State, and if they can prove to the Secretary that an impact of some kind has occurred within the coastal zone. That means that if a coal-fired generating plant or a nuclear generating plant is built in western New Jersey or in western South Carolina, they are entitled to a grant. If the same facilities are built in an inland State, it is not even arguable that they are entitled to apply to the Secretary for aid.

I admire the coastal zone States for their efforts to protect the coastal zone. I championed the Coastal Management Zone Act of 1972 and still do, but I say this should be handled in an even-handed manner, either through a land use planning bill or through a powerplant

siting bill. But we are fragmenting it in such a way that some States are being discriminated against though they may suffer as much as or more than coastal zone States. I am saying that this is patently unfair to the rest of the Nation.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. BUMPERS. If I have any time remaining.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I yield to the Senator from New York.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

The PRESIDING OFFICER. The Senator now has 10 minutes at his disposal.

Mr. BUMPERS. I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I support the amendment offered by the Senator from Arkansas.

I come from a coastal State, but what I am concerned about in this bill is that it will create an incentive to move new energy oriented facilities to the coastal zone; and I believe that this is precisely the kind of area we want to protect environmentally. Because I think this goes against the grain of environmental measures, I support the measure limiting the effect of this on offshore drilling.

Mr. BUMPERS. I thank the Senator.

Mr. HOLLINGS. Mr. President, when the Senator from Arkansas has completed his remarks, I am going to move to table. Before that, I have a comment.

Mr. President, we have thoroughly debated this matter. To respond to the concern expressed by the Senator from New York, I point out that the testimony, over the 3-year hearing period, demonstrated that there would be some 60 to 80 nuclear powerplants off the coast of the United States. We had special hearings about the proposed New Jersey offshore floating nuclear powerplants, which were to be outside the 3-mile limit at that time. The Senator from New Jersey can correct me if I am wrong. That would be in addition to the other impacts caused not just from offshore drilling but also from population growth, economic development, requirements for industry, residential development, recreation, and everything else.

So, when the Senator from Arkansas says, "I am for coastal zone management but I am just against coastal zone management," what is he saying, in essence? He is saying, "I have problems in Arkansas and you have problems in the coastal regions; but unless we can solve all the problems, let us not solve any."

Congress saw it differently. Congress said, "Let us have a coastal zone region marked out and approved by the Governors of the coastal States, the Association of Counties, the municipal associations, and so forth."

They said we should single out the areas that would submit to what? To an overall plan.

Does the entire State of New York want to agree to land use? Absolutely not. I do not believe the Senator from New York is going to vote for land use.

Does the entire State of Arkansas or the entire State of South Carolina submit to land use? No. But until they do, we cannot have a Federal program to allocate impact funds in accordance with an overall plan. That is the fallacy of this particular argument.

If the Senator gets land use up and passes it through the Senate—which has been done on several occasions, but it has been bogged down in the House—his plan can be taken care of. But if I had made the argument when Arkansas was getting a \$1.2 billion hydroelectric Federal power project—and they have been digging around—and said, "Treat us all fairly," I do not know where my \$1 billion to \$2 billion hydroelectric navigation project would be, which was put through by the senior Senator from Arkansas. They already have \$164 million, while the State of Alaska will have to wait 10 years to get that kind of money.

As for treating everybody equally, let us look at the particular problem and not be influenced by the equal treatment plan. If one has a serious problem, he should offer an amendment to give everybody a \$1.2 billion hydroelectric navigation project, in the remaining 49 States, if he really believes in that equity.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. STEVENS. I emphasize that I oppose the amendment of the Senator from Arkansas because it narrowly constricts what we are trying to do with regard to coastal zone management. It would say that this bill, with regard to the energy-related facilities, would be limited solely to those facilities that are built because of production from the OCS.

The bill covers all energy facilities and relates to the declaration of policy in the Coastal Zone Management Act which has already passed Congress, in which Congress declared a national policy to preserve, protect, develop and, where possible, restore and enhance the resources of the Nation's coastal zone for this and succeeding generations.

We are trying to say that in a coastal zone where there is a special plan for protection not only for the land but also for the oceans off the land, we are recognizing the Federal responsibility to assist in meeting those obligations for impacts in that area not just because they are electrical facilities, nuclear facilities, coal-fired, or any other kind of facilities, but because such facilities are in the coastal zone where, unless they are properly planned, they could in fact continue to reduce the viability of the oceans.

This is related more to the oceans than it is to the people who are in that coastal zone, who are already polluting the oceans. We are saying that all facilities in that area that are related to energy production need proper planning. The governments need to take special action to protect the coastal zone. We are willing to put up the funds, and they come primarily from production from the OCS lands. But the actions that the Federal Government will take will be special because the coastal zone has a peculiar relation to the oceans, not because it is a

peculiar portion of a coastal State as opposed to the rest of the State or an inland State.

I hope the Senator from Arkansas will recognize that his amendment would so narrow this that the original intent of the Coastal Zone Management Act would be frustrated if we were to say that it applies only to oil and gas protection facilities on shore. It should apply to any activity in the coastal zone that would protect the oceans. Those are, in particular, any energy-related facilities in the coastal zone.

Mr. BUMPERS. Mr. President, I should like the Senator to hear the language of the bill. It reads:

The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility.

An energy facility can be anything. It can be a coal gasification plant, a coal liquefaction plant, a uranium enrichment plant, a coal-fired generating plant. It can be anything. But the bill does not even stop there.

Here is a further definition of what an energy facility is. It says it is "a facility or facilities which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection."

I submit to my colleagues that that means, very simply, that if somebody elects to build a coal-fired generating plant in western New Jersey, whether it be in the coastal zone or outside of the coastal zone, if the argument can be made that it will have an adverse impact on the coastal zone, they are entitled to come to Washington and ask the Secretary for impact aid. If that same plant is built in any other State in the Nation, it is not even arguable, it is not debatable. They are not entitled even to apply for aid.

I am saying that if Westinghouse builds a plant anywhere in the State of New Jersey to manufacture turbines, and Westinghouse does manufacture turbines—let us assume that they manufacture turbines—I am not picking on New Jersey, but assume they have a plant there, and somebody decides it has an impact on the coastal zone, even though the turbine is being shipped to Arkansas to fire a new 6-million-ton coal-fired plant we are building down there. New Jersey is entitled to come to Washington and ask the State for aid. The State of Arkansas, which is going to be using the turbine, which is going to be using 6 million tons of coal a year for the first time in our history, is entitled to nothing.

I saw the Appalachia bill go through the Senate. It was a fine bill to help the Appalachian region of the country. But there were people in Congress who said, "this is not fair to the rest of the Nation. So the title V commissions were set up.

Arkansas, Oklahoma, Kansas, Missouri, and Louisiana comprise the Ozarks Regional Commission. As of this day, the Appalachian Commission gets \$20 per person for everybody in the region. The title V commissions get 20 cents per person for everybody in their regions.

I am saying if we fragment this economic aid, this environmental aid, this social aid, we will never have a chance in the inland States. They are not going to be adversely affected by this. They are just not going to get any effect at all. I am saying if we stretch this thing that far, it is beyond what I believe the intention of the authors was.

I am for it. I want to support the bill. But I do not want to support it to the extent that it is written now.

Mr. President, I ask for the yeas and nays on my motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMBERS. I further ask unanimous consent that the rollcall vote be taken in 10 minutes.

Mr. HOLLINGS. I object. I am going to move to table and ask for the yeas and nays. Does that suit the Senator?

Mr. BUMBERS. I am going to ask unanimous consent.

Mr. LONG. Will the Senator yield at this point?

Mr. HOLLINGS. Yes.

Mr. LONG. I voted for the Appalachian bill and it had nothing in it for Louisiana. I am surprised to find out that we got the 20 cents. That was a depressed part of the country and the bill made some sense. I was pleased to vote for it because I thought it would be good for Appalachia and Appalachia is part of the United States.

Mr. BUMBERS. Mr. President, whose time are we one?

The PRESIDING OFFICER. The Senator from South Carolina yielded to the Senator from Louisiana.

Mr. LONG. I do not even know if Louisiana is going to come up with a land use plan, but if the Senate thinks it is a good idea to do something, to try to do some land planning in the coastal areas of the coastal States, I do not know why we should not do that. If somebody can think of something that will be good for Arkansas, by all means, bring it in here.

I voted for the Arkansas project and supported it. There was not a thing in there for Louisiana, but I lived in the hope that if we did something for Arkansas, some day, Arkansas might do something for Louisiana. [Laughter.]

Mr. HOLLINGS. Mr. President, I move to table the motion. I ask for the yeas and nays.

The PRESIDING OFFICER. The motion to table is not in order until the time of the Senator from Arkansas on his motion has expired or been yielded back.

Mr. HOLLINGS. I yielded back my time.

Mr. BUMBERS. How much time is left?

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes remaining. A motion is not in order until he yields.

Mr. HOLLINGS. I am sorry.

Mr. CHILES. Will the Senator from South Carolina yield to me?

The PRESIDING OFFICER. Has the Senator from South Carolina yielded back his time?

Mr. HOLLINGS. No, I will let him go ahead.

Mr. CHILES. Under the amendment the Senator is proposing, he is not cutting total funds, is he?

Mr. BUMBERS. No.

Mr. CHILES. What he is saying, though, to those coastal States is that they would still be able to share and there is no reduction in the total funds, but the grants would have to be for on-shore facilities or something occasioned by virtue of the offshore oil drilling?

Mr. BUMBERS. That is correct.

Mr. CHILES. As opposed to being something else.

So for my State of Florida, if we have drilling, either in the Atlantic or in the gulf, and then we have some facilities for that, be it pipeline, be it refineries, be it any other occasioned from the offshore drilling, we would be entitled to aid under this provision.

Mr. BUMBERS. That is correct.

Mr. CHILES. But where we would not be entitled would be if we had some other facility that was not a part of the offshore provisions at all?

Mr. BUMBERS. That is correct.

Mr. CHILES. We would not be entitled to aid for that?

Mr. BUMBERS. I might say to the Senator from Florida that I have no opposition—as a matter of fact, I am a strong advocate of land use planning. I am a strong advocate of powerplant siting legislation. I think it ought to be addressed on that basis. But even if it is addressed on that basis, I think it ought to be on a basis that is fair to all States.

Mr. CHILES. The Senator from Florida had a bill on this 2 years ago, in which he was trying to say that, because they were talking about drilling in the gulf at that time, those States that were going to have to take the risk of having offshore oil drilling off their States ought to have some provision made for problems that they might have. But it certainly was occasioned by the offshore oil drilling. I do not see it was anything else.

I am concerned that we have a limited amount of money here. If we open this up for all the other things, the coal plant, the nuclear plant, and these other plants, it might well be Florida would not get anything for the problems that we might have. The pie would be cut so fine that the money would all be gone and there would not be anything. I think we could have some real problems from our shore drilling.

It seems to me that the amendment of the Senator from Arkansas really helps the coastal States that are really worried about the offshore drilling and the problems they might have, because there would be some money there avail-

able for them and it would not be divided out with all these other uses, where it would really not amount to anything anyway.

Mr. BUMBERS. I thank the Senator from Florida for his questions and comments.

Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. The Senator yields back his time.

The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I say to the Senator from Florida, I do not see how my good friends in the back corner got so confused. The plant at Fort Pierce is practically on the beach. It is a pilot plant. Under this particular bill, without the Bumpers amendment, we could receive impact assistance for the net adverse impact caused to that coastal region. What the Bumpers amendment says is, in essence, in order to receive it, take that powerplant and move it out into the ocean. If that is what the gentleman from Florida wants to vote for, that suits me. Ninety percent of my State does not even qualify for the fund. My nuclear powerplant at Parr Shoals would get zero, nothing. The nuclear powerplant at Keowee would get no money, because it does not adversely affect the coastal area. If those areas want to submit an overall plan approved by the Federal Government, fine and dandy. We could set up one for Arkansas, which would suit me fine, and I would vote for it.

We passed land use. But what he is saying is that we have a problem but until we can solve the entire problem, let us not solve part of it. Congress in its wisdom, 3 years ago, already solved part of it and we are just trying to update the amendments with these impact provisions in here. This bill passed unanimously out of the Committee on Commerce.

With those comments, I move to table the motion to reconsider and ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is a sufficient second.

The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Rhode Island (Mr. PASTORE), are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), would vote "yea".

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL) and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

The result was announced—yeas 63, nays 28, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—63

Allen	Huddleston	Ribicoff
Baker	Humphrey	Roth
Bayh	Inouye	Schweiker
Biden	Jackson	Scott, Hugh
Brooke	Johnston	Scott,
Byrd, Robert C.	Kennedy	William L.
Case	Laxalt	Sparkman
Cranston	Leahy	Stennis
Curtis	Long	Stevens
Dole	Magnuson	Stevenson
Domenici	Mathias	Stone
Eagleton	McGee	Symington
Fannin	McGovern	Taft
Fong	McIntyre	Talmadge
Goldwater	Mondale	Thurmond
Gravel	Moss	Tower
Hansen	Muskie	Tunney
Hatfield	Nunn	Weicker
Hathaway	Packwood	Williams
Helms	Pell	Young
Hollings	Percy	
Hruska	Randolph	

NAYS—28

Abourezk	Church	Mansfield
Bardlett	Clark	McClure
Bellmon	Culver	Metcalfe
Brock	Ford	Montoya
Buckley	Garn	Morgan
Bumpers	Glenn	Nelson
Burdick	Hart, Gary W.	Pearson
Byrd,	Hart, Philip A.	Proxmire
Harry F., Jr.	Hartke	Stafford
Chiles	Haskell	

NOT VOTING—8

Beall	Eastland	McClellan
Bentsen	Griffin	Pastore
Cannon	Javits	

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. KENNEDY. I have an amendment at the desk on behalf of myself and the Senators from Maine (Mr. HATHAWAY and Mr. MUSKIE) and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 24, line 13, after "facilities" insert "within three years".

Mr. KENNEDY. Mr. President, I have had the opportunity to talk my amendment over with the manager of the bill, the ranking member, as well as other interested Senators, and I believe it has wide support.

I understand that the concept and the purpose of the legislation we are considering is to look forward, to assist in planning for the future.

There are three sections under which funding is provided. One is for planning, which is obviously prospective; another is to compensate for future impacts; and a third provides funds for the landing of offshore oil and gas based upon an entitlement formula worked out by the committee.

My amendment is targeted to title II, the \$200 million impact program. It limits retroactive consideration of impacts by the Secretary to those experienced in the last 3 years.

It seems to me that this will meet the most critical needs of States where offshore development has been underway for many years. At the same time, it will insure, that the States in which there will be active oil exploration along the coastal areas in the future, whether in the Northeast, the Middle Atlantic States, or down in the gulf areas and along the west coast, will not find the impact fund exhausted when they ex-

perience impacts and apply for compensation.

It seems to me that this carries through the purpose and the intent of the act.

I have talked it over with the floor managers and I hope it will be acceptable.

Mr. STEVENS. I say to the Senator from Massachusetts that on our part, as manager of the bill on this side, we are prepared to accept the amendment.

Mr. HOLLINGS. Mr. President, we are prepared to accept the amendment. But before yielding back our time, for the information of our colleagues, we have this amendment, another from Senator TUNNEY and one from Senator HANSEN that we are prepared to accept.

I have also been informed that the Senator from Arkansas has another amendment which would require the yeas and nays.

Let me at this time ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. After those amendments, barring the one rollcall with the Senator from Arkansas, I would be prepared to go ahead and yield back the remainder of my time.

Mr. STEVENS. Before that, may I inquire of the Senator from Arkansas how long it will be before we have a rollcall vote? I wonder if the Senator from Arkansas might tell us how much of his time he is prepared to take on that amendment which he has?

Mr. BUMPERS. Mr. President, on the amendment I have at the desk, I would say 3 minutes for my part, and if the other side would agree to that, it would be 6 minutes, and 10 minutes on a rollcall vote.

Mr. TUNNEY. Mr. President, I have an amendment which has already been cleared with both sides of the aisle.

Mr. HOLLINGS. After the Senator from Massachusetts.

Mr. STEVENS. Mr. President, I yield myself 1 minute on the bill.

As I understand it, the impact of this is that we would be voting on the amendment of the Senator from Arkansas and then for passage, around 7 o'clock.

Mr. HOLLINGS. Mr. President, the present question is the Kennedy amendment. I yield back the remainder of my time and am ready to vote.

Mr. HATHAWAY. Mr. President, 1 minute on this measure.

I am glad to commend the manager and the Senator from Alaska for accepting this amendment which will help those States which have not had any offshore development whatsoever.

If it were not for this amendment most of the money would go to those States that already have development, and in view of the fact that there are not many funds or dollars in the fund, this will do justice to all of the States involved.

Mr. HOLLINGS. Vote! Vote!

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. We yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, beginning with "and" in line 11, strike out all to the period in line 14, and insert in lieu thereof: "one member designated by the Council on Environmental Quality, and four members appointed by the President as designated by the National Governors Conference."

Mr. TUNNEY. Mr. President, today we are considering the passage of S. 586, amendments to the Coastal Zone Management Act of 1972 which will provide funds for the States adversely impacted by energy development and production in our national coastal waters.

The bill's major provisions designate assistance programs for those States facing potential environmental, social, and economic impacts resulting from energy-related developments on the shorelines.

Additional language in the bill provides much-needed funds for research and technical assistance for the coastal States to implement feasible coastal plans. Also, the bill provides the means to facilitate interstate coordination of management policies and programs and for the acquisition of lands to establish estuarine sanctuaries and encourage the preservation of environmentally sensitive areas.

The Federal responsibility for CZM funding is raised from the present 66 2/3 percent to bring it in line with other 80 percent grant projects.

The bill also expands the "Federal Consistency" provisions of the 1972 Act to include the term "lease" thus giving the States enhanced authority to give final approval to lease sites.

The bill makes it clear that Outer Continental Shelf leasing is a Federal activity subject to the Federal consistency provision of the Federal coastal zone management program. However, since California's coastal plan will not be completed until early next year and the Interior Department plans to lease in October, this provision may be academic. For this reason, I urge Secretary Hathaway to postpone the lease sales until after the completion of the California coastal plan. Given the industry's stated inability to develop OCS leases rapidly, such a delay would have little impact on the eventual production of needed OCS oil and gas.

It is a Federal responsibility to provide the States with adequate funding to implement environmental controls. The States producing, landing, and shipping oil will need to be sufficiently compen-

sated for the industrial development of State lands, for bearing the burden of lost recreation sites, for threatened environmental air and land quality standards and for giving up prior discretionary land use policies to meet the requirements of the Federal energy policies.

We must insure that the States are adequately represented and have a strong voice in all matters affecting their coastline. Therefore, I am offering an amendment to provide for the equal representation of State and Federal interests on the coastal impact review board.

The Secretary of Interior has not wavered on his decision to begin lease sales totaling 1.6 million acres off the coastline of southern California, soon to be followed by bids off the Alaska and Atlantic coastlines.

Thus far, the Department, in its decisionmaking process, has callously disregarded the interests and views of the people and elected officials from the coastal States.

However, as the Commerce Committee report on this bill indicates, our shorelines could suffer severe environmental and economic degradation if adjacent coastal development is not properly controlled.

For example: More than 50 percent of the population of the United States lives in counties bordering on the oceans and Great Lakes, presently 40 percent of the industrial complexes are in estuarine areas and Louisiana lost over 5,000 square miles of wetlands to support systems for the OCS drilling operations.

In recent testimony in a joint hearing on this matter in the House, representatives from the Scottish coastal zone management commission, stressed that they minimized environmental impacts and citizen protest because they had local management programs in operation before leasing began.

There is no denying the anticipated financial burden States will have to sustain to provide adequate support systems for the anticipated industrial development without the funding provisions specified in this legislation.

In California alone, the State's Coastal Conservation Commission found that 90 percent of the total petroleum refining capacity of that State is located within 10 miles of the coast. New refineries will require as much as 1,000 to 1,700 acres for each industrial development and buffer zone. Furthermore, a new refinery with the minor capacity of 100,000 barrels per day would result in an inflow of 1,100 workers, a population increase of 3,900, and indirect increase of 850 support workers and an additional 850 schooled children.

I would like now to take time and commend my distinguished colleague Mr. HOLLINGS and the staff of the Commerce Committee for the innovative and progressive language that is included in this legislation.

Mr. President, I have cleared this amendment with both the floor manager and the minority.

Mr. STEVENS. Will the Senator from South Carolina yield 1 minute on this amendment?

Mr. TUNNEY. I yield.

Mr. HOLLINGS. I yield.

Mr. STEVENS. Mr. President, I am the author of this amendment in the committee and I have discussed it with the Senator from California. He has a good suggestion. It provides balance between the States and the Federal Government. I have talked it over with the Senator from California.

We see no objection to this amendment. I believe the Senator from South Carolina—if I could have his attention—is prepared to accept the amendment on behalf of the majority. I am certainly prepared to accept it on behalf of the minority.

Mr. HOLLINGS. We discussed this with the distinguished Senator from California, Mr. President. We think it is a good amendment.

Mr. President, I yield to the Senator from Maine.

Mr. HATHAWAY. Mr. President, I take this time just to ask the Senator from South Carolina a few questions with respect to the funds provided to the States for planning purposes.

I am a little concerned. I understand about \$50 million will be authorized under section 308(a) for planning purposes. But in the bill itself there are no criteria for guidance for the regulations which the Secretary is to promulgate as to how these funds should be allocated to the coastal States and territories.

First of all, I wonder if it developed during the hearings whether the \$50 million is an adequate amount for planning for these purposes.

Mr. HOLLINGS. Yes, I would answer very definitely that it is. Obviously, we had the budgetary restrictions in our mind at the time we agreed upon this matter. There are several States—I named California and the State of Florida. If the other States follow their pattern in investments in planning for coastal zone matters, \$50 million would not be sufficient. But the point is that that amount of funds will be there. They are annually authorized and they are annually to be reviewed by the Appropriations Committee. We think that this is within the ball park and can be approved by the administration.

Mr. HATHAWAY. Will the Senator tell me why there are no criteria in the bill itself to provide guidance to the Secretary of Commerce as to the basis for handing out the planning funds? Presumably under this he could give the whole \$50 million to one State, if he wanted to.

Mr. HOLLINGS. The bill is within the budget estimate.

Mr. HATHAWAY. But there are no criteria listed in the bill itself to guide the Secretary of Commerce in his determination as to which coastal State should get how much. Could he give two-thirds of the money to one State if he so desired?

Mr. HOLLINGS. No, I do not think that would be at all equitable. We are hereby amending the original Coastal Zone Management Act. Therein they have the criteria for the Secretary on section 305 planning and they have the criteria also with respect to section 306 grants under the original act. I think

such new criteria should, at a minimum include the extent of the activity in regard to leasing, the length of the coastline of each State, the potential other resource uses for the coastal area, potential facility development, the relative economic development of a State which will be affected by the facility or activity and its potential for coping with those impacts.

So it is just not depending on who is Secretary as to the rules and regulations. We already have these existing rules and regulations promulgated by the Secretary which should be augmented by this new criteria.

Mr. HATHAWAY. And these old criteria take into consideration the relative length of the coastline and probable impact, and so forth?

Mr. HOLLINGS. Very definitely; yes, sir.

Mr. HATHAWAY. I thank the Senator. Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

Mr. TUNNEY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. HANSEN, on behalf of himself and Senators BURDICK and MONTONA, offers the following amendment:

On page 28, after line 20, add the following new subsection:

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, after line 20, add the following new subsection:

(n). Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "30 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language:

"And, provided further, that an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services."

Mr. HANSEN. Mr. President, essentially what this does is to amend the 1920 Mineral leasing law to provide for a larger share of the funds that are derived

from the production of those minerals which are federally owned to go to the States to be used for planning, construction, and maintenance of public facilities and the provision of public services for areas primarily that are socially or economically impacted.

We have some 19 or 20 cosponsors. Both the manager of the bill and the minority leader have agreed to accept the amendment.

Mr. MCGEE. Mr. President, I join in sponsoring and supporting this amendment with my distinguished colleague from Wyoming (Mr. HANSEN). Basically, it would do for inland States that are suffering social and economic impacts from intensified energy production what S. 586 would do for the coastal States. The States of Wyoming, Montana, and the Dakotas, in particular, are experiencing severe impacts from energy production, including surface mining of coal and the construction of powerplants. In order to achieve some relief for these States, we offer this amendment.

Our proposal would increase the returns to the States in which mining takes place from 37.5 percent to 60 percent of the royalties which are paid to the Federal Government by mining companies extracting minerals in the public lands States. The additional 22.5 percent would be taken from the reclamation fund portion of the Federal royalties. This additional amount to be returned to the States would be earmarked specifically for planning, construction and maintenance of public facilities and for providing other necessary public services in those areas suffering impact problems as a result of energy development. The amendment would still leave 30 percent of the royalty payments in the reclamation fund.

Mr. President, the idea of providing assistance to States suffering development impact due to the energy crisis is not new. You will recall that the Surface Mining and Reclamation Act which was passed by Congress this year and subsequently vetoed by President Ford contained provisions which would finance aid to impacted areas within those States where surface mining operations are being drastically increased. The Senate overwhelmingly supported these provisions, and I hope that my colleagues will support the amendment which we offer today.

Mr. STEVENS. We are prepared to accept this and go to conference with it. I do not know what the House will do with it, but we certainly will take it to conference.

Mr. HOLLINGS. I yield back the remainder of our time, Mr. President. I have checked this with the Senators.

Mr. JACKSON. Vote. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, because of the attention which has been focused on coal development in the West, a national awareness of the impact this development has had on the towns of Rock Springs and Gillette, Wyo., in particular, is well known. Basically these towns are typical of the same dilemma which

faces other western towns. Demands for all types of community facilities such as hospitals, schools, sewers, recreation, police protection, to name but a few, have arisen. The known abilities of these same communities to have the funds adequately to provide the necessary services and facilities fall far short of the need.

Passage of this amendment assures that there will be so-called front end money so that city and county officials can anticipate the needs, which dramatic increases in population bring. The West, which has been called upon to provide additional energy in this time of energy shortages since it is the area where most of the strippable coal is found, will be able to make provision for these people so as to obviate the very real social and economic problems which all too often in the past have been characteristic of the region's response to the Nation's needs.

Mr. HOLLINGS. Mr. President, I send to the desk a package of technical amendments which have been checked out with the minority. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. May we have order in the Senate?

Mr. HOLLINGS. I will say to the Senator from Alaska, I have submitted the technical amendments, and I have asked unanimous consent that they be considered and adopted en bloc.

Mr. STEVENS. We have examined these amendments. They are technical in nature and necessary to carry out the intent of the bill. We are agreeable to their being considered en bloc. They are clerical, really.

Mr. HOLLINGS. Will they be considered en bloc?

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes certain technical amendments.

The technical amendments as follows:

On page 24, line 9, delete the period and insert thereof the following:

"Provided: That such allocation shall not relieve such State of the responsibility for insuring that any funds so allocated shall be applied in furtherance of the purposes of this section."

On page 37, strike out lines 11 through 23 and insert in lieu thereof the following:

"Sec. 318. (a) Nothing in this Act shall be construed to require the approval of the Secretary as to any State land or water use decision pertaining to individual cases, including, but not limited to, the siting of energy facilities, as a prerequisite to such State's eligibility for grants or loans under this Act."

On page 30, line 5, after the word "Agency," insert the words "the Administrator of the Federal Energy Administration,"

On page 40, line 22, insert the following new section:

"Sec. 104. Nothing in this Act shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act of 1972."

On page 32, line 18, after the words "amended by" insert the words "amending subsection (a) thereof as follows:"

On page 24, line 23, insert the following: after the word "section": ", except those funds made available pursuant to subsection (K)."

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point explanations of the technical amendments.

There being no objection, the explanations of the technical amendments were ordered to be printed in the RECORD, as follows:

EXPLANATION OF AMENDMENT ON PAGE 24,
LINE 9

The purpose of this amendment is to conform section 308(f) of the bill to the present language in section 305(f) of the CZM Act. It merely provides that when a State allocates funds provided under the amended Act to a local government of other entity, the funds must be used as originally intended when distributed to the State.

EXPLANATION OF AMENDMENT ON PAGE 27,
LINE 4

The purpose of this amendment is to conform the automatic grant provision of section 308 with the language used elsewhere in section 308 in connection with the purposes for loans and grants under the section.

EXPLANATION OF AMENDMENT ON PAGE 30,
LINE 5

This is a technical amendment to the proposed new section 309 which is entitled "Interstate Coordination Grants to States" and which authorizes and directs that certain Federal agencies and departments become involved in the Federal-State consultation process. The amendment merely adds the Administrator of the Federal Energy Administration to the agencies mentioned.

EXPLANATION OF AMENDMENT ON PAGE 32,
LINE 18

Amendment No. 14 to the Coastal Zone Management Act states that it amends section 316, as redesignated. In actuality, this particular amendment changes subsection (a) of that section. This technical amendment clarifies the bill.

EXPLANATION OF AMENDMENT ON PAGE 37,
LINES 11 THROUGH 23

The purpose of this amendment is to more explicitly state the Committee's intent in adopting section 318(a). The Committee's intent is that funds made available under the Act for loans and grants are not to be used as a device to require the States to take specific action with respect to individual land or water use decisions it makes. For example, the Secretary of Commerce cannot require a State to site a certain energy facility on penalty of loss of funds under the Act. As stated in the Committee Report at page 43, the Secretary is restricted under the CZM Act to evaluating the adequacy of the State process.

EXPLANATION OF AMENDMENT ON PAGE 40,
LINE 22

The purpose of this amendment is to assure, consistent with the Committee intention as stated in page 43 of the Report, that nothing in the entire bill shall interfere with the ability of any State which has an approved management program to prevent (except in cases of national security) Federal actions affecting their coastal zones which are inconsistent with their approved programs. A like provision appears in section 308 but only pertains to the provisions of that section. Making that proviso only there could be argued to raise an implication that the other provisions may be inconsistent with section 307. Adding this new section to the bill will clarify any uncertainty.

The PRESIDING OFFICER. The question is on agreeing to the technical amendments.

The technical amendments were agreed to.

Mr. BUMPERS. Mr. President, I have

an unprinted amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 12, line 18, strike "(1)".

On page 12, line 20, strike "; or".

On page 12, strike lines 21 thru 24 inclusive.

On page 12, line 25, strike "(1) of this subsection".

Mr. BUMPERS. Mr. President, I am willing to enter into a unanimous-consent agreement with the floor managers of the bill to debate this matter for 5 or 10 minutes. I can explain my amendment very quickly.

I have just suggested that we enter into a unanimous-consent agreement to limit debate of this amendment to 10 minutes or less, 5 minutes on either side.

Mr. LONG. Mr. President, I will have to object to anything less than 10 minutes on each side. I would like to hear what this amendment is.

Mr. HOLLINGS. It is a very important amendment. It does away with the platform construction provision for drilling offshore.

If the Senator will yield, I will put this time on the bill. If anyone is interested in this particular amendment, on pages 11 and 12 of our report we referred specifically to the Brown and Root Corp. of Houston, Texas, that, on a 2,000-acre plot in Virginia, plans to build oil production platforms to be used offshore; and we discussed in the report the onshore impact, the number of employees, the additional jobs, and everything else.

Now, what my distinguished friend requests in his amendment is that we strike exactly the language that would provide for that particular offshore platform construction, by knocking out, on page 12, the language—

which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1)—

Which has to do with energy facilities. That is exactly what we had in mind.

We have been into this very thoroughly, Mr. President, but somehow my friend from Arkansas has got the idea that manufacturing facilities such as platform construction sites are not adverse impacts, and he resists and objects, in these amendments, to the fundamentals of the Coastal Zone Management Act, and then, in the next breath, says, "I am for the Coastal Zone Management Act."

That just cannot be, if he is asking that we knock it out.

The Senator and I have been working on an ad hoc committee for energy legislation in this Congress, and we have been agreeing right down the line. The provisions in here would take care of every major coastal planning decision involving the Baltimore Canyon, the Georgia Embayment, and all those offshore drilling locations. We have got to go off there and get that oil and get that gas, but now the Senator comes along and says, "Just because I am in Arkansas, and I do not have any offshore drilling, and do not have any building of plat-

forms or anything else, let the States absorb the impact."

We are trying to facilitate getting energy. Even the administration is for this.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. LONG. The Senator from Louisiana was never enthusiastic about the bill. I am not sure Louisiana is going to participate in the plan. It may not be of any benefit at all to Louisiana.

But if we are going to consider anyone with regard to impact, I would think the little city of Morgan City, La., ought to be able to participate, because, on a per capita basis, there is no community in America, in the old 48 States, that is doing more to try to help with the energy problem than Morgan City, La.

That community is consecrated almost exclusively to trying to provide platforms, equipment, and services to people who go out on the Continental Shelf, sometimes staying out there for a month hand running, to try to produce some energy.

They have all kinds of problems, and if anyone should be entitled to some impact aid, because they are trying to develop some energy, I would think it would be the people of Morgan City, La. With the possible exception of those people up there in Prudhoe Bay, the people at Morgan City, La., would be more entitled to participate than anyone else I know of.

Some of the platforms that are built and are fabricated, floated out, and put in place on the Continental Shelf are higher than the Washington Monument, and they are enormously expensive. When those people work to do all that, and they have all kinds of headaches—there was a syndicated article that appeared in the Washington newspaper just recently discussing all the problems people have down in Morgan City, La.—you would think, if we were going to let anyone participate in that program, we would let those people participate. I cannot understand, for the life of me, where, in a community where most of the workers are producing energy and materials for use on the Continental Shelf, why they would not be entitled to participate.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BUMPERS. Subparagraph (1), just above the second subparagraph, which I seek to delete, involves new facilities, or additions to existing facilities:

Which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource.

I assume offshore drilling platforms are considered to be used in the extraction of an energy resource, and so I do not seek to eliminate the assembly, the manufacture, or anything else of offshore drilling platforms, because that is covered under subsection (1).

I am seeking to eliminate what I think would play all kinds of mischief with the interpretation of this law.

I have already lost the other battle; perhaps I will lose this one. But I would

like to make the point again that subsection (2) says that an energy facility is a facility or an addition to a facility which is or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection.

Mr. President, that is not confined to offshore drilling. It is not confined to gasification. It is not confined to liquefaction. It does not even eliminate the concrete blocks that might be made in the coastal zone States, if those concrete blocks are shipped to Arkansas, as long as they go into a powerplant there.

I am saying that section can be interpreted just as liberally as anyone chooses to interpret it. I do not think offshore platforms are affected at all. I think they are well covered, in any impact they may have on Morgan City or any other community, under subsection (1).

But I make the argument again that I made a moment ago. If you have a Westinghouse or a General Electric plant in a coastal State that manufactures turbines, you are entitled to aid, even though those turbines may not be used there. They may be used to fire a coal generating plant in any State in the Nation.

I do not think that a plant that is outside the coastal zone—and I think this is a distinction that has not been well understood here this afternoon—we are not talking about just the impact on coastal zones, we are talking about something that may take place outside the coastal zone, but could adversely affect the coastal zone. And again, my primary objection to this language was that it can be as liberally interpreted as anyone's imagination could want to allow it to be.

Mr. President, Senators want to get on with other business, and I want them to. I do not want to belabor a point already made time and time again. But I do want Members of the Senate to understand that bad laws are easily made and very difficult to remove, and I think this subsection of this bill is a bad law which ultimately will prevail, which probably will go to the President and be signed by him, and I can assure every Member of this body that that will never be removed from this act once it is placed on there, and there will be all kinds of applications for grants going to the Secretary for the most specious, spurious reasons.

The amendment does not take anything away from what the authors of the bill intended to cover, but it does take away the right from some inventive, ingenious people to raid the Treasury for purposes totally unrelated to this bill.

Mr. HOLLINGS. Mr. President, now we have ingenious people raiding the Federal Treasury.

These bills were not only reviewed by all the members of the Commerce Committee on both sides of the aisle, particularly those assiduous persons on the other side of the aisle who would be the keepers of the Treasury, but also by some of those on the Budget Committee, and particularly our colleagues on the

Committee on Interior and Insular Affairs who have a respected knowledge in this area. This is a reconciliation of the original amendment that we made between the position espoused by the Senator from Louisiana (Mr. JOHNSTON) and that of the Senator from Washington (Mr. JACKSON). It is no dubious raid on any treasury. The guidelines are here, the amounts have been computed, the Secretary of the Treasury has administered this in a most careful fashion, and because of that, the States have acted responsibly. As the Senator from Louisiana says, they are trying to develop a coastal zone plan, and they have not had it approved yet, and do not even know whether they want it approved.

We are back to fundamentals. Under one section, we have the adverse impacts resulting from energy facilities and resource development, and on the other hand, the automatic payments to deal with the impacts of offshore drilling on the adjacent coast.

We use that example of Cape Charles, Va., in Northampton County, where Brown and Root has a 2,000-acre option, and it is ready to go and start constructing in this rural area these offshore platforms for drilling, the rigs, the "manufacture"—that is exactly the language. The Senator says he is talking about deviousness and raiding the Treasury. So I am reading his amendment... that has to do with energy facilities in the coastal zone.

Now there you are. They could go ahead and drill offshore and have had this impact, expended all these funds, and still receive nothing for impacts, if they did not hit any oil, if they did not actually receive any grants from the automatic fund or there was not any brought ashore from an adjacent State.

His amendment just guts the entire energy part of it, and our language was put in by a unanimous vote from our Commerce Committee, and approved by the chairman of the Committee on Interior and Insular Affairs. If we had any rabbits in the bill to try to raid the Treasury, it would not be through coastal zone management.

It would interest the distinguished Senator from Arkansas to know there never has been passed a land use act, and the administration in fiscal year 1974 provided \$20 million to administer a law that had not even passed, and we have been lucky to get \$12 million to administer coastal zone management which has been on the books for the last 3 years since 1972.

This has been a very frugal program with no Treasury raiding and no devious ways. The Senator is closing out what we all saw and what he has seen.

Our energy endeavors here to promulgate a program to deal with energy facility impacts and facilitate and accelerate the offshore drilling by saying, yes as to energy-related manufacturing and assembling, and otherwise, as to these offshore platforms. It is a tremendous endeavor we need in that area, and if there is to be an impact, there should be compensation to those States

that have no control on Federal decisions.

Mr. BIDEN. Mr. President, will the Senator yield for two questions?

Mr. HOLLINGS. Yes. I yield to the Senator from Delaware (Mr. BIDEN).

Mr. BIDEN. The first question is in line 18, subsection (1) it says "which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource."

Does the distinguished chairman read that to encompass platform production?

Mr. HOLLINGS. Yes, not solely. Not exclusively, but yes.

Mr. BIDEN. But it would encompass platform construction?

Mr. HOLLINGS. Yes.

Mr. BIDEN. The second question is under subsection (2), the part that my distinguished colleague from Arkansas wishes deleted, he cited an example. He said if in fact there is a Westinghouse plant in the coastal zone area, which manufactures turbines, and ships those to some other State in the interior, that they get the benefit of this bill. Is that correct?

Mr. HOLLINGS. That is correct. That is in the law today.

Mr. BIDEN. They would get that.

Mr. HOLLINGS. Yes, but should you get a land use bill, should you get a utility siting bill—and we have interposed no objection—when Kentucky comes around and agrees to an overall plan, then they will have a mechanism to seek similar aid.

Mr. FORD. Mr. President, will the Senator from South Carolina yield to the Senator from Kentucky?

Mr. HOLLINGS. I am delighted to.

Mr. FORD. As to the \$1.2 billion we are going to spread around to every State the Senator mentioned earlier, we are looking for that. We are not worried about voting on the siting bill.

Mr. BIDEN. If I may ask a followup question then, it is: If in fact, first, platforms are covered by a portion that is not being attempted to be eliminated and if in fact, second, the example that a plant which produced something relating to energy that is not being used in the coastal zone would get this benefit, then it seems to me that the Senator from Arkansas has a valid point.

Mr. HOLLINGS. You are mistaken as to the first point. The point is it impacts upon the coastal zone.

Mr. BIDEN. How does it impact upon the coastal zone?

Mr. HOLLINGS. I ask the Senator to get his report—we all have it on top of our desks—and start reading at the bottom of page 11 and top of page 12. For example, Brown & Root is planning on going in there at Cape Charles. Under the concept of the Senator from Arkansas, the construction of platforms to do offshore drilling, in itself would not qualify for an impact, but only if drilling gets any of that oil, and it comes ashore in that coastal zone. His argument is that the fabricating plant has not impacted there at all; therefore, they do not deserve any impact.

My answer is that, if they go in and

start building that manufacturing plant, they have had the impact of the need for schools, water lines, sewer lines, maybe highway redesign, and everything else.

That is a fundamental concern of the Coastal Zone Management Act. The amendments of the committee do not require it be consumed or used within the coastal zone. He is very right. We could ship it all to Arkansas from Cape Charles, Va., and Virginia could never experience any of that oil and gas.

Mr. BIDEN. Being from a coastal State that is an appealing argument.

I give another example. Assume the Schaeffer Brewing Co. came in and wanted to build a plant in a coastal zone area. They are an obnoxious kind of industry, use a great deal of water, impact adversely, and hire a lot of people. Assume the Schaeffer Brewing plant comes in and builds a plant in the coastal zone, is the Senator telling me that we coastal zone States, which have submitted to the rationale of the Coastal Zone Management Act, should be in fact remunerated for the beer that is shipped to Arkansas?

Mr. HOLLINGS. No. I would answer my distinguished colleague from Delaware, obviously not. It is not an energy facility unless we go along with that idea that if we drink some we get a little energy, or, whatever that beverage ad is one hears on the radio. That is not an energy facility and it is not covered under the bill.

Mr. BIDEN. What about the fact in the example of the turbine construction?

Mr. HOLLINGS. That is an energy facility, that is right.

Mr. BIDEN. I have it. I understand what the Senator is saying.

Mr. HOLLINGS. All right.

Mr. BIDEN. I do not agree with him, but I understand what he is saying. I understand his argument. I do not think there is any merit to it, but I understand it.

Mr. HOLLINGS. We are willing to yield back our time. I wanted to be able to clarify the questions. We are not trying to hold it up.

Is the Senator from Arkansas prepared to vote?

Mr. BUMPERS. Mr. President, I have run out of arguments, and I do not want to repeat the old ones any longer. I feel, as I said a moment ago, this goes far beyond what most of us anticipated and what many of us at least think is good law no matter how sensitive we may be in the coastal zone States. But I foresee a great deal of mischief being played by leaving this in.

As I said earlier, I suppose I hear the train coming. I guess it is going to be left in. But I am prepared to vote on it, Mr. President.

I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. I am prepared to yield back my time.

Mr. HOLLINGS. We yield back the remainder of our time and are prepared to vote.

The VICE PRESIDENT. The question

is on agreeing to the amendment. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Indiana (Mr. BAYH) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. JAVITS), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

The result was announced—yeas 30, nays 59, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—30

Abourezk	Clark	Long
Bartlett	Culver	Mansfield
Bellmon	Ford	McClure
Biden	Garn	Metcalf
Buckley	Glenn	Montoya
Bumpers	Hart, Gary W.	Morgan
Burdick	Hart, Philip A.	Nelson
Byrd, Robert C.	Hartke	Proxmire
Chiles	Haskell	Stafford
Church	Leahy	Stevenson

NAYS—59

Allen	Hruska	Ribicoff
Baker	Huddleston	Roth
Brock	Humphrey	Schweiker
Brooke	Inouye	Scott, Hugh
Byrd,	Jackson	Scott,
Harry F., Jr.	Johnston	William L.
Case	Kennedy	Sparkman
Cranston	Magnuson	Stennis
Curtis	Mathias	Stevens
Dole	McGee	Stone
Domenici	McGovern	Symington
Eagleton	McIntyre	Taft
Fannin	Mondale	Talmadge
Fong	Moss	Thurmond
Goldwater	Muskie	Tower
Gravel	Nunn	Tunney
Hansen	Packwood	Weicker
Hatfield	Pearson	Williams
Hathaway	Pell	Young
Helms	Percy	
Hollings	Randolph	

NOT VOTING—10

Bayh	Eastland	McClellan
Beall	Griffin	Pastore
Bentsen	Javits	
Cannon	Laxalt	

So Mr. BUMPERS' amendment was rejected.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that, on final passage, the rollcall be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, in behalf of our colleagues, we are going to have one amendment by the Senator from Ohio. The managers of the bill are willing to accept it. I understand our distinguished colleague from Oklahoma will have a statement against this bill. Then we are ready to go to the 10-minute rollcall for final passage. We should be voting final passage in the next 10 minutes.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GLENN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

"On page 20, line 21, after 'facility,' insert 'such criteria shall insure that grants and loans under this section relating to impacts resulting from the exploration, development, and production of energy resources offshore and related energy facilities shall receive first priority among competing applications.'"

Mr. GLENN. Mr. President, I thank the distinguished floor leader on this bill. What this does is take up the colloquy of this afternoon on the intent of this bill and puts it in legislative language.

It has been agreed to by the minority and majority leaders. I will read the applicable part: At page 20, line 21, after "facility," and such criteria shall insure that grants and loans made under this section relating to impacts resulting from exploration, development, and production of energy resources offshore and related facilities shall receive first priority among competing applications.

All this does is make certain that we do give priority in those areas. It has been accepted. I am happy to accept a voice vote.

Mr. HOLLINGS. Mr. President, the Senator stated the priority very well in this amendment. We accept it.

Mr. STEVENS. We accept it.

Mr. HOLLINGS. I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there are no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STEVENS. The Senator from Oklahoma has requested time, I yield him 5 minutes.

Mr. BELLMON. Mr. President, there are two points I wish to raise in connection with this bill. The first relates to the costs.

The distinguished chairman of the Committee on the Budget and I have been discussing the matter. We are not quite clear on just what the costs are for the current year or what they will be over the long run. He may have a comment he wishes to make about the authorization or about the appropriations. There seems to be a possibility that the cost of this bill now will be less, due to the action of the Committee on Interior and Insular Affairs this morning. We are not quite sure yet on the Budget Committee just what has happened. Maybe the chairman can explain.

Mr. MUSKIE. I am glad to. I know that the distinguished Senator is opposed to the bill on its merits. I am for it on its merits. But budget implications, nevertheless, are a separate consideration in which the Senator and I are in agreement—that is, that we have to stay under the budget resolution.

With respect to the cost of S. 586, according to our figures, it will cost nearly

\$2 billion over the next 10 years. The Committee on the Budget has made no judgment about 10-year costs. This first year, we have concerned ourselves with first-year costs, which is 1976. These are the numbers as we see them.

Now, with respect to budget authority, in drafting the budget ceiling we assumed a total of \$300 million as the budget authority for fiscal 1976 for the programs this bill would create.

Now, this bill calls for nearly \$400 million in budget authority. I understand from the manager of the bill that they borrowed budget authority, in effect, from the Interior Committee in connection with programs that it had included in its recommendations to the Budget Committee in March.

Mr. HOLLINGS. Mr. President, if the Senator will yield, that is accurate. What we have done is we have taken the \$200 million that would appear in the Interior bill on the Outer Continental Shelf and, by agreement, we have now included it in our bill, so we are under the budget figure, and we also notified the Budget Committee with the expectation this would be budgeted at about a one-third level in outlays. So we are well within the budget.

Mr. MUSKIE. On the outlay figure the Senator is correct as we read it. We have no difficulty with the figure on budget grounds in that sense.

With respect to the budget authority question I assure the Senator from Oklahoma I would take the figures of our own budget people on the staff if we reach for any reason a different conclusion, and we will check it with the distinguished Senators from South Carolina and Washington, and we will notify the Budget Committee and we will report the bill with our own finding, but at the moment there appear to be no budget problems, with the one qualification which we checked out.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. BELLMON. The \$150 million applies to fiscal year 1976; is that true?

Mr. HOLLINGS. That is right.

Mr. BELLMON. That is anticipated for 1976. What about future years?

Mr. HOLLINGS. The anticipated outlay is \$3 billion annually for the next 3 years. Each time, of course, it is subject to the appropriation process.

Mr. BELLMON. The table on page 51, which shows appropriations for the fiscal years ending 1977 and beyond, shows a total cost of this bill of \$2.129 billion. That figure then would be reduced by roughly one-half?

Mr. HOLLINGS. No, sir. I think that the chairman of the Budget Committee cited it accurately. Those do not have to do with outlays but only authorizations, and it could go that high over a 10-year period.

Mr. MUSKIE. On that point, the Appropriations Committee, of course, makes the funding decisions, and the Budget Committee for each year is in a position to recommend outlay totals to the Appropriations Committee on this program.

Mr. HOLLINGS. That is correct.

Mr. BELLMON. Is there an anticipated cost of the program is my question.

Mr. HOLLINGS. The anticipated cost of the program is at a one-third level of the particular authorization for the first year.

Mr. BELLMON. So this figure of \$2.1 billion then would be more like \$700 million.

Mr. HOLLINGS. Well, that \$2.1 billion gets down, Senator BELLMON, to the 10th year that is projected out.

Mr. BELLMON. What I am trying to get at is what the costs will likely be over 10 years.

Mr. MUSKIE. The figure we have, may I say to the Senator, of the Budget staff is a budget estimated amount of \$2 billion.

Mr. BELLMON. Is this \$2 billion figure accurate?

Mr. HOLLINGS. Yes.

Mr. MUSKIE. Mr. President, the haste with which the Department of the Interior is approaching the search for oil and natural gas off the U.S. coastline makes it essential that we revise the Coastal Zone Management Act of 1972.

The new offshore leasing schedule which Interior officials are trying to follow will create new problems for coastal States. At a minimum, some of these States must cope with the arrival of drilling crews and their families, with the building of new staging and construction areas, and with the strains that these will put on transportation networks and public services. At a maximum, the new ventures could mean oil spills, damage to beaches and estuaries, and increased air pollution.

The States are entitled to help to plan for and pay for the consequences that offshore development will bring and S. 586 will provide that help.

The help is made available in two ways. The bill increases funds that are available under existing law to help States plan and administer coastal protection programs. It adds to existing law a special fund to help States cope with offshore oil development so long as offshore oil impacts are treated as part of its coastal zone management plan. The bill authorizes nearly \$400 million for loans and grants during fiscal 1976. But it does so in a way that will prevent States which are making claims for help from turning the program into what the Commerce Committee calls in its report "a bureaucratic maze or windfall profits for consulting firms."

This is an important bill, not only for the job it sets out to do directly but for the larger problems it represents. As Senator from Maine, I support this bill. As chairman of the Budget Committee, I am obliged to spend some time today on the larger problems it represents.

The very survival of the United States depends on reliable supplies of energy at costs over which we have far more control than we now have. The Outer Continental Shelf may provide some of those supplies. Nobody knows for certain. But even if oil is discovered off the Atlantic coast, for example, it is likely to meet our needs only for a matter of years, not for decades. So one message of S. 586 is that it would be criminally foolish to

plunder our coastlines for the sake of a limited supply of energy. One message is that the job of offshore energy development must be done carefully and properly.

There is another message associated with S. 586. It represents months of hard work, of study, of hearings, and of negotiations. And yet, as I have said, it may well deal with only a limited contribution to our future energy needs. Thus, S. 586 is an indication of the complexity and magnitude of the job this country faces in solving its energy problems.

Finally, S. 586 is expensive. It is a good bill. It is an important bill. It is a necessary bill. But it will cost nearly \$2 billion over the next 10 years. And S. 586 is as good a warning as we are likely to get this early in the session of what we are up against in trying to establish priorities for rationing the money available to us in the fiscal 1976 budget.

This bill does, however, exceed the budget resolution regarding budget authority, but is well within budget authority regarding outlays this year. In drafting the budget ceiling, we assumed a total of \$300 million in budget authority for fiscal 1976 for the programs this bill would create. The bill calls for nearly \$400 million in budget authority. In terms of outlays, the bill probably is below the original estimates. We assumed outlays of \$300 million. Because so many of the programs in S. 586 are designed to take effect gradually, the Commerce Committee staff anticipates outlays of about \$200 million in fiscal 1976.

Were it not for the fact that outlays under this bill will be \$100 million less than the budget resolution contemplated, I would be required to support a reduction in budget authority. But inasmuch as a full appropriation of the budget authority figure contained in the bill would not increase outlays or the deficit projected in the budget resolution this year, I intend to support the bill. In future years, we will have to look closely at this program, however, and it may be that appropriations will need to be tailored to the larger fiscal picture as well as to the needs that this bill addresses.

I may say to my colleagues that one statement in the prepared statement having to do with the budget authority question is more definite than now appears to be justified by what I hope I said to the Senator from South Carolina, and I want the RECORD to reflect that fact.

Mr. HOLLINGS. Very good.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Maine for his contribution in relation to the course of this legislation. It now appears from this chart on page 51, and I would like to call the attention of the Senate to the fact, that this bill is expected to cost some \$2 billion over the next 10 years. I think we all ought to realize that when we cast our votes.

It is understandable that my colleagues from the coastal and Great Lakes States support this legislation, and those of us who come from the land-locked States have the obligation to call a spade a spade.

In my opinion, this bill is no more

than a payoff to the coastal States for them to go on with the development of their energy resources.

There is no reason why funds beyond those already available for the coastal zone States legislated back in 1972 are necessary to plan for energy resource development in the Outer Continental Shelf for onshore impact. Moreover, the States and localities have their taxing, zoning, State, and police powers to deal with in the construction of energy-related facilities.

It is necessary for me to call attention to the rising tide of national dismay at the short-sighted attitude of some of the coastal States which, up to now, prohibited offshore drilling or the construction of refineries or other energy-related developments which are necessary to help the Nation out of its energy dilemma.

Oklahoma and other similarly situated States have allowed, in fact we have encouraged, the development of our energy resources for many years. Now, through controls on the price of crude oil and natural gas, we are having our property literally expropriated for the benefit of some of those same coastal States that seek this legislation, in the very heavy cost of this bill. We are even presently losing millions of dollars in tax revenues every year because of our State and local taxes being necessarily based upon the artificially low prices that Congress has mandated.

The question is, Where is the payoff for States like Oklahoma or other energy-producing areas? The passage of this act is an invitation to every State to lock up its natural resources against development until the Federal Government submits itself to this kind of blackmail.

Already the political powers of the populous States are taking natural gas and old oil from the producing States at from one-third to one-half the value of these products by what I consider to be short-sighted actions.

Now, the same forces are undertaking to legislate this kind of a bill that pays the States, that have not been willing to have their energy resources developed, to go ahead and do the things which we have been doing for many years.

Mr. President, this bill can only be described as a multibillion-dollar ripoff of the coastal States, and I urge its defeat.

ADDITIONAL STATEMENTS ON S. 586

Mr. KENNEDY. Mr. President, the Coastal Zone Management Act Amendments we have before us today are a recognition by the Congress of the significant impacts which will result from accelerated offshore leasing and of the needs of coastal States for assistance in planning to absorb those impacts. It is the result of nearly 2 years of study, hearings and investigations. It takes into account the views of local and State officials, concerned public interest groups, and representatives of business and industry—all of whom presented testimony during the development of the legislation.

My own Subcommittee on Administrative Practice and Procedure participated actively in this process. It was just a year

ago that my subcommittee, together with the National Ocean Policy Study, held field hearings in Boston to solicit the views of concerned New Englanders on what legislative and administrative actions were necessary to assure full protection of the public interest, both in the procedures leading up to a final decision on whether offshore leasing should go forward and in insuring adequate protection of the interests of New England if exploration and development is undertaken on the Georges Bank.

Those hearings made clear the deep concern which exists in all sectors of the New England economy over the adequacy of petroleum supplies and the price we are paying for oil. New England has led the Nation in conservation. Our State officials have been in the forefront of efforts to bring about lower prices and to remove the burden which results from our dependence on high-priced foreign oil imports.

Nevertheless, those hearings also made clear just how pervasive the concern is—among business and industry, among fishing interests, among tourist and recreation interests and among citizens groups—that they have not been brought into the formulation of Federal energy policy. A suspicious and distrustful attitude had developed between our regional, State and local groups and the Federal Government. It threatened to stand in the way of the necessary cooperative effort we must make to develop national energy policies which are fair and equitable to all regions.

One critical portion of the Federal energy policy is the decisionmaking process involving our offshore oil and gas reserves. If offshore oil and gas will help reduce energy costs, if it can be developed without jeopardizing our environment, if it can be brought in without destroying our tourist and fishing industries, if it can be carried out without distorting our future coastal development I believe we will be able to win the support of the people of New England for a well-planned offshore leasing program.

At present, however, there is little incentive for coastal States like New England to offer their support to such a program. The oil that becomes available will sell at premium prices, not subject to price controls. In Massachusetts, where many of our communities are operating on a marginal tax base, we cannot afford the schools, hospitals and other facilities which will be required during an intensive effort to bring offshore areas into production. And with an unemployment rate now over 10 percent in Massachusetts, we cannot afford a cycle of boom and bust economies, where communities may gain jobs for a short period, only to be plunged back into high unemployment once the rigs are in place and the demand for labor returns to predevelopment levels.

We know that large amounts of land will be needed if we are to construct refineries, petro-chemical plants and other related facilities—but lacking information on the extent of deposits on Georges Bank we cannot make even the roughest estimate of the extent of our

potential need for such facilities. The possibility exists of having 17 percent of the prime industrial land in Rhode Island and eastern Massachusetts utilized in the full development of offshore oil and gas. A commitment of this amount of land, with its consequent environmental impacts, will have significant ramifications for the area and should not be undertaken without sufficient study and policy consideration. We do not know whether any of the oil which may be found on Georges Bank will be transported into New England—a crucial factor in determining how on-shore development should proceed. We do not know the net impact of the needed increase in services which will be required of municipalities, which may outweigh the benefits of any increase in employment and tax revenues. We do not know what shifts in population may occur and the increased services which may be required to meet changing populations. We do not know how cities will be able to respond to development activity which may occur.

Our fishing industry, although it has been on the narrow edge of survival for many years, is still a \$50 million enterprise, and too valuable to be pushed aside without more accurate information on what the long term effects of offshore development will be on commercial fishing stocks and the access of fishermen to those stocks. We have a recreation industry that supplies 75,000 primary jobs and over 100,000 for secondary employment. The keystone to this industry is the ocean—especially along Cape Cod, the closest landfall to the proposed area of petroleum development in New England.

All of these issues are particularly critical to Massachusetts and New England following the Interior Department's announcement last month that it is calling for nominations for accelerated oil and gas development on Georges Bank. This action sets in motion a 15-month process which may culminate in the sale of leases on Georges Bank to oil companies in August of next year. It was taken despite the fact that the Department has failed to respond to our requests for data on the value of these publicly owned energy resources and despite the absence of equally accelerated action to protect marine and coastal resources. My letter to Secretary Hathaway, a copy of which I will ask to be printed at the conclusion of my remarks, states those concerns more fully. I am still awaiting a reply.

In the absence of steps by the executive branch to win public confidence in the offshore oil and gas leasing process and to initiate a cooperative effort between local, State and Federal Governments, the Senate, in the bill we have before us today, is assigning high priority to the resolution of these problems. The following provisions of the pending Coastal Zone Management Act amendments will be of particular importance:

The establishment of a coastal energy facility impact fund, providing loans and grants of up to \$250 million per year for 3 years to offset impacts of major energy facilities;

The establishment of a Coastal Im-

pacts Review Board to determine whether States will suffer adverse impacts from energy facilities;

The authorization of a Federal guarantee of State or local bonds used to provide public facilities and services required by offshore energy production operations;

The clarification of offshore leases as activities which must be consistent with federally-approved coastal zone management programs and assurance that on-shore impacts from offshore operations will have to conform with State coastal zone plans;

The provision of \$10 million annually for coastal zone research and training needed to speed the completion of State coastal zone programs;

The authorization of \$5 million for interstate compacts or regional agreements among States to help solve major Federal-State problems and conflicts and for coordination of coastal zone programs;

The provision of \$50 million annually for acquisition of lands to provide protection of and access to public beaches and for island preservation;

An increase in the Federal share for coastal zone program development and management from two-thirds to 80 percent; and

An increase in the authorization for program development grants and for the management of approved programs.

State officials in Massachusetts, as in other coastal States, face a formidable task in establishing mechanisms for planning for the onshore impacts of offshore development. In my own State efforts are underway to plan for future growth and development in the coastal zone taking into account the physical capability of the land, the economic potential of our own State and of the New England region, and the social goals of the people in our area. Planning will be required to identify sites or areas that meet environmental economic and social criteria for facilities related to offshore development. Regional needs for the siting of offshore related facilities will also be considered, and tradeoffs between and among the States will probably be required. Methods will have to be developed within each State for evaluating the siting of offshore related facilities, in relationship to all other uses.

In addition to siting problems, Massachusetts and New England must take into account relevant policies, resource capabilities and legal and institutional mechanisms. Critical environmental areas that must be protected from such activities will have to be identified. All the work will have to be integrated, not only within each coastal zone program, but also within the context of all State natural resource management programs.

In Massachusetts this planning process is already well underway. We have an Energy Facility Siting Council, established in 1973 and expanded last year, with powers to regulate location of electric powerplants and liquefied natural gas storage sites. The New England River Basins Commission has recommended that the Council be further expanded to include control over locations of any re-

finery operations, and that other States set up similar agencies. The New England Regional Commission is conducting a survey of potential sites which will at least offer a frame of reference for discussion by the separate States in working toward a unified approach to siting. Lt. Gov. Thomas O'Neill, in coordination with the New England Commission has convened a conference of all relevant State officials to discuss the issue of offshore development on George's Bank. A Cabinet level task force has been established to oversee the issues pertaining to the potential development of Georges Bank.

The planning process, and the subsequent implementation of an approved plan, is an expensive and complex process. States like Massachusetts urgently need the additional resources which will be provided by the Coastal Zone Management Act amendments before us today.

The provisions of the pending amendments will help us in clarifying some of these impacts on land use and the coastal zone. The amendments to the Outer Continental Shelf Lands Act, which have been ordered reported by the Senate Interior Committee and which will be before the Senator shortly, will assist in remedying present inadequacies in the offshore leasing process itself, in the access of the public to data concerning the extent of offshore oil and gas resources, in the ability of citizens to bring suits against the oil companies and the Federal Government for alleged violations of the OCS Act and in the liability of oil companies for oil spills in connection with offshore development.

I urge my colleagues to support the Coastal Zone Management Act Amendments of 1975 before us today, and to make a similar commitment to active participation in the upcoming debate on the Outer Continental Shelf Lands Act amendments.

I ask unanimous consent that my letter to Secretary Hathaway be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 18, 1975:

HON. STANLEY HATHAWAY,
Secretary, Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I am deeply disturbed over the Interior Department's decision to call for nominations for oil and gas development on Georges Bank in the absence of vital information requested by local, state and federal officials from Massachusetts and New England.

At the outset, I want to emphasize that I am convinced that the citizens and public officials in the Northeast are prepared to give their support to a well-planned offshore leasing program. No area of the country is more aware of the need to develop new energy sources, or of the benefits which might come from an offshore drilling program which ensures that full value will be received for the tracts to be leased and which includes strong provisions for the protection of coastal areas.

I am concerned, however, that the lack of response by the Department to the serious questions which have been raised will continue to be a major barrier to public acceptance of offshore drilling. As you are aware, it was over two years ago that members of Con-

gress concerned over the impact of offshore development urged the Administration to support an environmental impact assessment by the Council on Environmental Quality and the National Academy of Sciences. That study and critique were complete last year, and raised significant concerns which must be addressed prior to any tentative tract selection. Since that time, in hearings conducted by my Subcommittee on Administrative Practice and Procedure and in extensive testimony before a number of Senate Committees, witnesses have emphasized the need for more information prior to a decision to accelerate leasing in frontier offshore areas.

A prime concern has been the lack of data on the extent and value of offshore oil and gas deposits, and the need for a government survey of those resources, the results of which would be available to the public. The need for such a survey, as well as the advantages of separating the offshore exploration process from that of development, is addressed in legislation now moving through the Congress. This step would measurably improve the ability of the public to participate effectively in the offshore leasing process and contribute to public understanding of the risks and benefits associated with offshore development. An accelerated offshore leasing program should not be initiated prior to resolution of this issue.

Other on-going concerns are: the need to initiate immediately environmental base line studies of the Georges Bank area; the designation of certain portions of the outer continental shelf as a national strategic reserve; an assessment of the impact on fishery resources of offshore development; and an agreement on what share of bonus and royalty payments resulting from offshore development will be shared by the states which lie adjacent to drilling sites.

None of these concerns has been addressed satisfactorily by the Department—and on some there has been no action at all.

As a priority matter in carrying out your responsibilities as Secretary, I am requesting that you take action to have these studies completed and to resolve the concerns we have outlined, prior to any tentative tract selection on Georges Bank. Winning public confidence and initiating a cooperative effort between local, state, and federal governments—factors which you emphasized in your testimony before the Senate Interior Committee—clearly must precede any further steps toward offshore drilling in frontier areas.

I look forward to hearing from you and believe that a full response from the Department can lead to the kind of public participation and public access to information necessary for effective involvement by concerned citizens in the offshore leasing decision making process.

Sincerely,

EDWARD M. KENNEDY,

Mr. PELL. Section 310(c) of the act authorizes a program of grants to State agencies for short-term research and training, with an authorization of \$5 million a year. Could the distinguished chairman provide information on how this research fund will be administered? How will this research fund be coordinated with the sea grant college programs, many of which include significant coastal zone research conducted in cooperation with State management agencies?

Mr. HOLLINGS. It is the intent that these grants be fully coordinated within NOAA with ongoing programs of the sea grant program since the program itself will be administered by NOAA.

Mr. PELL. I note that the act provides no maximum grant to an individual

State agency under section 310(c). Is it anticipated that the research funds will be distributed equally among all of the coastal States? What will be the guidelines in the distribution of these research funds? The sea grant legislation provides that no one State shall receive more than 15 percent of the total funds appropriated in any year.

Mr. HOLLINGS. The Secretary should develop guidelines so that those States with greatest needs will be appropriately aided.

Mr. PELL. Under the sea grant college program, Federal grants are on a 2-to-1 basis. This legislation provides 80 percent—4-to-1—matching grants for research. Is there not the possibility that States doing research under sea grant funds will in effect be penalized by being required to provide greater matching money, in comparison with States seeking research funds under this new provision?

Mr. HOLLINGS. No. I do not think this should be a problem because it is the intent of the committee that this money be used for quick turnaround research, often through the existing sea grant program as appropriate, but in no event to set up duplicating efforts.

Mr. PELL. Mr. President, the Coastal Zone Management Act Amendments of 1975, now being considered by the Senate, are vitally important to the future of the coastal zone of our Nation, and essential to the economic and environmental well-being of our coastal States.

The coastal zone has come under increasingly intense pressure as the Nation looks to its coastal areas for new energy sources, for powerplant sites, for ocean transportation and port facilities, for fishery and mineral resources, and for recreational opportunities.

The Coastal Zone Management Act Amendments are intended to assist the States in meeting the challenge of managing the use of their coastal areas wisely, prudently and in the best interests of the public, in the face of these intense development pressures.

Our coastal States desperately need the assistance that would be provided by this act. As a Senator from a coastal State, and as a member of the Senate's National Ocean Policy Study, I fully support this expansion of the Coastal Zone Management Amendment Act to help our States meet the extraordinary challenges that confront them.

In my own State of Rhode Island, we are acutely aware of the value of our coastal areas, and of the growing development pressures which threaten those areas. I am proud to say that Rhode Island has been a leader among the coastal States in its efforts to manage the burgeoning development of coastal areas.

Rhode Island was among the first States to qualify for Coastal Zone planning funds under the Coastal Zone Management Act, and it is among a handful of States that have enacted comprehensive coastal zone management legislation.

But even those States, such as Rhode Island, which have moved energetically and with foresight in coastal zone man-

will need added assistance among the problems we confront in the prospect of development of petroleum resources off the land coast. As the committee in its report, the decision to develop those petroleum resources entirely with the Federal Government. But it is the States and local governments which must bear the burden of preparing for and relieving the severe on-shore impacts of offshore development.

fully support the establishment of a coastal energy impact fund, from which grants and loans will be made to States, as provided in this legislation. Equally important are the provisions for acquisition of lands for protection of and access to beaches and for island preservation. The increase provided in funds for program development and man-

agement, the committee has noted that effective coastal zone management requires research to provide information needed to make decisions. The act provides \$10 million annually for such research and management, including \$5 million annually for grants.

fully that additional research to support effective coastal zone management programs. At the present time the most significant and effective use of funds for coastal zone management is the sea grant college program, which is a part of the National Oceanic and Atmospheric Administra-

tion. In the State of Rhode Island, the programs funded at the University of Rhode Island by the sea grant college program function as the effective arm of the State's coastal zone management program. The URI sea grant program has responded positively to the need for coastal zone management required by the State's coastal zone management program.

This is not an isolated instance. In fact, the incidence that these States in the front of coastal zone management programs also have strong and effective grant college programs that are significant and indeed vital to the management programs. I expect, therefore, that the additional coastal zone research funds provided in this legislation would be coordinated with the existing sea grant college programs, and would to the extent possible be funneled through the existing sea grant college mechanisms.

As a Senator from a coastal State, as a member of the national policy study, and as a cosponsor of this legislation, I am in full approval.

As the distinguished Senator from South Carolina knows, both offshore oil drilling and deepwater oil have been proposed in the waters east of New Jersey. As I read the provisions of section 308(b) and the meaning of "energy facilities" in section 102(j)(2)(E) in my understanding that the

grants and loans mentioned in section 308(b) would be applicable to both offshore oil drilling and to deepwater ports. In order to establish a legislative record on this matter, would the Senator inform me whether my understanding in this matter is correct?

Mr. HOLLINGS. The understanding of the Senator from New Jersey is correct. It was the intent of the committee that the grants and loans mentioned in section 308(b) would be applicable to both offshore oil drilling and to deepwater ports which are handling petroleum. Deepwater ports are included in the meaning of "energy facilities," which are defined in section 102(j)(2)(E) as including "facilities for offshore loading and marine transfer of petroleum."

Mr. WILLIAMS. Mr. President, I am pleased to add my endorsement to S. 586 which is designed to strengthen the Coastal Zone Management Act of 1972.

In the State of New Jersey, we believe that Senator HOLLINGS and his colleagues showed remarkable foresight in initiating that legislation 3 years ago. Proposals are being made for a deepwater port, oil drilling and floating nuclear powerplants off our shore, and the only protection our precious coastal resource has is the Coastal Zone Management Act of 1972. This act was created to assist the States in developing adequate controls to prevent damage to the adjacent land and to preserve the fragile ecological balance in coastal areas.

New Jersey has a billion dollar tourist industry at stake as well as rich agricultural areas in its coastal zone. The development of offshore drilling will have a profound effect on recreation areas, commercial shipping, fishing, and waste disposal. Offshore drilling raises a myriad of questions concerning shifts in population density, adequate housing, educational facilities, and fire and police protection. Offshore drilling will have a critical influence on the quality of life in New Jersey's coastal areas.

Fortunately, my State is well along in preparing its comprehensive coastal zone plan. We are very eager to complete it so that Federal programs such as offshore drilling can be made to conform to New Jersey's needs.

Therefore, I am particularly pleased to see section (12) in the "General Provisions" of S. 586 which clarifies the intention of Congress in its original passage of the Coastal Zone plan so that Federal offshore leasing is included in the "consistency clause" of the act. That section proclaims unequivocally that once a State has a federally-approved coastal zone management program, Federal agencies must conduct their activities consistent with the program. In addition, Federal license and permit actions must also conform to the State plan. This "consistency" provision is the key to a successful State program for coastal zone management.

I welcome this clarification of what I believe to have been our original congressional intent. The clarification is needed in view of the administration's tendency to ignore the spirit of the act in developing its massive offshore leasing plan.

I am also concerned about State and local governments' oil and gas are discovered in quantities off our coast. The purpose of S. 586 for a coastal energy impact fund with automatic grants on OCS production or landing to satisfy State and local officials will be compensated for onshore drilling. It is my understanding this provision would include assistance for the impacts from imported oil as well as energy offshore.

There will be some difficulty in being able to evaluate some of the impacts accurately. For example, how do we determine the cost of altering the nature of the cultural community for a 30-year period? This will occur if oil comes onshore in southern New Jersey. We must deal with the issue now.

There are other improvements in the bill. The additional funds to the coastal zone management program will be very helpful to New Jersey and the other participating States. The formula providing a larger Federal share in the funding is also most helpful.

This legislation is an important step in assuring the States that their interests on the coasts will be maintained in conformity with the State coastal zone program. The costs which the States must bear will be adequately compensated. It is a proven mechanism for the coastal zone to prepare adequately for the environmental, economic, and social impacts of offshore drilling on neighboring States. I am pleased to support this commitment to preserve the environment and protect the quality of life in coastal areas. Most important, this legislation will not unduly burden the search for new energy supplies. It will help to conduct that effort in a more efficient manner.

The administration has expended an unproductive and irresponsible amount of money in its headlong rush to expand offshore leasing. Serious problems exist with current leasing practices. The widespread doubts about our industrial capabilities for development are inconsistent practices of Federal agencies are weakening the decision-making process.

In view of the administration's unwillingness to demonstrate a willingness to protect our coastal environment, I am confident that Congress has assumed a leadership role in properly assessing the questions regarding the onshore development of possible oil on the Outer Continental Shelf. The administration's attitude is more responsible, and I am sure will prove to be more profitable in the long run.

Mr. HOLLINGS. I yield to the gentleman from Montana.

DETERMINATION OF SENATE ACTION IN NEW HAMPSHIRE

Mr. MANSFIELD. Mr. President, I have the unanimous consent that the vote on the Scott motion which will follow, the vote on final passage of the bill, be limited to 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1975

The Senate continued with the consideration of the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the distinguished Senator from Delaware be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I thank my colleagues for their indulgence and support.

The PRESIDING OFFICER. Do the Senators yield back all their time?

Mr. HOLLINGS. I yield back all my time.

Mr. STEVENS. I yield back all my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

On this vote, the Senator from Maryland (Mr. BEALL) is paired with the Senator from North Dakota (Mr. YOUNG).

If present and voting, the Senator from Maryland would vote yea and the Senator from North Dakota would vote nay.

The result was announced—yeas 73, nays 15, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—73

Abourezk	Hatfield	Packwood
Baker	Hathaway	Pearson
Biden	Hollings	Pell
Brooke	Huddleston	Percy
Burdick	Humphrey	Proxmire
Byrd,	Inouye	Randolph
Harry F., Jr.	Jackson	Ribicoff
Byrd, Robert C.	Johnston	Roth
Case	Kennedy	Schweiker
Chiles	Leahy	Scott, Hugh
Clark	Long	Scott,
Cranston	Magnuson	William L.
Culver	Mansfield	Sparkman
Domenici	Mathias	Stafford
Eagleton	McGee	Stennis
Fong	McGovern	Stevens
Ford	McIntyre	Stevenson
Garn	Metcalf	Stone
Glenn	Mondale	Symington
Gravel	Montoya	Taft
Hansen	Morgan	Talmadge
Hart, Gary W.	Moss	Thurmond
Hart, Philip A.	Muskie	Tunney
Hartke	Nelson	Weicker
Haskell	Nunn	Williams

NAYS—15

Allen	Bumpers	Goldwater
Bartlett	Church	Helms
Bellmon	Curtis	Hruska
Brock	Dole	McClure
Buckley	Fannin	Tower

NOT VOTING—11

Bayh	Eastland	McClellan
Beall	Griffin	Pastore
Bentsen	Javits	Young
Cannon	Laxalt	

So the bill (S. 586) was passed, as follows:

S. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Coastal Zone Management Act Amendments of 1975".

GENERAL PROVISIONS

SEC. 102. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 302(b) of such Act (16 U.S.C. 1451(b)) is amended by inserting "ecological," immediately after "recreational,"

(2) Section 304(a) of such Act (16 U.S.C. 1453(a)) is amended by inserting therein "islands," immediately after the words "and includes,"

(3) Section 304(e) of such Act (16 U.S.C. 1453(e)) is amended by deleting "and" after "transitional areas," and inserting "and islands," after "uplands,"

(4) Section 304 of such Act (16 U.S.C. 1453) is amended by adding at the end thereof the following new subsections:

"(j) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of people.

The term includes, but is not limited to, (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and ura-

nium enrichment or nuclear fuel processing facilities; (D) offshore oil and gas exploration, development, and production facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary or appropriate for such exploration, development or production; (E) facilities for offshore loading and marine transfer of petroleum; and (F) transmission and pipeline facilities, including terminals which are associated with any of the foregoing.

"(k) 'Person' has the meaning prescribed in section 1 of title 1, United States Code, except that the term also includes any State, local, or regional government; the Federal Government; and any department, agency, corporation, instrumentality, or other entity or official of any of the foregoing.

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by State or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services and facilities related thereto, and such governmental services as are necessary to support any increase in population and development."

(5) Section 305(b) of such Act (16 U.S.C. 1454(b)) is amended by deleting the period at the end thereof and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(7) a definition of the term 'beach' and a general plan for the protection of, and access to, public beaches and other coastal areas of environmental, recreational, historical, esthetic, ecological, and cultural value;

"(8) planning for energy facilities to be located in the coastal zone, planning for and management of the anticipated impacts from any energy facility, and a process or mechanism capable of adequately conducting such planning activities."

(6) Section 305(c) of such Act (16 U.S.C. 1454(c)) is amended by deleting "66½" and inserting in lieu thereof "80", and by deleting in the first sentence thereof "three" and inserting in lieu thereof "four".

(7) Section 305(d) of such Act (16 U.S.C. 1454(d)) is amended by—

(A) deleting the period at the end of the first sentence thereof and inserting in lieu thereof the following: "Provided, That notwithstanding any provision of this section or of section 306 no State management program submitted pursuant to this subsection shall be considered incomplete, nor shall final approval thereof be delayed, on account of such State's failure to comply with any regulations that are issued by the Secretary to implement subsection (b) (7) or (b) (8) of this section, until September 30, 1978."; and

(B) deleting the period at the end thereof and inserting in lieu thereof the following: "Provided, That the State shall remain eligible for grants under this section through the fiscal year ending in 1978 for the purpose of developing a beach and coastal area access plan and an energy facility planning process for its State management program, pursuant to regulations adopted by the Secretary to implement subsections (b) (7) and (b) (8) of this section."

(8) Section 305(h) of such Act (16 U.S.C. 1454(h)) is amended by deleting "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

(9) Section 306(a) of such Act (16 U.S.C. 1455(a)) is amended by deleting "66½" and inserting in lieu thereof "80".

(10) Section 306(c)(8) of such Act (16 U.S.C. 1455(c)(8)) is amended by adding at the end thereof the following new sentence: "In considering the national interest involved in the planning for and siting of such facilities which are energy facilities located within a State's coastal zone, the Secretary shall further find, pursuant to regulations adopted by him, that the State has given consideration to any applicable interstate energy plan or program which is promulgated by an interstate entity established pursuant to section 309 of this title."

(11) Section 306 of such Act (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(i) As a condition of a State's continued eligibility for grants pursuant to this section, the management program of such State shall, after the fiscal year ending in 1978, include, as an integral part, an energy facility planning process, which is developed pursuant to section 305(b)(8) of this title, and approved by the Secretary, and a general plan for the protection of, and access to, public beaches and other coastal areas, which is prepared pursuant to section 305(b)(7) of this title, and approved by the Secretary."

(12) Section 307(c)(3) of such Act (16 U.S.C. 1456(c)(3)) is amended by (A) deleting "license or permit" in the first sentence thereof and inserting in lieu thereof "license, lease, or permit"; (B) deleting "licensing or permitting" in the first sentence thereof and inserting in lieu thereof "licensing, leasing, or permitting"; and (C) deleting "license or permit" in the last sentence thereof and inserting in lieu thereof "license, lease, or permit".

(13) Sections 308 through 315 of such Act (16 U.S.C. 1457 through 1464) are redesignated as sections 311 through 318 thereof, respectively; and the following three new sections are inserted as follows:

"COASTAL ENERGY FACILITY IMPACT PROGRAM

"SEC. 308. (a) The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility. Such grant shall be for the purpose of enabling such coastal State to study and plan for the economic, environmental, and social consequences which are likely to result in such coastal zone from exploration for and development or production of such energy resources or from the location, construction, expansion, or operation of such an energy facility. The amount of such a grant may equal up to 100 percent of the cost of such study and plan, to the extent of available funds.

"(b) The Secretary is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources or by the location, construction, expansion, or operation of an energy facility, if such adverse impact will result as a consequence of a license, lease, easement, or permit issued or granted by the Federal Government which permits—

"(1) the exploration for, or the drilling, mining, removal, or extraction of, energy resources;

"(2) the siting, location, construction, expansion, or operation of energy facilities by a lessee, licensee, or permittee; or

"(3) the siting, location, construction, expansion, or operation of energy facilities by or for the United States Government.

The proceeds of such a loan or grant shall be used for—

"(A) projects which are designed to reduce, ameliorate, or compensate for the net adverse impacts; and/or

"(B) projects which are designed to provide new or additional public facilities and public services which are made necessary, directly or indirectly, by the location, construction, expansion, or operation of such an energy facility or energy resource exploration, development or production.

The amount of such a loan or grant may equal up to 100 percent of the cost of such a project, to the extent of available funds.

"(c)(1) The Secretary may make a grant to a coastal State for a purpose specified in subsection (b) of this section, if he determines that such State will suffer net adverse impacts in its coastal zone, as a result of exploration for, or development and production of, energy resources; as a result of the location, construction, expansion, or operation of an energy facility over the course of the projected or anticipated useful life of such energy facility; or as a result of exploration, development, or production activity.

"(2) The Secretary may make a loan to a coastal State for a purpose specified in subsection (b) of this section, if the Secretary determines that such State will experience temporary adverse impacts as a result of exploration for, or development or production of, energy resources or as a result of the location, construction, expansion, or operation of an energy facility if such facility or such energy resource exploration, development or production is expected to produce net benefits for such State over the course of its projected or anticipated useful life. No such loan, including any renewal or extension of a loan, shall be made for a period exceeding 40 years. The Secretary shall from time to time establish the interest rate or rates at which loans shall be made under this subsection, but such rate shall not exceed an annual percentage rate of 7 percent. The borrower shall pay such fees and other charges as the Secretary may require. The Secretary may waive repayment of all or any part of a loan made under this subsection, including interest, if the State involved demonstrates, to the satisfaction of the Secretary, that due to a change in circumstances there are anticipated or resultant net adverse impacts over the life of an energy facility or energy resource exploration, development or production which would qualify the State for a grant pursuant to paragraph (1) of this subsection.

"(d) The Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant and loan eligibility pursuant to this section. Such requirements shall include criteria, which may include a formula, for calculating the amount of a grant or loan based upon the difference, to the State involved, between the benefits and the costs which are attributable to the exploration for or development and production of energy resources or to the location, construction, expansion, or operation of an energy facility. Such criteria shall insure that grants and loans under this section relating to impacts resulting from the exploration, development and production, and related energy facilities shall receive first priority among competing applications. Such regulations shall provide that a State is eligible for a grant or loan upon a finding by the Secretary that such State—

"(1) is receiving a program development grant under section 305 of this title or is engaged in such program development in a manner consistent with the goals and objectives of this Act, as determined by the Secretary, and is making satisfactory progress, as determined by the Secretary, toward the development of a coastal zone management

program, or that it has an approved such program pursuant to section 306 of this title;

"(2) has demonstrated to the satisfaction of the Secretary that it has suffered, or is likely to suffer, not adverse impacts, according to the criteria or formula promulgated by the Secretary, and has provided all information required by the Secretary to calculate the amount of the grant or loan; and

"(3) has demonstrated to the satisfaction of the Secretary and has provided adequate assurances that the proceeds of such grant or loan will be used in a manner that will be consistent with the coastal zone management program being developed by it, or with its approved program, pursuant to section 305 or 306 of this title, respectively.

"(e) Within 180 days after approval of this Act, the Secretary shall issue regulations prescribing criteria in accordance with this Act for determining the eligibility of a coastal State for grants pursuant to subsections (a), (b), and (c)(1) of this section, and regulations for determining the amount of such grant or loan, in accordance with the following provisions:

"(1) The regulations shall specify the means and criteria by which the Secretary shall determine whether a State's coastal zone has been, or is likely to be, adversely impacted, as defined in this section, and the means and criteria by which 'net adverse impacts' and 'temporary adverse impacts' will be determined.

"(2) Regulations for grants pursuant to subsection (a) of this section for studying and planning, shall include appropriate criteria for the activities for which funds will be provided under such subsection, including a general range of activities for which a coastal State may request funds.

"(3) Regulations for grants and/or loans for projects pursuant to subsections (b) and (c) of this section shall specify criteria for determining—

"(A) the amounts which will be provided for such projects; and

"(B) guidelines and procedures for evaluating those projects which each coastal State considers to be most needed.

"(4) Regulations for loans shall provide for such security as the Secretary deems necessary, if any, to protect the interests of the United States and for such terms and conditions as give assurance that such loans will be repaid within the time fixed.

"(5) In all cases, each recipient of financial assistance under this section shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall until the expiration of 3 years after the completion of the project or undertaking involved (or repayment of a loan, in such cases) have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which, in the opinion of the Secretary or the Comptroller General may be related or pertinent to any financial assistance received pursuant to this section.

"(6) In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, with representatives of appropriate State and local governments, commercial and industrial organizations, public and private groups, and any other appropriate organizations with knowledge or concerns regarding net adverse impacts that may be associated with the energy facilities affecting the coastal zone.

"(f) A coastal State may, for the purpose

carrying out the provisions of this section with the approval of the Secretary, all or a portion of any grant or loan eived under this section to (1) a local ernment; (2) an areawide agency desiged under section 204 of the Demonstrations and Metropolitan Development of 1966; (3) a regional agency; or (4) interstate agency: *Provided*, That such ocation shall not relieve such State of e responsibility for ensuring that any nds so allocated shall be applied in furance of the purposes of this section.

"(g) A coastal State which has experienced t adverse impacts in its coastal zone as a ult of the development or production of ergy resources or as a result of the location nstruction, expansion, or operation of ergy facilities within 3 years prior to the of enactment of this section is entitled receive from the Secretary grants or loans rsuant to subsections (a) and (b) of this tion to the same extent as if such net verse impacts were experienced after the of enactment, and to the extent necesry to reduce or ameliorate or compensate such net adverse impacts, within the nit of available funds. This subsection shall pire 5 years from the date of enactment of is section.

"(h) All funds allocated to the Secretary r the purposes of this section, except those nds made available pursuant to subsection , shall be deposited in a fund which shall known as the Coastal Energy Facility Imact Fund. This fund shall be administered ad used by the Secretary as a revolving fund carrying out such purposes. General exenses of administering this section may be arged to this fund. Moneys in this fund ay be deposited in interest-bearing acounts or invested in bonds or other obligatons which are guaranteed as to principal nd interest by the United States.

"(i) In calculating the amount of a grant loan, the Secretary shall give adequate onsideration to the recommendations of a oastal Impacts Review Board. Such Board hall consist of two members designated by he Secretary, one member designated by he secretary of the Interior, one member desigated by the Council on Environmental uality, and four members appointed by the resident as designated by the National overnors Conference. Such Board shall recommend the award of grants or loans upon determination of net adverse impacts and ollowing the procedures and criteria set orth in this section.

"(j) Nothing in this section shall be contrued to modify or abrogate the consistency equirements of section 307 of this Act.

"(k) The Secretary shall, in addition to any financial assistance provided to, or available to, coastal states pursuant to any other subsection of this section, distribute grants annually in accordance with the provisions of this subsection. The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under section 316 of this Act; *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds. Subject to the foregoing expenditure requirements, each coastal State shall be entitled to receive a

grant under this subsection if such State is, on the first day of the fiscal year—

"(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

"(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or natural gas produced adjacent to that State were also landed in that State.

Such states shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of 100,000 barrels per day of oil or an equivalent volume of natural gas. There are authorized to be appropriated for this purpose sufficient funds to provide such States with grants in the amount of 20 cents per barrel or its equivalent during the first year, 15 cents per barrel or its equivalent during the second year, 10 cents per barrel or its equivalent during the third year, and 8 cents per barrel or its equivalent during the fourth and all succeeding years during which oil or gas is landed in such a state or produced on Outer Continental Shelf lands adjacent to such a state: *Provided*, That (A) such funds shall not exceed \$100,000,000 for the fiscal year ending June 30, 1976; \$25,000,000 for the fiscal quarter ending September 30, 1976; \$100,000,000 for the fiscal year ending September 30, 1977; and \$100,000,000 for the fiscal year ending September 30, 1978; and (B) such funds shall be limited to payments for the first one and one-half million barrels of oil (or its gas equivalent) per day per State for the 10 succeeding fiscal years. The amount of such grant to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. For the purposes of this section, one barrel of crude oil equals 6,000 cubic feet of natural gas.

(1) Any funds provided to any State under this section not expended in accordance with the purposes authorized herein shall be returned to the Treasury by such State.

"(m) There are hereby authorized to be appropriated to the Coastal Energy Facility Impact Fund such sums not to exceed \$200,000,000 for the fiscal year ending June 30, 1976, not to exceed \$50,000,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed \$200,000,000 for the fiscal year ending September 30, 1977, and not to exceed \$200,000,000 for the fiscal year ending September 30, 1978, as may be necessary, for grants and/or loans under this section, to remain available until expended. No more than 25 percent of the total amount appropriated to such fund for a particular fiscal year shall be used for the purposes set forth in subsection (a) of this section.

"(n) Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "30

per centum thereof shall be paid into, reserved," and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language: "And provided further, That an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.

"INTERSTATE COORDINATION GRANTS TO STATES

"SEC. 309. (a) The States are encouraged to give high priority (1) to coordinating State coastal zone planning, policies, and programs in contiguous interstate areas, and (2) to studying, planning, and/or implementing unified coastal zone policies in such areas. The States may conduct such coordination, study, planning, and implementation through interstate agreement or compacts. The Secretary is authorized to make annual grants to the coastal States, not to exceed 90 per centum of the cost of such coordination, study, planning, or implementation, if the Secretary finds that each coastal State receiving a grant under this section will use such grants for purposes consistent with the provisions of sections 305 and 306 of this title.

"(b) The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) developing and administering coordinated coastal zone planning, policies, and programs, pursuant to sections 305 and 306 of this title, and (2) the establishment of such agencies, joint or otherwise, as the States may deem desirable for making effective such agreements and compacts. Such agreement or compact shall be binding and obligatory upon any State or party thereto without further approval by Congress.

"(c) Each executive instrumentality which is established by an interstate agreement or compact pursuant to this section is encouraged to establish a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, the Administrator, of the Federal Energy Administration, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, whenever any such Federal-State consultation is requested by such an instrumentality.

"(d) Prior to establishment of an interstate agreement or compact pursuant to this section, the Secretary is authorized to make grants to a multistate instrumentality or to a group of States for the purpose of creating temporary ad hoc planning and coordinating entities to—

"(1) coordinate State coastal zone planning, policies, and programs in contiguous interstate areas;

"(2) study, plan, and/or implement unified coastal zone policies in such interstate areas; and

"(3) provide a vehicle for communication with Federal officials with regard to Federal activities affecting the coastal zone of such interstate areas.

The amount of such grants shall not exceed 90 percent of the cost of creating and maintaining such an entity. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, upon the request of the parties to such ad hoc planning and coordinating entities. This subsection shall become void and cease to have any force or effect 5 years after the date of enactment of this title.

"COASTAL RESEARCH AND TECHNICAL ASSISTANCE

"Sec. 310. (a) In order to facilitate the realization of the purposes of this Act, the Secretary is authorized to encourage and to support private and public organizations concerned with coastal zone management in conducting research and studies relevant to coastal zone management.

"(b) The Secretary is authorized to conduct a program of research, study, and training to support the development and implementation of State coastal zone management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government shall assist the Secretary, upon his written request, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and in the actual conduct of any such research, study, and training so long as such activity does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts and other arrangements with suitable individuals, business entities, and other institutions or organizations for such purposes. The Secretary shall make the results of research conducted pursuant to this section available to any interested person. The Secretary shall include, in the annual report prepared and submitted pursuant to this Act, a summary and evaluation of the research, study, and training conducted under this section.

"(c) The Secretary is authorized to assist the coastal States to develop their own capability for carrying out short-term research, studies, and training required in support of coastal zone management. Such assistance may be provided by the Secretary in the form of annual grants. The amount of such a grant to a coastal State shall not exceed 80 percent of the cost of developing such capability."

(14) Section 316, as redesignated, of such Act (16 U.S.C. 1462) is amended by amending subsection (a) thereof as follows: (A) deleting "and" at the end of paragraph (8) thereof immediately after the semicolon; (B) renumbering paragraph (9) thereof as paragraph (11) thereof; and (C) inserting the following two new paragraphs:

"(9) a general description of the economic, environmental, and social impacts of the development or production of energy resources or the siting of energy facilities affecting the coastal zone;

"(10) a description and evaluation of interstate and regional planning mechanisms developed by the coastal States; and"

(15) Section 318, as redesignated, of such Act (16 U.S.C. 1464) is further redesignated and amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 320. (a) There are authorized to be appropriated—

"(1) the sum of \$20,000,000 for the fiscal year ending June 30, 1976, \$5,000,000 for the transitional fiscal quarter ending September 30, 1976, \$20,000,000 for the fiscal year ending September 30, 1977, \$20,000,000 for the fiscal year ending September 30, 1978, and \$20,000,000 for the fiscal year ending September 30, 1979, for grants under section 305 of this Act, to remain available until expended;

"(2) such sums, not to exceed \$50,000,000 for the fiscal year ending June 30, 1976, \$12,500,000 for the transitional fiscal quarter ending September 30, 1976, \$50,000,000 for the fiscal year ending September 30, 1977, \$50,000,000 for the fiscal year ending September 30, 1978, \$50,000,000 for the fiscal year ending September 30, 1979, and \$50,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for grants under section 306 of this Act, to remain available until expended;

"(3) such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, \$5,000,000 for the fiscal year ending September 30, 1980, and \$5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 309 of this Act, to remain available until expended;

"(4) such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, \$5,000,000 for the fiscal year ending September 30, 1980, and \$5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(b) of this Act, to remain available until expended;

"(5) such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, \$5,000,000 for the fiscal year ending September 30, 1980, and \$5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(c) of this Act, to remain available until expended;

"(6) the sum of \$50,000,000 for the fiscal year ending June 30, 1976, \$12,500,000 for the transitional fiscal quarter ending September 30, 1976, \$50,000,000 for the fiscal year ending September 30, 1977, \$50,000,000 for the fiscal year ending September 30, 1978, \$50,000,000 for the fiscal year ending September 30, 1979, \$50,000,000 for the fiscal year ending September 30, 1980, and \$50,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, for the acquisition of lands to provide for the protection of, and access to, public beaches and for the preservation of islands under section 306(d)(2) of this Act, to remain available until expended; and

"(7) such sums, not to exceed \$10,000,000 for the fiscal year ending June 30, 1976, \$2,500,000 for the transitional fiscal quarter ending September 30, 1976, \$10,000,000 for the fiscal year ending September 30, 1977, \$10,000,000 for the fiscal year ending Sep-

tember 30, 1978, \$10,000,000 for the fiscal year ending September 30, 1979, \$10,000,000 for the fiscal year ending September 30, 1980, and \$10,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 315 of this Act, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed \$5,000,000 for the fiscal year ending June 30, 1976, \$1,200,000 for the transitional fiscal quarter ending September 30, 1976, \$5,000,000 for the fiscal year ending September 30, 1977, \$5,000,000 for the fiscal year ending September 30, 1978, \$5,000,000 for the fiscal year ending September 30, 1979, and \$5,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for administrative expenses incident to the administration of this Act."

(16) The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.) is amended by inserting therein the following two new sections:

"LIMITATIONS

"Sec. 318. Nothing in this Act shall be construed to require the approval of the Secretary as to any State land or water use decision pertaining to individual cases, including, but not limited to the siting of energy facilities, as a prerequisite to such States' eligibility for grants of loans under this Act.

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES

"Sec. 319. (a) The Secretary is authorized, subject to such terms and conditions as the Secretary prescribes, to make commitments to guarantee and to guarantee against loss of principal or interest the holders of bonds or other evidences of indebtedness issued by a State or local government to reduce, ameliorate or compensate the adverse impacts in the coastal zone resulting from or likely to result from the exploration for, or the development of production of, energy resources of the Outer Continental Shelf.

"(b) The Secretary shall prescribe and collect a guarantee fee in connection with guarantees made pursuant to this section. Such fees shall not exceed such amounts as the Secretary estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

"(c) (1) Payments required to be made as a result of any guarantee pursuant to this section shall be made by the Secretary of the Treasury from funds hereby authorized to be appropriated in such amounts as may be necessary for such purpose.

"(2) If there is a default by a State or local government in any payment of principal or interest under a bond or other evidence of indebtedness guaranteed by the Secretary pursuant to this section, any holder of such a bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, upon investigation, shall pay such amounts to such holders, unless the Secretary finds that there was no default by the State or local government involved or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the State or local government involved for the amount of such payment plus interest at prevailing rates. Such right of reimbursement may be satisfied by the Secretary by treating such amount as an offset against any revenues due or to become due to such State or local government under section 308 (k) of this Act, and the Attorney General, upon the request of the Secretary, shall take such action as is, in the Secretary's discretion, necessary to protect the interests of the

United States, including the recovery of previously paid funds that were not applied as provided in this Act. However, if the funds accrued by or due to the State in automatic grants under section 308(k) of this Act are insufficient to reimburse the Federal Government in full for funds paid under this section to retire either the principal or interest on the defaulted bonds, the Secretary's right of reimbursement shall be limited to the amount of such automatic grants accrued or due. Funds accrued in automatic grants under section 308(k) of this Act subsequent to default shall be applied by the Secretary toward the reimbursement of the obligation assumed by the Federal Government."

Sec. 103. (a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be a qualified individual who is, by reason of background and experience, especially qualified to direct the implementation and administration of this Act. Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration."

Sec. 104. Nothing in this Act shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act of 1972.

The title was amended so as to read:

A bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER EXTENDING TIME FOR FILING REPORT

Mr. HOLLINGS. Mr. President, on behalf of the majority leader I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight tonight to file its report on S. 521.

The PRESIDING OFFICER. Without objection, it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The PRESIDING OFFICER. The Chair now lays before the Senate the unfinished business and the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Montana.

Mr. HUGH SCOTT. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HUGH SCOTT. Then I take it, the steamroller may proceed.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, may we have order?

The PRESIDING OFFICER. The clerk will suspend until there is order in the Chamber. Senators will take their seats. The clerk may proceed.

The assistant legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. May we have order?

The assistant legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order so the names may be heard?

The PRESIDING OFFICER. The clerk will suspend until there is order. Senators will cease their conversing. Senators will take their seats.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

The result was announced—yeas 34, nays 54, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—34

Allen	Fong	Roth
Baker	Garn	Schweiker
Bardett	Goldwater	Scott, Hugh
Bellmon	Hansen	Scott,
Brock	Hatfield	William L.
Brooke	Helms	Stafford
Buckley	Hruska	Stevens
Case	Mathias	Taft
Curtis	McClure	Thurmond
Dole	Packwood	Tower
Domenici	Pearson	Weicker
Fannin	Percy	

NAYS—54

Abourezk	Haskell	Morgan
Biden	Hathaway	Moss
Bumpers	Hollings	Muskie
Burdick	Huddleston	Nelson
Byrd,	Humphrey	Nunn
Harry F., Jr.	Inouye	Pell
Byrd, Robert C.	Jackson	Froxmire
Chiles	Johnston	Randolph
Church	Kennedy	Ellicoff
Clark	Leahy	Sparkman
Cranston	Long	Stennis
Culver	Magnuson	Stevenson
Eagleton	Mansfield	Stone
Ford	McGee	Symington
Glenn	McGovern	Talmadge
Gravel	McIntyre	Tunney
Hart, Gary W.	Metcalfe	Williams
Hart, Philip A.	Mondale	
Hartke	Montoya	

NOT VOTING—11

Bayh	Eastland	McClellan
Beall	Griffin	Pastore
Bentsen	Javits	Young
Cannon	Laxalt	

So the motion to lay on the table Mr. MANSFIELD's amendment was rejected.

Mr. MANSFIELD. Mr. President, is it in order at this time to ask for the vote on the Cranston-Mansfield proposal, and to ask for the yeas and nays?

The PRESIDING OFFICER. The question is on agreeing to the Mansfield amendment. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUGH SCOTT. Mr. President, reserving the right to object, the distinguished majority leader has only asked a question. He has not advised the Chair that that would be the action.

The PRESIDING OFFICER. I misunderstood the Parliamentarian, and I apologize to the distinguished majority leader and the distinguished minority leader.

REMOVAL OF INJUNCTION OF SECRECY—PARTIAL REVISION OF THE RADIO REGULATIONS (GENEVA 1959) EX. G, 94TH CONGRESS 1ST SESSION)

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the partial revision of the radio regulations—Geneva 1950—with a final protocol containing one U.S. reservation, signed on behalf of the United States at Geneva on June 8, 1974—Executive G, 94th Congress, first session—transmitted to the Senate today by the President of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I also ask that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Partial Revision of the Radio Regulations (Geneva 1959), with a Final Protocol containing one U.S. reservation, signed on behalf of the United States at Geneva on June 8, 1974.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Partial Revision.

The primary purpose of the Revision is to update the Radio Regulations to take account of the technological state of the art and to provide for increasing operational requirements.

At the time of signature, the United States Delegation stated its reservation to one of the Revision's frequency allocation plans. It was felt that the plan and its associated procedures would be incompatible with the official and public correspondence needs of the United States. The U.S. will observe the plan to the extent practicable; but will not be bound by that provision of the Revision.

ceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 3981, COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1975

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1083 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1083

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3981) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3981, the Committee on Merchant Marine and Fisheries shall be discharged from the further consideration of the bill S. 586, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 3981 as passed by the House.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

(Mr. MATSUNAGA asked and was given permission to revise and extend his remarks.)

Mr. MATSUNAGA. Mr. Speaker, House Resolution 1083 provides for the consideration of H.R. 3981, the Coastal Zone Management Act Amendments of 1975, a bill reported by the House Committee on Merchant Marine and Fisheries. The rules would permit one hour of general debate.

House Resolution 1083 further provides that the committee amendment in the nature of a substitute bill may be

considered as an original bill for purposes of amendment under the 5-minute rule. In addition, the rule would waive points of order against the committee substitute for failure to comply with rule XVI, clause 7, which prohibits the consideration of nongermane material, and rule XXI, clause 5, which prohibits appropriations in a legislative bill.

There are two provisions in the committee substitute which would make waiver of the germaneness rule necessary. One would authorize the Secretary of Commerce to make a comprehensive study of the shellfish industry in the United States to determine the impact of existing laws related to water quality, pesticides, and toxic metals. The purpose of the study, as I understand it, would be to determine what further action needs to be taken to insure the wholesomeness of shellfish.

The second provision subject to a point of order under the germaneness rule directs the President to appoint, subject to Senate approval, an Associate Administrator for Coastal Zone Management.

Two provisions of the committee substitute would be subject to points of order under rule XXI, clause 5, of the House Rules, which prohibits appropriations in a legislative bill: First, one would increase the Federal share of development grants to 80 percent, to offset additional planning requirements placed on the States. It is possible that some of the funds which would be used for the increased grants are already in the pipeline; second, the committee substitute also provides for the establishment of a revolving fund, to be administered by the Secretary of Commerce, to guarantee bonds issued by States relative to outer continental shelf energy activities. While the obligations issued by the Secretary would fall under the congressional appropriations process, the Secretary would be authorized to use money from the fund to pay administrative expenses not subject to the appropriations process. Points of order against both of these provisions would be waived under the proposed rule.

Mr. Speaker, the waivers requested by the Committee on Merchant Marine and Fisheries will expedite consideration of H.R. 3981, a very important bill. The request for waivers was supported by both majority and minority members of the Merchant Marine and Fisheries Committee.

The principal provisions of H.R. 3981, as amended, would enable States to cope with coastal zone problems brought about by the energy crisis, particularly the accelerated offshore oil and gas leasing program. When the Coastal Zone Management Act was enacted in 1972, we had not yet felt the full impact of the energy crisis. The need to balance competing demands for increased domestic energy production and preservation of valuable coastal resources has caused problems for many States. In some cases, offshore oil production has been too hastily banned. In others, potential coastal recreational areas have been abandoned because of the need for offshore oil production. In fact, with proper planning and management, the need for

increased energy production and the need for more parks and recreational areas can be met simultaneously. Productivity and preservation can coexist. H.R. 3981, as amended would authorize planning grants for States affected by the Outer Continental Shelf oil and gas operations and for guaranteees on bonds issued to provide public services and facilities related to the oil and gas operations.

The Committee on Merchant Marine and Fisheries is also proposing certain other changes in the existing law to help solve problems which were unforeseen in 1972. Among other things, the bill would authorize matching grants to States for the purpose of acquiring access to beaches and recreational areas in the coastal zone. Coming from a State where there are many public beaches, I know that obtaining access to them can pose a real problem for coastal States. I believe that this provision will help us achieve the objectives of the original act.

I strongly urge that House Resolution 1083 be adopted so that the House may proceed to consider H.R. 3981, the Coastal Zone Management Act Amendments of 1975.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

(Mr. DEL CLAWSON asked and was given permission to revise and extend his remarks.)

Mr. DEL CLAWSON. Mr. Speaker, House Resolution 1083 provides for 1 hour of general debate on H.R. 3981, Coastal Zone Management Act Amendments of 1975. The committee substitute will be in order as an original bill for the purpose of amendment.

The rule waives points of order against the committee substitute for failure to comply with rule XVI, clause 7, germaneness rule. The two primary provisions in the substitute making this waiver necessary are: First, that portion of section 2 of the bill beginning on page 37, line 15 through page 38, line 19 which relates to the shellfish industry; second, section 3 of the bill, page 50, lines 14-23 relating to the appointment by the President of an Associate Administrator for Coastal Zone Management.

The rule further waives points of order against the committee substitute for failure to comply with rule XXI, clause 5, which prohibits appropriations on a legislative bill. The two primary provisions in the substitute making this waiver necessary are: First, that portion of section 2 of the bill on page 17, lines 3-7, increasing the grant authorization from 66½ to 80 percent. There may be pipeline funds which would be used for the increased grants. Second, that portion of section 2 of the substitute beginning on page 48, line 3 through page 49, line 16. The fund established for the bond guarantee program is to consist of certain fees and receipts. While obligations issued by the Secretary are to come from the fund subject to the appropriation process, the Secretary is authorized to use money from the fund to pay administrative expenses. The payment of such expenses is not subject to the appropriation process and therefore the authoriza-

tion to pay such expenses directly from the fund is an appropriation and in violation of rule XXI, clause 5.

The purpose of H.R. 3981 is to authorize \$1.25 billion for a 4-part coastal energy activity program to assist coastal States experiencing problems as a result of Outer Continental Shelf activity and other energy related activities such as energy facility siting. The bill also provides an additional \$250 million to improve the existing coastal zone program.

Three new requirements for the state coastal zone management program have been added to the original act which involve the evaluation of several options maintaining public access to beaches and other public areas, development of an energy-planning process and assessment of the effects of shoreline erosion.

States will be provided with automatic annual payments by the Secretary of Commerce based upon a six-part formula that will determine the degree of Outer Continental Shelf energy activity within each State.

For the purpose of furnishing 80-percent matching grants to coastal States that have during the last 3 to 5 years or may in the future incur net adverse impacts as a result of energy-related activities, \$625 million is authorized by this bill.

In addition, the issuance of State and local bonds to sustain public services and facilities made necessary by Outer Continental Shelf activities will be guaranteed under authorizations of H.R. 3981.

Mr. Speaker, the Committee on Merchant Marine and Fisheries reported this bill out by a vote of 36 to 0. I propose we adopt the rule and debate the bill during the allotted time.

Mr. Speaker, I have no further requests for time, and I reserve the remainder of my time.

Mr. MATSUNAGA. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 11481, MARITIME AUTHORIZATION FOR FISCAL YEAR 1977

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1084 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1084

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11481) to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five minute rule. It shall be in

order to consider an amendment inserted in the Congressional Record of March 9, 1976, by Representative Emery, the provisions of rule XVI, clause 7 to the contrary notwithstanding. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

(Mr. PEPPER asked and was given permission to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, House Resolution 1084 is an open rule providing 1 hour of general debate on H.R. 11481, a bill authorizing appropriations for fiscal year 1977 for certain maritime programs of the Department of Commerce and for other purposes. House Resolution 1084 also makes in order, notwithstanding rule XVI, clause 7, the germaneness rule, the consideration of an amendment printed on page H1829 of the CONGRESSIONAL RECORD of March 9, 1976, to be offered by the gentleman from Maine (Mr. EMERY).

Mr. Speaker, H.R. 11481 would authorize \$444.8 million for maritime programs conducted by the Maritime Administration and by the Department of Commerce. The major portion of that amount, \$403.7 million, is provided for ship operating differential subsidies to help the U.S. merchant fleet to compete with foreign lines. The bill also contains authorizations for research and development of methods and technologies to make the U.S. shipping fleet more competitive, for the National Defense Reserve Fleet, for the operation and improvement of the Merchant Marine Maritime Academy at Kings Point, N.Y., and for Federal aid to the six State marine schools.

The Emery amendment made in order by House Resolution 1084 would increase the Federal payments to cadets at State maritime academies from \$600 to \$1,200 per year. The amendment was contained in the maritime authorization bill for fiscal year 1976 but was deleted in conference. The Merchant Marine Committee is not in favor of the amendment but the committee does support the waiver in order to give the House an opportunity to consider the issue.

Mr. Speaker, I believe the citizens of this country are very gravely concerned about the deterioration of our maritime power as a nation. I believe the distinguished gentleman from Virginia who appeared before the Rules Committee in behalf of this authorization bill stated we were 10th as a maritime power among the nations of the world. I cannot believe it is in the interest of a strong America and peace of our country that we be in that weakened position.

I would like to see America rise again

to the maritime supremacy we once enjoyed. I would like to say the same thing about the naval power of this country.

I believe the President of the United States ought to tell the authorities in Russia that we will allow them parity and we will accord them equality of military power or strength but we will not allow them to build or to have one more submarine or one more element of military power than we, because I do not believe it is conducive to our safety or peace in the world for the Russians to succeed in what appears to be their determination to become the dominant military power on this earth with all the sinister significance that may involve should that unhappy event occur.

H.R. 11481 is part of a strong effort on behalf of our distinguished Committee on Merchant Marine and Fisheries to strengthen our merchant marine. I hope the committee will be able to report additional measures to improve our standing as a maritime power.

(Mr. LOTT asked and was given permission to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Florida has outlined the provisions of this 1 hour, open rule making in order the consideration of H.R. 11481, the maritime authorization for fiscal 1977, in the Committee of the Whole. Under the terms of the rule, an amendment inserted in the CONGRESSIONAL RECORD of March 9, 1976, to increase the Federal payments to cadets at State maritime academies, is made in order, the provisions of rule XVI, clause 7—relating to germaneness—to the contrary notwithstanding.

The purpose of H.R. 11481 is to authorize appropriations for fiscal year 1977 for certain maritime programs within the Department of Commerce. Accordingly, the bill makes the following authorizations:

First, \$403,721,000 for the payment of obligations incurred for operating differential subsidy.

Second, \$19,500,000 for expenses necessary for research and development activities.

Third, \$4,560,000 for reserve fleet expenses.

Fourth, \$13,260,000 for maritime training at the Merchant Marine Academy at Kings Point, N.Y.

Fifth, \$4,000,000 for financial assistance to State marine schools.

In addition to the above figures, the legislation authorizes the appropriation of such additional supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits at the National Defense Reserve Fleet and the Merchant Marine Academy. Also included is supplemental appropriation authority for cost increases in public utilities, food service, and other expenses at the Merchant Marine Academy.

H.R. 11481 was unanimously reported from the Merchant Marine and Fisheries Committee. The total cost of the legislation is \$445,041,000, which is a decrease of \$98,986,000 under last year's authorization.

Mr. Speaker, for the first time in over

25 years no funds have been requested or provided for construction-differential subsidy. This activity is based on the difference between United States and foreign shipbuilding costs, and is paid to U.S. shipyards so that the vessel cost to the American purchaser is about what it would have cost if the vessel were constructed in a foreign shipyard. The reason there is no request for this subsidy is because there are no requests to build ships, and the previous year's carryover funds will provide sufficient amounts for the 1977 ship construction program.

It is my understanding that America is now 10th among the nations of the world as a maritime power. This fact concerns me. It is imperative that the market for shipbuilding be stimulated in this country if we are to regain an adequate merchant marine on which we would have to depend in case of certain emergencies. I trust there will be serious discussion of this problem as this legislation is debated.

With respect to the nongermane amendment to increase Federal payments to State maritime academies made in order by this rule, I know of no objections to its consideration, although I am aware of some opposition to its passage. Therefore, I support the rule; and I urge its adoption by the House so that we may proceed to pass the maritime authorization for fiscal 1977.

Mr. Speaker, I reserve the balance of my time, and I have no requests for time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1975

Mrs. SULLIVAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3981) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3981) with Mr. BERGLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlewoman from Missouri (Mrs. SULLIVAN) will be recognized for 30 minutes, and the gentleman from Delaware (Mr. DU PONT) will be recognized for 30 minutes.

The Chair now recognizes the gentlewoman from Missouri.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a pleasure to bring before my colleagues today H.R. 3981, a bill which will make an important contribution to solving the Nation's energy problems.

This legislation answers the needs of the States and local communities that are faced with major energy developments, especially those which will come with expanded offshore oil and gas leasing.

The legislation is carefully written, so that assistance is given only where needed and is only for projects in compliance with the coastal States' own plans for their coastal areas. H.R. 3981 is no giveaway measure but a sound, fiscally responsible product representing months of hard work, negotiation, and cooperation among the majority and minority members of the Merchant Marine and Fisheries Committee. It provides equity to States and local governments and is within the limits of the congressional budget.

We must proceed with additional offshore oil and gas leasing. Off our coasts, the best prospects for new energy resources lie. We also need to get on with building needed liquefied natural gas facilities, oil and coal shipping areas, and deepwater ports to handle large supertankers.

H.R. 3981 will allow progress in these areas in two major ways. First, it requires that coastal areas carefully plan for energy facilities that have to be in the coasts so they will not damage these valuable areas. Second, it compensates those areas, in an automatic manner, for OCS impacts because the impacts are so clear, and provides additional aid if the States or communities can show that they require it.

I now want to trace some of the history and background of this legislation. The capable chairman of the Subcommittee on Oceanography, the gentleman from New York, will discuss with you the bill's particulars.

The coastal management program is a unique product of Congress. It has its origin in the 1966 establishment of a Presidential Commission to study ocean policy issues. Adopted with only lukewarm support from the administration at the time, the Commission on Marine Science, Engineering, and Resources represented Congress conviction that ocean issues would become increasingly important to the country. Time has proven Congress judgment to be correct.

The Presidential Commission produced in 1969 what has become a landmark document in the ocean and coastal public policy field, entitled "Our Nation and the Sea." Far-reaching and prophetic in scope, the report had as a main recommendation the establishment of a strong civilian ocean agency in the Federal Government.

Finally, after great pressure was exerted by Congress, the administration in 1970 agreed to form the present National Oceanic and Atmospheric Administration in the Department of Commerce. It

was less powerful than Congress thought needed, but it represented progress.

The Commission's principal programmatic recommendation was for the Federal Government to provide financial aid and overall guidelines to the States for the development of comprehensive coastal area management programs that would guide future growth and development in these critically important areas.

It was over the opposition of the administration that Congress pushed through the Coastal Zone Management Act of 1972. President Nixon reluctantly signed the law and then declined to recommend funding for 1 year.

Again with pressure from Congress, funds were finally made available in late 1973 so the States could get on with the job of putting together their individual approaches on how their coastal lands and waters should be used in the future.

The value of this program was seen and endorsed by President Ford in November 1974. Facing coastal State Governors concerned about administration plans for a vast OCS development program, the President recommended—and Congress later agreed—that additional, supplemental funds should be made available to the States to help them prepare for the onshore impacts which an expanded OCS program will bring.

While our committee was working throughout last year on how to enable the coastal management program to cope with new developments like expanded OCS leasing, the administration provided little assistance. In fact, it did not develop a position until 1 month ago, just after the Merchant Marine and Fisheries Committee adopted H.R. 3981 by a bipartisan 36 to 0 vote.

Although it has taken the administration a long time in coming to it, I am pleased to be able to report to you today that the Office of Management and Budget is not opposed to this measure before you now.

The administration does have some serious reservations about portions of the bill. We have told administration officials we will give their views every consideration in the conference with our Senate colleagues. The Senate passed its version of the legislation before you today by a 73 to 15 vote. I am confident that, working together in a cooperative spirit and with the aim of providing equitable treatment for the critical coastal areas, we can arrive at a final version of H.R. 3981 of which this body, the Senate, and the administration can be proud.

I want to praise my colleagues on the Oceanography Subcommittee. Under the leadership of the gentleman from New York (Mr. MURPHY), they have labored long on this bill and have come up with what I think is a splendid product.

I might take a moment to say that the judgment of this body in refusing to go along with attempts to eliminate the Merchant Marine and Fisheries Committee is validated by the work of this subcommittee. Throughout the history of this legislation, it has been the Oceanography Subcommittee of the Merchant Marine and Fisheries Committee, together with its counterpart

in the Senate, which have focused the attention of this Nation on critical ocean and coastal issues. Time and again, we have been ahead of a series of administrations in coming to grips, not only with coastal zone management, but ocean dumping, the need to protect our domestic fishing industry, law of the sea questions, and a host of other marine matters that the country now recognizes are of major importance.

I am proud of the record of my committee in this area and say to you, my colleagues, that, in the years ahead, I will miss very much having the privilege of working with people like the gentleman from New York (Mr. MURPHY) and the gentleman from Ohio (Mr. MOSHER). I am confident that the fine record of the Oceanography Subcommittee and the full Merchant Marine and Fisheries Committee in the ocean and coastal policy area will be carried on in my absence.

Mr. DU PONT. Mr. Chairman, I yield myself such time as I may consume.

(Mr. DU PONT asked and was given permission to revise and extend his remarks.)

Mr. DU PONT. Mr. Chairman, as my colleague and chairman of the committee, the gentlewoman from Missouri, has pointed out to us, this is a very important piece of legislation; and I would like to make some general remarks about it. But before I do that, I would like to take just a brief moment, if I might, and speak of our chairman, who, unfortunately, made an announcement the other day that she was leaving this vale of tears to move on to greener pastures. I want to say that I have been here only 6 years, but in my dealings with Members of Congress I have never come across an individual who has given fairer treatment to the newer Members of Congress or who has done a better job in organizing and running a committee than the gentlewoman from Missouri (Mrs. SULLIVAN).

I shall not be here next year to see how this organization operates without the gentlewoman from Missouri, but my guess is that it will not operate as well. We appreciate all of the fine work the gentlewoman has done on behalf of the coastal zone programs and other maritime programs.

Mr. Chairman, as my colleagues have pointed out, the Coastal Zone Management Act Amendments of 1975 would benefit our entire Nation by expediting development of needed offshore energy resources. All coastal States are progressing towards the development of coastal zone management plans. Once these plans are fully developed and approved, each State will have an adequate mechanism in place which will give them a "voice" in federally initiated energy projects.

A provision in the Coastal Zone Act of 1972 gave a very unique protective device to coastal States. Once a State has an approved coastal zone management plan in place, all subsequent Federal activities which affect the coastal zone must be found to be consistent with adopted State management programs. Many States recognize this "Federal con-

sistency" provision to be of greater potential value than any other assistance program in the original act. In order to provide this mechanism to States in time to adequately deal with the accelerated energy programs of the Federal Government, I feel that it is essential that we provide the additional financial commitments and incentives incorporated in H.R. 3981.

Much publicity was given to the energy crisis occurring in this country a few years ago when our citizens had to wait at gasoline stations for hours, and many folks in the New England area had difficulty obtaining fuel oil to heat their homes.

Even though we do not have the same problems as we experienced during that crisis, it is clear that we have not been able to remedy the problems related to our energy needs. One of the best prospects for major new sources of energy in this country lies offshore, particularly in such previously unexplored areas as off the coasts of Alaska and the Atlantic coast. These proposed developments will result in unavoidable pressures on coastal areas. The States have been reluctant to allow offshore development without due consideration being given to their problems. Ever since the U.S. Supreme Court ruled that the Federal Government had exclusive jurisdiction over the Outer Continental Shelf beyond 3 miles, the States have been permitted very little input into the accelerated OCS leasing plan. Consequently, in frustration, some States have gone to court in an attempt to block and delay further offshore leasing. Our Nation cannot afford these setbacks—we must vigorously pursue our goal of energy self-sufficiency—but we cannot disregard the States in this endeavor.

One of the most important provisions in H.R. 3981 is section 308—the coastal energy activity impact program.

This program would permit the Secretary of Commerce to allocate funds to coastal States, adequately dealing with adverse impacts suffered as a result of energy activities occurring offshore and within a State's coastal zone.

This program, adopted by a unanimous vote of 36 to 0 in our committee, is a well thought out approach to a complex problem. Outer Continental Shelf impacts would be offset by a six-part formula designed to measure the level of OCS activity occurring adjacent to and within a coastal State. It has the distinct advantage of requiring minimal administrative costs. Furthermore, adequate provisions are included in the bill to prevent the expenditure of funds for other purposes than those which are adverse in nature, and which occur as a direct result of OCS energy activities. While the committee did consider various revenue sharing approaches similar to the 37½ percent revenue allocation scheme which the inland States enjoy, I must state that the OCS payment concept in our bill is not revenue sharing. It is subject to the annual appropriations process, and authorizations escalate from \$50 million to \$125 million in the fifth and final year. The first year authorizations represent

less than 1 percent of the projected revenues accruing to the Federal Government from the OCS leasing program.

The second part of the impact program would be a discretionary fund allocated on a basis of demonstrated adverse impacts. This fund would be restricted to energy related activities which, by their nature, have to be located in the coastal zone.

In a sense, this secondary assistance would be a supplemental grant program to properly compensate for those energy related activities not covered under the first OCS formula. Grants would only be given to those coastal States which could demonstrate that an adverse impact had occurred. Also, funds would have to be expended for specific purposes related to such impacts.

Additionally, the bill provides a Federal bond guarantee program to State and local governments. This would permit the States to take advantage of "self-help" mechanisms to ameliorate impacts suffered as a result of Outer Continental Shelf energy activities.

These three programs have been carefully designed to respond to the needs of the coastal States which are or will be involved in the development of new sources of energy for our country. I believe that they are fiscally responsible, and that they take into proper account the President's conservative budgetary plan. The allocation of funds is based on need, and provisions are included in the program to prevent unnecessary and frivolous expenditure of these funds.

Perhaps the most important feature of this bill is that, for the first time, recognition is given to State and local governments in our Federal energy program. They will become partners with the Federal Government in the development of our offshore oil and gas fields, and they will be doing so in a manner which will protect the irreplaceable coastal zones of our Nation.

In my opinion, this bill represents one of the most important energy programs which this Congress has had before it. Let us delay no longer in meeting our responsibilities to the citizens of this country.

Mr. MOSHER. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from Ohio.

Mr. MOSHER. Mr. Chairman, I would like to join wholeheartedly with the gentleman from Delaware (Mr. DU PONT) in his comments concerning our delightful chairman, the gentlewoman from Missouri (Mrs. SULLIVAN).

It certainly has been a joy for me to work with her these many years, and I hope that she will enjoy her retirement as much as Mrs. Mosher and I intend to enjoy ours.

Mr. Chairman, I am in full support of H.R. 3981, proposed amendments to the Coastal Zone Management Act.

Reaching the accommodations of various viewpoints in order to perfect this bill was not easy. I especially salute our colleagues, the gentleman from New York (Mr. MURPHY), the gentleman from Delaware (Mr. DU PONT), and the gentleman

from New Jersey (Mr. FORSYTHE), and the staff members who have worked with them, for accomplishing that which at times seemed impossible but so very important and necessary.

Mr. Chairman, the coastal areas of our Nation are extremely valuable resources. They are in real danger of becoming overly developed and eventually destroyed, if action is not taken to assure proper planning and management. The Congress recognized this in 1972, when we originally passed the CZM Act.

As a result of that act, during the past 3 years we have seen significant progress made in many States, progress toward wise and prudent use of their respective coastal zones.

The original act established a voluntary—and I stress the word voluntary—Federal grant program to assist coastal States in the development and eventual implementation of comprehensive and individual coastal zone management plans.

Even though the original act did not create a mandatory scheme, every coastal State of our Nation now has chosen to take part in the coastal zone program. This in itself is a very meaningful endorsement of the 1972 act, since States must provide one-third of the total development cost.

The original stimulus for the Coastal Zone Management Act case as a result of recommendations made by the Presidential Commission on Marine Science, Engineering and Resources in 1969. I had the honor of serving on that Commission during its 2-year study, and I recall some of the reasoning used when we made our recommendations. For example, it was found that less than 10 percent of our total land area was considered to be coastal in nature, and yet over 40 percent of our population resided in the coastal zones. We found that the coastal regions were endangered from excessive uses, plus some uses which definitely were not compatible with the protection of the coastal regions, were instead damaging such areas.

We learned the amazing productivity of estuarine areas—many coastal waters were found to be 5 or 10 times more biologically productive than average agricultural lands. These estuarine areas, in numerous cases, provided essential breeding grounds for many of the important commercial fisheries in our country.

It was because of such findings that the Commission recommended the establishment of coastal authorities to design and operate comprehensive management programs.

Now, we have a new crucial awareness that the national energy crisis requires new initiatives if our Nation is ever to become less dependent on foreign oil producing countries; initiatives that inevitably may add new, serious threats to the well-being of these productive coastal areas.

One of the major initiatives endorsed by this administration, to produce new energy resources, is an accelerated Outer Continental Shelf leasing program. Coastal States have expressed serious concerns about the added burdens which

will be placed upon them as a result of such federally initiated energy development.

The bill under consideration here today would provide the necessary additional mechanisms and programs for such States to deal with adverse consequences in a rational and responsible manner.

This bill would provide for increased planning grants to all coastal States, including the Great Lakes States, permitting them to develop energy facility planning processes, and to more accurately anticipate and assess the potential impacts such energy development will have upon their coastal areas.

Our Committee on Merchant Marine and Fisheries originally felt that energy impact assistance should be provided only to those coastal States which experienced Outer Continental Shelf energy development. After extensive testimony and considerable debate, we have concluded that other types of coastal energy activities also are contributing to national energy goals, and that these activities could also result in net adverse impacts to coastal States and local communities.

Therefore, the impact assistance fund established in this bill would permit the Secretary of Commerce to consider allocating grants to coastal States based on any clearly demonstrated net adverse impact which occurs as a result of energy activities, even though not OCS related.

In addition to the impact assistance program various other provisions are included in this bill, with a view toward encouraging and expediting development of individual States' coastal zone plans.

To accomplish this objective, we would increase the Federal share of development and implementation grants from the present 66⅔ percent to 80 percent, thus reemphasizing the importance with which Congress views this program.

The bill also would provide additional funding for coastal States to integrate energy facility, public beach access, and shoreline erosion planning processes into their respective coastal zone management plans.

I call special attention a very important addition to the Coastal Zone Act, which we propose here. It would provide research and technical assistance to the National Coastal Zone Office, and the State and local coastal agencies. In the past, coastal zone managers have been able to rely in part on the various sea grant programs in individual States to assist them in obtaining specific support data for the development of their programs, but sea grant has not been able to meet all of the needs adequately, because of its inadequate budget.

Therefore, the bill before us today would authorize \$5 million for use by the National Coastal Zone Office, and \$5 million for allocation to State and local entities for research purposes. The National Advisory Committee on Oceans and Atmosphere recommended this addition in the research section in their 1974 annual report to the Congress, and, after investigation, our committee has concurred with NACOA.

Mr. Speaker, in summary, it is my belief that the Coastal Zone Management Act of 1972 has proven its worth over the past 3 years—it is working successfully in all our Nation's coastal States.

If we are to move forward our goal of energy self-sufficiency, we are going to have to do so with the full cooperation of the State and local governments. These Coastal Zone Management Act Amendments of 1975 would allow us to do just that—it would provide the necessary mechanisms for a Federal, State, and local cooperative effort to develop our energy resources in an expedient and responsible manner.

I urge strong support for H.R. 3981.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from New York.

(Mr. LENT asked and was given permission to revise and extend his remarks.)

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding.

I would like to join with the gentleman from Delaware (Mr. DU PONT) in supporting this legislation and at the same time to commend the outstanding manner in which the chairman of our subcommittee, my colleague, the gentleman from New York (Mr. MURPHY), has conducted the hearings and the development of this very important piece of legislation.

Mr. Chairman, the battle I and many of my coastal States colleagues have waged against the Federal Government's efforts to expand off-shore oil and gas development has, realistically, been lost. In the orderly workings of our Government, the issue of ownership of the Outer Continental Shelf has been decided. Congress long ago authorized exploitation of offshore mineral and oil deposits.

We who live and work in our Nation's coastal areas may soon expect the pylons and derricks of offshore oil and gas rigs. We may expect the risks of pollution, boom-and-burst growth, and industrialization which will accompany this oil and gas development.

But in the orderly process of government which characterizes our political life, the Congress has accepted the situation which faces us, and has acted to provide our citizens with the wherewithal to meet the challenge posed to the Nation's coastal environment by these oil and gas operations.

I am pleased to have been able to work with Chairman MURPHY and the Oceanographic Subcommittee, and with the full Committee on Merchant Marine and Fisheries to draft the legislation before us.

H.R. 3981 takes a realistic approach to a realistic problem. In 1972, the Congress enacted the original Coastal Zone Management Act, which sought to allow States to develop plans for the orderly development of coastal areas. The 1972 law promotes the preservation of areas of great beauty for the enjoyment and recreational use of the people who live there. It provides for the representation of local, State, and regional interests, as well as an overall national interest, in the development of coastal zone man-

agement plans, and in the making of decisions affecting the coastal zone areas. And perhaps most importantly, it provides for the preservation of estuarine sanctuaries and biologically active wetlands—the subtle and complicated functions of which are only now beginning to be understood.

The current legislation addresses a need not foreseen in the 1972 legislation—that of energy development on the Outer Continental Shelf and in the coastal zone. As distasteful as the prospect of pipelines, refineries, powerplants, navigational canals, and tankfarms in the coastal zone is, these are some of the prospects we face. This type of industrialization will mean population increases in the areas affected, expanded need on the local level for sewers, sidewalks, schools, roads, recreation facilities, fire protection, and social services. While much of these needs can be financed through increases in the tax base resulting from the energy activities, neither the Congress, nor the administration can say with certainty that such an expanded tax base will absorb all of the costs. Thus, the current legislation.

Enactment of H.R. 3981, in conjunction with legislation to protect our fisheries and marine resources, and with the current oil pollution liability and compensation measure awaiting further action by the Merchant Marine and Fisheries Committee, will provide the Congress with the opportunity to move decisively to deal with the problems of protecting the marine frontier from hasty, careless development.

We all know that our Nation's long-term energy needs have necessitated expanded Outer Continental Shelf oil and gas development. But we also know that failure to deal now with the contingencies which may arise from these operations, failure to address the grave problems of pollution, environmental balance, and the needs of the human ecosystem which will be affected by these energy operations, will mean that the Congress has not lived up to its responsibility to ensure the health, safety, and quality of life of the citizens who have elected us.

Mrs. SULLIVAN. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from New York (Mr. MURPHY).

Mr. Chairman, may I just make one remark. I want to thank the gentleman from Ohio (Mr. MOSHER) because I think he was instrumental in initiating our decisions that perhaps we should turn over some of these problems to the newer Members. He has been a diligent worker all the time that he has been on our Committee on Merchant Marine and Fisheries, and it has been a delight to work with him and I wish him and Mrs. Mosher all the best in his retirement.

Mr. Chairman, I also thank the gentleman from Delaware (Mr. DU PONT) for his comments, and I do hope that all of the Members miss me after my retirement.

(Mr. MURPHY of New York asked and was given permission to revise and extend his remarks.)

Mr. MURPHY of New York. Mr. Chairman, prior to discussing the details of the legislation before you today, I want to take a moment to pay tribute to a remarkable lady—our most distinguished colleague from Missouri, Mrs. LEONOR SULLIVAN. As you know, she announced on Tuesday that she would not be a candidate for reelection.

Elected in 1952 as a minority Member of Congress, she began, as she has put it, at the bottom of the totem pole. A woman Democrat in a Republican Congress.

From this beginning, she has gone on to achieve a major legislative record, with such accomplishments as the food stamp program and truth-in-lending bill and leadership of the Merchant Marine and Fisheries Committee. And she has done so in a way in which she has earned the respect and affection of all Members from both sides of the aisle.

LEONOR SULLIVAN is, in many ways, a pioneer in this body. I am sure I speak for everyone here when I say that your absence from this body next year will be felt by all of us.

Today the Merchant Marine and Fisheries Committee brings to the House one of the most important bills this Congress is likely to consider. At stake in H.R. 3981 is whether we as a nation are able to handle our energy requirements without incurring permanent damage to our coasts.

This bill will enable coastal States and communities to deal with problems which, in the national interest, they will be asked to bear in providing us needed energy. I am referring specifically to our need to greatly expand the amount of Outer Continental Shelf oil and gas drilling. I am also referring to the need for additional liquefied natural gas import facilities, expanded coal and oil loading docks and storage terminals, and the pending installation of deepwater ports off our shores, all of which will impact the coastal zone.

These activities I have just mentioned, by their nature, will be located along the coasts.

As Congress itself declared in a piece of far-sighted legislation, the Coastal Zone Management Act of 1972, the coasts are unique and of great significance to the country. Although only approximately 8 percent of our total area, the coasts already contain half of our people, and 40 percent of our manufacturing plants. The pressure is growing.

Yet these same coastal areas contain our wetlands where most of the Nation's fish and wildlife live for a part of their lifetime. It is perhaps the country's major recreational resource.

The solution this committee proposed to the House 4 years ago, and which Congress enacted over the opposition of the administration, is to achieve a balanced use of coastal resources. It is obvious that this small strip of land and adjoining water cannot perform all the jobs we ask it to do.

The coasts cannot be our dumping ground and continue to produce shellfish and recreational opportunities. They cannot be the preferred location for

heavy industry, and at the same time provide sites for vacation homes and the breathing space that our increasingly crowded cities require.

Coastal uses have to be balanced. This is what the Coastal Zone Management Act provides, and this is what H.R. 3981 gives us.

Four years ago, we provided balance between development needs and environmental concerns. In the bill before you today, we build on that foundation and provide balance between our energy requirements and our need to protect the coasts. We further provide balance among the basic units of our Federal system of Government, where each level is brought into play in a coordinated manner.

Our bill will help our system work. The result, if my colleagues join with us today in adopting H.R. 3981, will be an expedited search for new sources of oil and gas off our shores, more ready acceptance in coastal areas of their responsibility to provide facilities the Nation needs to meet our energy requirements, and the provision of such needed facilities where it will not damage the ecology of the coasts.

Some will say, but what about inland States? Why are we not helping them?

I remind my colleagues that this Congress has already found that the coastal areas merit special treatment. In our 1972 action, we declared:

The coast of the United States, together with the immediately adjacent land and water areas, is in a general sense the Nation's most valuable geographic asset. At the same time, it is probably the area most threatened with deterioration and irreparable damage.

The coasts and the coastal waters have played a major role in the Nation's development, growth, and defense since its earliest days. In recent years it has become increasingly apparent, however, that the coastal area has been undergoing drastic changes which, irreversible damage to many of the area's features upon which its values largely depend.

Furthermore, we are, in H.R. 3981, restricting our assistance to only those energy-related activities which are, by their nature and technical requirements, necessarily located on the coasts.

And third, remember that to participate in this program and to be eligible for the impact assistance we provide in H.R. 3981, States and local governments must undergo the discipline of coming up with comprehensive coastal zone management programs which meet the strong Federal criteria. Inland States are not subject to this discipline and have not undertaken the development of comprehensive programs comparable to those now being prepared in the 30 coastal States—and 3 territories.

To our colleagues from the inland States, we say—join with us today in protecting the coasts the entire Nation depends on. Use the experience of the coastal program and its balanced approach as a model to provide planning and impact assistance for inland States. Upon preparation of a separate bill dealing with the inland States, you will have our support.

It is the Outer Continental Shelf oil and gas issue that led us to bring H.R.

3981 before you today. We are all familiar with the energy crisis, the inflationary spiral stemming from suddenly increasing fuel costs and our resulting need to speed up provision of domestic sources of petroleum.

Unfortunately, the administration proposed a crash 10-million acre lease program which, frankly, frightened the State and local governments which would be faced with the offshore industry for the first time. The States and communities felt totally left out of the process by which the administration arrived at its accelerated leasing program—and in fact, they were.

It is clear that coastal States and communities can bring about delay or even permanent bans on offshore drilling. By exercising State and local powers over the uses of State-controlled shores and waters, the national need to proceed with OCS operations can effectively be thwarted by a State willing to take this action.

We have seen in the suits filed by various States against Federal plans to lease OCS lands outside State jurisdiction, but adjacent to them, how strongly some areas feel about this question.

It is to bring the Federal, State, and local units of government together in energy facility planning that is the principal objective of H.R. 3981. Given the critical nature of energy requirements, we simply must see to it that our basic governmental processes involved are made to work. It is not in the national interest for States and local communities to feel so threatened by Federal action that they feel compelled to go to court or to pass special, restrictive legislation.

We are all familiar with fights in our respective States over proposals to locate major new developments, whether they be for new office buildings, shopping centers, or whatever. In these cases, citizens rally to protect what they see as a threat to their community, regardless of the economic benefits which may follow.

These controversies, where they occur, cause delay; sometimes they cause projects to be canceled.

If this type of resistance is taking place all over the country, it is easy to imagine the feelings in rural counties faced for the first time with the prospect of dealing with the huge offshore oil industry—

Especially when the tax proceeds from this activity go entirely to the Federal Government, but the expense of providing services made necessary by the new industry is borne by the local and State governments. When tax revenues generated by the new industrial activity are not enough to meet the public expenditures, communities are faced with a new loss. When the Federal Government causes it, we would not expect the local governments to pay.

What your committee has done in H.R. 3981 is not simply to open the Federal Treasury to coastal States. Instead, a carefully worked-out approach has been devised, combining elements of simplicity of administration with equity to the Federal taxpayers, as well as the persons in the local communities and States directly affected by Federal decisions to go ahead

with OCS leasing—or with other, similar coastal energy activities.

First, it is a key to H.R. 3981 to remember that to be eligible for any aid from the Federal Government, a State has to be working with its local governments to come up with a comprehensive coastal management program. Right away, this differentiates this bill from alternative ways to deal with the problem. And, it is the strongly held belief of our committee that any attempts to deal with State and local impacts from such energy activities as those associated with OCS drilling—attempts not based on the coastal zone management program—are fundamentally incorrect, and not in the public interest.

The country needs the coastal management program to succeed. In order to do so we must see to it that planning and impact funding for energy facilities are tied directly to this currently successful effort on the part of the States and local communities.

The coastal zone program which this committee recommended to you in 1972 is still in the development stage. We have found in our examination of its administration to date that it is generally being well-managed at both the Federal level and in the States, but that the job we have assigned is more complex than we had anticipated, which is why H.R. 3981 contains some limited extensions.

The committee is persuaded that so far the coastal management program has proven its worth. It was passed and put into effect before the energy crisis had occurred. What we need to do now, the committee recommends, is, first, enable this program to meet the challenge of the energy crisis and, second, modify and update the nature of the program in keeping with the experience to date.

The total impact of the changes we recommend to you in the coastal management program is to facilitate the ability of coastal areas to handle the impacts our energy needs will bring. In so doing, we will most certainly not delay action. In fact, the committee sees this bill as a means of dealing with present and potential causes of delay and to do so in a way which will protect the natural resources of the coastal regions.

H.R. 3981 is the product of a full year's deliberation. It is carefully coordinated with the legislation pending before the ad hoc select committee on the Outer Continental Shelf. We conducted 5 days of hearings, held extensive markup sessions and have been in contact with a large number of interest groups.

H.R. 3981 comes to you with bipartisan support. It passed the full Merchant Marine and Fisheries Committee by a vote of 36 to 0. And, as our chairman indicated to you in her remarks, the administration has indicated that it does not oppose the passage of the bill subject to our working together in the conference committee.

I would like to note that the administration remains concerned about certain aspects of the impact fund—particularly in regard to whether moneys should be provided prospectively or retroactively, whether funds should be allocated for ecological costs, and how such moneys

should be distributed. I have checked with the Senate side on these and other issues, and we agree that the entire spectrum of Federal assistance options is open for consideration by the conference committee. I am confident that we can work out our differences with the Senate and come up with a constructive bill on which all sides, including the administration, can agree.

I must add that our committee feels strongly that the balanced three-part formula contained in H.R. 3981 will allow timely and adequate assistance to the States—those that are taking part in a coastal management effort, that is—as soon as OCS leases are sold, in amounts appropriate to the State and local requirements and for specific types of activities wholly in keeping with the demands the Nation is making on these most valuable and sensitive areas.

The second part of our impact program states that only those areas which can demonstrate an actual net adverse impact—where local new income is outweighed by required expenses—should additional aid be forthcoming.

This represents a solid, well-thought-out approach. On the one hand, we have an easily administered automatic grant formula, tied to the coastal management program and for specific purposes only, triggered by OCS leasing. As a field is brought into production—and the resulting impacts onshore grow—the amount a State would receive would increase. This is because the automatic formula designed by our committee pegs the assistance granted to actual need.

Then, if States or localities such as the tiny communities of Alaska which the oil industry plans to use as staging areas can show that they still are net losers in the process, provision of additional assistance is made. This is in the so-called net adverse impact section of the coastal energy activity impact program.

The third type of direct assistance contained in H.R. 3981 is a program, again with specific limitations prescribed, of Federal guarantees of local and State bond issues to provide facilities and services made necessary by OCS developments.

In putting together a major piece of legislation of this complexity and importance, and over such a long period of deliberation, it is obvious that many people contributed.

I want at this time to pay particular tribute to the members of the minority on the oceanography subcommittee led by Mr. MOSKIER of Ohio. His knowledge of the broad field of ocean issues, and the particulars of the coastal zone program, particularly as it affects the Great Lakes States, has been invaluable. His presence in this body will be sorely missed next year.

I would also single out the hard work contributed during the long hearings and markup session by the gentleman from New Jersey (Mr. FORSYTHE).

Lastly, I must mention the diligence of the gentleman from Delaware. Together, he and I, with our respective staffs, worked out the compromise approach to energy impact funding under the coastal management program that forms the

heart of H.R. 3981. I have the utmost respect for the gentleman and am pleased to join with him in recommending this important piece of legislation for your approval today.

Mr. Chairman, at this point I would insert in the RECORD, an excerpt from Coastal Zone Management, a publication of Nautilus edited by Mr. John R. Botzum, which is a statement that succinctly sums up the situation relative to H.R. 3981 as it exists today and contains information which is germane to the current debate:

COASTAL ZONE MANAGEMENT

Passage of H.R. 3981 Thursday (11 Mar.) by the U.S. House of Representatives will be a sort of fond farewell to retiring Rep. Leonor K. Sullivan (D-MO), chairman—she always prefers to be called "Madam Chairman" rather than "Chairwomen" or "Chairperson"—of the House Merchant Marine & Fisheries Committee. She will not seek reelection in November. The bill contains very significant, and needed, amendments to the Coastal Zone Management Act, plus a major departure in this country's procedures for dealing with the environmental and social impacts of leasing its Outer Continental Shelf lands for oil and gas exploration and development. The so-called "impact fund" approach to ameliorating those impacts passed the Senate overwhelmingly (S. 586) last year, and while the House version differs, the concept seems certain to become a part of U.S. law. As chairman of the Merchant Marine Committee, Mrs. Sullivan has been deeply involved with the reworking of the bill to meet suggestions by the Republicans, while negotiating with the White House to achieve a compromise between the Congress and the President.

The Ford Administration, long a foe of coastal state impact legislation, finally made a move late in the game, and offered a \$1-billion loan program (CZM, 18 & 11 Feb, 28 Jan), but a negative reaction from Democrats plus less-than-enthusiastic support from the Republican side of the aisle, has caused President Ford to at least approve a negotiating posture.

Correspondence between Commerce Secretary Elliot L. Richardson and Rep. John Murphy (D-NY) and Rep. Pierre du Pont (R-DE) indicates the willingness of the administration to accept H.R. 3981, as a coastal state bill only (with the idea that a separate bill for energy facilities impacts for internal states will be sent to Capitol Hill soon); Dept. of Commerce administration of the act (as opposed to Interior Dept. administration), and an assistance package of up to \$850 million in loans and guarantees, plus \$95 million in direct grants to the states for use in planning for impacts (to be administered by the Office of Coastal Zone Management), and up to \$75 million to states which have already incurred environmental impacts as a result of OCS energy development.

CZM newsletter has learned that the oil industry does not oppose H.R. 3981, although it will not actively seek its passage. Organizations of coastal states generally support most of the language of the bill, and are solidly behind the intent of the legislation. Environmentalists generally agree with the intent—having achieved early in the legislative process the deletion of nuclear energy (within the coastal zone on the landside or in the form of floating nuclear plants) from the list of those energy forms whose impact would be recognized by the act. The House legislation does specifically recognize some other forms of energy than oil and gas from the Outer Continental Shelf, including deepwater ports, and liquid natural gas and coal offloading facilities. Barbara Heller of the Environmental Policy Center in Wash-

ington told CZM newsletter that her organization supports the bill reported out by the Merchant Marine Committee—"after months of actively working for it." The White House's major points of contention with the existing language may well fall by the wayside in the conference that will be set up to bring together the Senate and House versions of the legislation.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I notice on page 22 the section dealing with serious disagreement says:

"(4) In case of serious disagreement between any Federal agency and the state in the implementation of an approved state management program, the Secretary, in cooperation with the Executive Office of the President, shall seek to mediate the differences."

Will the gentleman elaborate on that? When we are going to mediate the differences, does that mean people of the States are going to have to haul all their stuff to Washington or will we go where the disagreement is happening?

Mr. MURPHY of New York. It is generally provided in Federal law and it is envisioned here that we are going to hold the hearings in the counties or jurisdictions affected, and that is what we intended in this provision.

Mr. KETCHUM. Let me tell the gentleman why this particular situation scares me. The Bakersfield City School District is under challenge by HEW and they have been holding hearings in the city of Bakersfield for almost 6 months. Arbitrarily the trial judge just last month decided he would move the hearings away from Bakersfield on the ground that it would save the taxpayers money. Certainly it will not save the taxpayers of Bakersfield money.

I think our intent ought to be spelled out in this bill. When a serious disagreement occurs obviously the place to hold the hearings is where the disagreement is and where the people are who are involved in the disagreement. This has not been the case with HEW and it will blow the lid off some of the civil rights hearings going on in California right now.

Is there any place in this bill or in the law which provides that when there are disagreements they will be resolved in the State where they occur?

Mr. MURPHY of New York. We appreciate the gentleman bringing this out so that the RECORD today will spell it out for the Secretary of Commerce, who will have jurisdiction in this area, that we intend the local county or municipality, whichever be the case, will be the place where the hearings will be held.

Mr. KETCHUM. I appreciate the gentleman bringing this out.

Mr. du PONT. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mrs. FENWICK).

(Mrs. FENWICK asked and was given permission to revise and extend her remarks.)

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

My State is a coastal State. I rise in

support of this excellent piece of legislation, not only important in the energy field, but in many States with recreation areas. These constitute the biggest industry we have in our State. I am heartily in favor of this bill, but I cannot let this moment pass without a word, not only to the chairman of the subcommittee, the gentleman from New York (Mr. MURPHY) and the gentleman from Ohio (Mr. MOSHER), whom we are losing, but also the chairman of the committee, the distinguished gentlewoman from Missouri (Mrs. SULLIVAN).

Mr. Chairman, it is sad to come here as a freshman and lose someone who has been an example, a guide, a help to all of us freshmen in this Congress. The example of hard work, hard dedicated work, that the gentlewoman has given is impressive. I am sure her constituency knows it and I am sure everyone in this Congress does. We are very, very sorry to see the distinguished gentlewoman (Mrs. SULLIVAN) go.

Mrs. SULLIVAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. BREAU).

Mr. BREAU. Mr. Chairman, I would like to take this opportunity to also rise in support of the bill and commend the chairman of our full committee for the job the gentlewoman has done in guiding this bill and many, many other bills, through this Congress and to say "Thank you" on the part of my district that I represent for the excellent job the gentlewoman has done.

I might say also, the bill came from the committee with a 36 to 0 unanimous vote and that was only accomplished by presenting such a realistic bill that the Congress can pass and the President can sign.

Mrs. SULLIVAN. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia (Mr. SLACK).

(Mr. SLACK asked and was given permission to revise and extend his remarks.)

Mr. SLACK. Mr. Chairman, later today during proceedings under the 5-minute rule I will offer two amendments on behalf of the Appropriations Committee, which we have worked out with the managers of the bill and other members of the Merchant Marine and Fisheries Committee, and especially the Subcommittee on Oceanography.

The first of these amendments would bring the administrative expenses of the new bond guarantee section of the bill under better congressional control and subject such expenses to the regular appropriations process. The second amendment would place the bond guarantee program itself under better control and would require that the Congress enact appropriations before any bond guarantee could be made.

Mr. Chairman, it is my understanding that the objectives of these two amendments are shared by the managers and sponsors of the bill and that they are in support of them.

Mr. Chairman, I would also like to point out that we have worked with the managers of the bill in trying to make the bond guarantee section as well drafted a piece of legislation as possible.

This was done with the cooperation of the gentlelady from Missouri (Mrs. SULLIVAN) the gentleman from New York (Mr. MURPHY) and the gentleman from Michigan (Mr. DINGELL) and the ranking minority member of the Committee the gentleman from Delaware (Mr. DUPONT). In fact, Mr. Chairman, I believe that after these amendments are adopted, and with certain other language that is already included in the bill, this bill can serve as a model of well-drafted bond guarantee legislation. After these amendments are adopted, Congress can retain control over this program and will be able to provide appropriations for it in the future in accordance with the priorities and other considerations that exist at the time.

I believe, Mr. Chairman, that this is what the spirit of the budget Control Act is all about. Once again let me express my appreciation for the splendid cooperation and work of the managers and sponsors of this bill in regard to this matter.

Mr. DUPONT. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. FORSYTHE).

(Mr. FORSYTHE asked and was given permission to revise and extend his remarks.)

Mr. FORSYTHE. Mr. Chairman, before I do begin to talk about the legislation before us today, I must join with all my colleagues who have mentioned the chairman of our committee and the sad news that she gave us this week that she will not be returning for the 95th Congress.

It has been a real pleasure to work on that committee and under her leadership. I think there have been very many great pieces of legislation that have moved to this floor, and by and large, they just kind of roll through the House without much problem, which is a kind of a point of pride with us. I think that this committee does bring legislation to the floor that gets wide support.

Mr. Chairman, I rise in support of these amendments to the Coastal Zone Management Act of 1972. We need to re-emphasize the congressional intent embodied in the 1972 act of providing Federal assistance to the States in developing their own plans without also providing stifling Federal control. The financial incentives and technical assistance provided in the original act functioned as a stimulus for State involvement in dealing with coastal resource preservation and careful development of those resources. Unfortunately, real participation of the State governments in energy development planning has been lost in the recent attempt of the Federal Government to accelerate the oil and gas leasing on the Outer Continental Shelf. Such lack of participation in planning for development which is likely to have a major impact on the States coastal areas has led to frustration on the part of the States and has resulted in court actions seeking to delay such development.

The legislation which we are considering today reaffirms the partnership between the Federal Government and State governments in dealing with coastal de-

velopment. These amendments, however, recognize for the first time that the coastal States and the coastal zones are sharing disproportionately in the impact of national energy development, and provide a mechanism for dealing with that impact at essentially the local level with Federal assistance.

We as a nation must definitely do everything possible to develop our energy resources and consequently lessen our dependence on imports. In my opinion, however, such development can only be done effectively with the full participation and support of the State governments. This legislation goes a long way toward assuring that participation.

The bill we are considering today is the result of months of careful deliberation and meticulous revision. The proposal embodies the results of a completely bipartisan effort throughout the months of subcommittee and full committee work. It makes sense to the Merchant Marine and Fisheries Committee to fully utilize already existing programs, so the bill's planning and financial assistance provisions closely coordinate with the existing provisions of the Coastal Zone Management Act. The proposal as a whole represents a responsible, well-thought-out program by which the United States can protect its natural resources while not restricting development.

We definitely need at this point sufficient comprehensive planning for the development of our coastal areas, including energy development. This legislation proposes including energy facility planning within present general program development and proposes 80 percent Federal funding of planning for specific energy facilities. Such planning should reduce adverse social, economic, and environmental impacts associated with such energy facility development.

In the case of problems which have already developed, however, or problems for which there is not sufficient time to develop alternatives, we must also have funding available to soften present and future adverse impacts on the coastal areas. The proposed two-tiered financial assistance provisions of this legislation should go a long way toward handling such adverse impacts associated with energy development.

Above all, it is important that the States be involved in all aspects of dealing with the development. This legislation affirms the Federal-State partnership, and provides specific mechanisms to aid that partnership in achieving the crucial balance between protection and development of our coastal areas. These amendments measurably strengthen the Coastal Zone Management Act and represent a major step in determining whether the United States can indeed achieve the balance. I feel that this bill is one of the most important pieces of legislation to come before this Congress and I hope it will receive the support in the House that it so well deserves.

Mr. DUPONT. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska (Mr. YOUNG).

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Chairman, H.R. 3981, the Coastal Zone Management Act Amendment of 1975, is vital to the coastline of Alaska, as well as to all of this Nation's coastal areas.

In 1972, the Congress had the foresight to pass the Coastal Zone Management Act dealing with the conservation of our coastal resources, as competition for the use of these coastal areas increased. So far, the program has proven highly successful.

Now our States, and Alaska in particular, are being confronted with new and accelerated pressures on their coasts. The effort to move this Nation toward energy independence, by developing Outer Continental Shelf oil and gas is creating a tremendous burden on local government and local officials. These governments must bear the costs of a sudden population influx, an immediate need for public facilities and tax money to pay for it.

The provisions of this legislation would do much to alleviate these burdens. This legislation would provide to State and local government assistance for planning for energy facilities located in the coastal zone. Furthermore, it would mitigate to some degree the adverse socioeconomic and environmental effects of the location and operation of these same energy facilities.

In addition, this measure would provide assistance to State and local communities that are being adversely impacted because of Outer Continental Shelf oil and gas exploration and development.

In the case of Alaska, my State has a coastline of approximately 34,000 miles which is 35.6 percent of the entire coastline of the United States. Alaska is already contributing its share to the energy deficit by moving forward as quickly as possible with the construction of the Alaska pipeline. If and when the OCS lease sales are effected, there will be a tremendous need for planning and public facilities, such as water and sewer treatment plants. There will be a tremendous need to protect our fishing industry and its support services in the coastal areas, as the new oil and gas related industries take hold.

Similarly, Mr. Chairman, up and down the coast of the United States, particularly in the Atlantic, there will be new pressures, new demands and drastic changes. These activities will result from this Nation's attempt to produce energy on an accelerated and expanded scale. We in the Congress call it in the national interest. If we are acting in the national interest, we have an obligation to assist State and local governments, in shouldering the burdens in the interest and for the welfare of all of the people of this great Nation.

Therefore, I urge my colleagues to support today, H.R. 3981, a measure tremendously important to the State of Alaska as well as to the Nation at large.

The CHAIRMAN. The time of the gentleman from Alaska (Mr. Young) has expired.

Mr. DUPONT. Mr. Chairman, I yield 1 additional minute to the gentleman from Alaska (Mr. Young).

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, on page 42 of the bill, section 319, State and local government bond guarantees, I wonder what the position of the gentleman from Alaska is on that. It says:

The Secretary is authorized, in accordance with such rules as he shall prescribe, to make commitments to guarantee and to guarantee the payment of interest on and the principal balance of bonds or other evidences of indebtedness issued by a coastal state or unit...

Does the gentleman think that sounds a little bit like New York?

Mr. YOUNG of Alaska. Mr. Chairman, I would say to the gentleman that it is line comparing apples and oranges. These are areas impacted by offshore development. They are not defunct areas.

Mr. KETCHUM. If the gentleman will yield further, the gentleman feels it is all right for us to guarantee the bonded indebtedness?

Mr. YOUNG of Alaska. In this case I would say so; yes.

Mr. KETCHUM. I thank the gentleman.

Mr. DU PONT. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

(Mr. BAUMAN asked and was given permission to revise and extend his remarks.)

Mr. BAUMAN. Mr. Chairman, I too want to add my voice in expressing regret on the retirement of our chairman, the gentlewoman from Missouri (Mrs. SULLIVAN). As active legislators, we soon come to learn who is pleasant to deal with and who is not in the course of our duties. The record of the gentlewoman from Missouri stands out and we will miss her. There is very little one can say which will add to her illustrious career, which will be her monument long after she has retired.

Mr. Chairman, I do rise in support of this legislation. I do not agree with all of its provisions. It amends a very comprehensive act. But on balance it does so in a way that I think strengthens the intent of Congress and protects our coastal areas.

Mr. Chairman, I express particular appreciation to the ranking minority member and to the chairman of the subcommittee, as well as to our staff on both sides, for the assistance they have rendered to me. I would also express my appreciation to the gentleman from Virginia (Mr. DOWNING) for cosponsoring an amendment dealing with the shellfish industry problem that has arisen as a result of actions by the Food and Drug Administration. There is a provision in the bill which solves this problem.

The bill orders a study of the shellfish industry by the Department of Commerce which will assess the impact of any proposed regulations and holds them in abeyance until this study is completed. I think this will go a long way toward answering the questions that have arisen concerning the possible destruction of

this \$200 million industry, which is very important to the State of Maryland and to all coastal States.

Mr. Chairman, last May, I introduced a bill which would amend the Coastal Zone Management Act to assist the States in protecting the shellfish industry from unnecessary control by the Federal Government. The Committee on Merchant Marine and Fisheries has adopted my legislation as section 310 of H.R. 3981 now before us. This provision will do much to protect the beleaguered shellfish industry.

I describe the shellfish industry as beleaguered, because unless protection such as this bill becomes law, watermen and processors face the virtual dissolution of their industry in the face of proposed and needless severe regulations by the Food and Drug Administration. These FDA regulations will give added power to the Federal Government, impinge on the rights of individual States, place a financial burden on the taxpayer, and yet provide very little, if any, extra safety factors in the shellfish industry.

Under the Administrative Procedure Act of 1946, the FDA has proposed a formalized rule structure which would replace the existing voluntary Federal-State industry program for the sanitary control of oysters, clams, and mussels. Thus, a 50-year voluntary program which has worked well may be replaced by the iron hand of Federal regulation.

This 50-year program, the national shellfish sanitation program—NSSP—has been a cooperative effort by Federal and State Governments to supervise and regulate the shellfish industry for the benefit of the consumer. The FDA has not provided the public with an adequate explanation as to why a successful program like the NSSP must be effectively liquidated by the Federal Government's arbitrary extension of FDA authority in this field. The elements of the NSSP since 1925 have been effective, and they include the review of a State's general administrative procedures for the processing activities of a State's shellfish program, sanitary survey to assure that shellfish are not harvested in polluted waters, the elements of controlled purification, and packing conditions. As I have stated, this has been a highly successful program, and in my State of Maryland, it has been effective in assuring shellfish quality without jeopardizing the industry with over-costly regulatory requirements. The Maryland program has never received a single, substantive complaint about its operations or procedures. The program has on its own and without Federal prompting, closed down a number of shellfish beds if endangered conditions are thought to exist.

Following a recent storm which caused a fresh water flow into the Chesapeake Bay, posing a possible hazard to shellfish stock, the State program closed down oystering in the affected portions of the Chesapeake Bay. The State has conducted a regular series of inspections of plants in line with the Maryland Health Department's continuing sanitation program. The State has the power to seize endangered shellfish stock, and it has

used this power for protection of both the industry and the consuming public.

Yet, the FDA would discount this unqualified record of responsible and effective monitoring by the States and impose a series of regulations which the President's Council on Wage and Price Stability called excessive. In the Council's October 21, 1975 comments before the FDA concerning the proposed regulations, it offered in part:

The Council believes that FDA's study of additional costs (required by its new regulations if promulgated) is based on untested assumptions rather than an analysis of the industry. The study assumes that the proposed regulations would increase fixed costs within the industry by no more than 50 percent and variable costs by no more than 25 percent. The sum of these costs is \$24.4 million, according to FDA's analysis.

The Council went on to say that the costs as they would be absorbed by individual firms has not been examined by FDA, and that as it presently stands, many if not most small shellfish firms would have to go out of business if the FDA regulations go into effect.

A word of response is in order to the few who have sided with the FDA in this dispute. The provisions of this bill do not repeal FDA's statutory authority to protect consumers from impure food. FDA can still seize lots of impure food, order a stop on their shipment and protect consumers. What the bill does do is to stop any new FDA regulations until responsible consideration of their impact on our environment and economy is completed; until representatives of both the shellfish industry, and of public and private interests have a chance to be consulted and add their opinions.

In the proposed regulations, we see an unprecedented increase in the authority of FDA to regulate a private industry. This includes the licensing and inspection of vessels, by Federal agents, monitoring of water quality and harvesting, Federal recording of processing, packaging, marketing shipping, and even recreational catches of shellfish.

The face of these regulations, as they are read, do not effectively demonstrate the actual, harmful impact they will have on individual watermen and processors. In effect, FDA administrators can walk into a plant and without a hearing or the allowance of other proper and effective recourse to the businessmen concerned, close that plant down. The FDA can ban shipments of shellfish on the basis of proposed regulations which knowledgeable spokesmen for the Maryland Waterman's Association and other groups call literally impossible to be complied with. A written record would have to be kept of the life history of the individual clam, the single oyster, from its point of origin on the bottom of the water to its journey to the consumer's dinner table. From cradle to grave, Federal regulations will tie up an oyster's existence in paperwork and inspection procedures in a way which will destroy an entire industry.

In light of these facts, I am pleased that the Committee agreed to my amendment which requires a study of the impact of the FDA regulations before those regulations are put into effect, rather

than after. This study will be submitted to Congress by June 30, 1977, together with such additional comments and recommendations as the Secretary of Commerce deems appropriate.

The harvesting and processing of shellfish provide important economic benefits for individuals and communities along the coasts of this Nation. The continued existence of these benefits directly depends upon the harvesting of shellfish from inland and coastal waters which the FDA regulations would place in jeopardy. Intimidating the industry and challenging the continued production of a particular food product are not proper functions of any Federal regulatory agency.

I am pleased that the Committee has seen fit to adopt my amendment.

The CHAIRMAN. The Chair wishes to inform the gentleman from Delaware (Mr. DU PONT) that he has 9 minutes remaining, and the gentlewoman from Missouri (Mrs. SULLIVAN) has 1 minute remaining.

Mr. DU PONT. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. WIGGINS).

(Mr. WIGGINS asked and was given permission to revise and extend his remarks.)

Mr. WIGGINS. Mr. Chairman, I intend to vote against this bill. Since that is my intention, I think I owe a word of explanation to my colleagues who may find it incredible that a Representative of a coastal State would interrupt this love feast and indicate some dissent.

I do not wish to speak to the amendments to the coastal zone management legislation which have heretofore been agreed to by Congress, but I do want to talk about this new giveaway to the coastal States at the expense of everybody else.

I represent a coastal State. I represent a county which is adjacent to the coast, and I would suppose that my parochial interests should be to support this bill. But I find there is something wrong with it. The portion of the bill that I object to proceeds on the assumption that the development of the OCS is going to heap economic devastation on the adjacent States, and that the Federal Government ought to take Federal revenues and provide a sum of money to the adjacent States to accommodate that "burden."

Mr. Chairman, I challenge that assumption. In reality, the development of the OCS is going to be an economic bonanza to the coastal States, and everybody knows it. There may be some short-range problems which are confined almost exclusively to the State of Alaska, and perhaps special consideration to those economic problems is in order. But, Mr. Chairman, I will say to the Members that if they think my State is going to suffer because hundreds of billions of dollars worth of petroleum is to be produced on the adjacent OCS, they have going to provide new jobs; we are going to progress from that activity; we are going to provide new jobs, we are going to increase our tax revenues. The only ones to suffer will be the taxpayers of the

interior States who will have to give up a portion of Federal revenues to add to those of the State of California.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I would like to point out to the gentleman that the interior States would have Federal lands receive 37½ percent of the revenues from these activities. I might say that the court has clearly laid out the guidelines for this.

The CHAIRMAN. The time of the gentleman from California (Mr. WIGGINS) has expired.

Mr. DU PONT. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. WIGGINS).

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield further, the problem is that these are Federal lands from which OCS oil and gas will come, and this petroleum comes from offshore California, and particularly Louisiana and Texas. We know that this money goes into the Federal revenues, and yet these States have had to pay for schools, for highways, and for the whole municipal mix. These demands are all in the local areas.

Mr. Chairman, we have had 13 Governors and their representatives come in and testify in the various hearings, and they have all indicated their support for this legislation on the basis of a tight money situation which compels them to temporarily seek aid from the Federal Government to cope with the massive onshore impacts of offshore oil and gas resource development. As I said in my opening statement on this legislation it is easy to imagine the feelings in rural counties faced for the first time with the prospect of dealing with the huge offshore oil industry—especially when the tax proceeds from this activity go entirely to the Federal Government, but the expense of providing services made necessary by the new industry is borne by the local and State governments. When tax revenues generated by the new industrial activity are not enough to meet the public expenditures, communities are faced with a new loss. When the Federal Government causes it, we would not expect the local governments to pay.

Mr. WIGGINS. Mr. Chairman, I can only say very quickly that, of course, these Governors have testified in support of the legislation. They want the revenue.

The analogy of the payments as a result of mineral exploration within a State is wholly inapt. A fair analogy would be to provide California with a percent of mineral revenues generated from Federal lands in Nevada. The offshore oil does not belong to California; it belongs to the people of this country. There is no reason why my State ought to get a windfall as a result of this legislation.

Mr. DU PONT. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

(Mr. LAGOMARSINO asked and was given permission to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Chairman, I would like to join my colleagues in expressing my regrets with regard to the announcement of the gentlewoman from Missouri (Mrs. SULLIVAN) not to seek reelection. We will all miss her. She is truly a gentle lady in every sense of the word, an outstanding Congressperson, and we wish her well in what will become her retirement.

I rise in support of H.R. 3981, coastal zone management.

Mr. Chairman, I represent a coastal State and a coastal district; I represent the county of Santa Barbara where we had a disastrous oil spill in 1969, an event that attracted worldwide attention.

Oil drilling, offshore oil drilling, and onshore facilities, are a matter of serious concern in that area. I might say also that my district is about evenly divided as to whether there should be offshore oil drilling or not, but most people in my district support this bill because this legislation does recognize the problem. While the bill may well admit or concede that there is going to be Federal offshore oil drilling—and I think that is probably a very logical assumption—it does also point out that the Federal Government does have an obligation to mitigate the problems that its very activity might create.

Mr. Chairman, this legislation is of particular importance to California because that is a State where there is probably going to be immediate Federal offshore oil drilling. The Department of the Interior, in spite of some protests, has gone ahead with offshore oil leasing. The legislation we have before us I think is necessary to offset the adverse economic, environmental, and social impacts that might be caused by that particular operation.

Mr. Chairman, our State legislature is even now considering coastal zone management legislation after having several years of study by a special committee that was set up by way of an initiative in California. They need our help, Mr. Chairman. I urge an "aye" vote.

Mr. DU PONT. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana (Mr. TREEN).

(Mr. TREEN asked and was given permission to revise and extend his remarks.)

Mr. TREEN. Mr. Chairman, before making my remarks, as a very junior member of the Committee on Merchant Marine and Fisheries, one who has been here just a little over 3 years, I want to pay special tribute to the retiring chairman of the committee.

Although a freshman member 3 years ago and a minority member, I was treated from the outset with the kindly attention that every other member of this committee has received from the chairman of our committee. I wish her the very best in the years ahead.

Mr. Chairman, I want to also pay tribute to the chairman of the subcommittee, the gentleman from New York

(Mr. MURPHY), as well as to the gentleman from Ohio (Mr. MOSHER), and the gentleman from Delaware (Mr. DU PONT), on the minority side, who have worked hard over many, many months to develop what I think is a truly fine piece of legislation.

Mr. Chairman, the gentleman from California (Mr. WIGGINS) talked about all the money that is to be made. Of course, a lot of dollars are going to be generated by any offshore activity, but what he may not know and what other Members may not know is that the governments, both State and local, that ordinarily would be expected to pick up substantial revenue from economic activity, are barred, because this is OCS territory, from much of the tax collections that would ordinarily apply.

For example, the Submerged Lands Act, 43 U.S.C. 1333, provides that State taxation laws shall not apply to the Outer Continental Shelf. Thus, the States are unable to collect sales taxes on materials that go out to the offshore platforms. They are not able to include the value of the facilities on the OCS in ad valorem tax rolls. Most States collect a corporation franchise tax based upon capital investment, but that part of the capital investment that is beyond 3 miles could not be included; and on and on.

Mr. Chairman, although this is a bill to amend the Coastal Zone Management Act, it is truly a national piece of legislation because the thrust of the amendments that we adopt today will be to shift, to a large extent, the dependency of this Nation from foreign sources of oil to domestic sources; and that has all sorts of implications for us. Among those implications are the dollars that are flowing out of this country and the balance of payments problem. There are the obvious risks of having our energy supply from foreign sources interrupted again. There are the implications with respect to the sufficiency of our own energy supplies in order to run our industrial machines in this country. At a time when we are making progress in providing more jobs, we should accelerate our energy production in order to provide even more jobs, and this bill will do that.

Public pressure has been diminished, because we do not have long lines at the gas stations, to do something about our energy problem; but we know that on a moment's notice the same sort of problems we had a couple of years ago could be presented again. Those problems could flare up at any time.

As we approach the elections this fall our constituents are going to ask us what we have done as a Congress, in a concrete way, to try to solve some of our short-term energy problems. And, when we pass this legislation, we will be able to point with pride to a concrete piece of legislation which indeed will accelerate off-shore oil and gas production and thus go a long way toward meeting our energy needs.

The CHAIRMAN. The Chair will state that all time controlled by the gentleman from Delaware (Mr. DU PONT) has expired.

Mrs. SULLIVAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. HUGHES).

(Mr. HUGHES asked and was given permission to revise and extend his remarks.)

Mr. HUGHES. Mr. Chairman, I wish to express my strong support of H.R. 3981, the coastal zone management amendments and urge my colleagues to support this important legislation.

The proposed amendment would provide an important new program of assistance which will enable coastal areas, such as my home district in South Jersey, to better plan for and cope with the adverse impact of offshore oil and gas development.

H.R. 3981 is an outgrowth of some of the work done by the Select Committee on the Outer Continental Shelf, which has traveled many thousands of miles, and taken a considerable amount of testimony on what happens when oil and gas operations arrive to a frontier area. We found that, time and time again, the local economies of coastal regions—often with small populations—were unable to cope with the strains and pressures brought about by the influx of new people and industry, and the consequent demands for municipal services. Further, the lack of coherent land use plans, and other needed zoning and planning activity, often resulted in a hodge-podge of development seriously detracting from the area's environmental and recreational resources.

Unlike many areas of the Nation which grew up with oil and gas development, my home area in South Jersey has developed an economy based upon its environmental and recreational resources. Tourism, agriculture and fishing provide the economic mainstay of south Jersey. Tourism alone is the second biggest industry in New Jersey, producing many billions of dollars each year, much of which is generated in the short points and resort areas of south Jersey. We do not oppose the orderly development of our offshore oil and gas resources for the benefit of the Nation, but we are deeply troubled and concerned about the massive impacts which will result when a new industry arrives in our State.

The program proposed by H.R. 3981 will help us cope with those impacts, by providing a two-part system of aid for coastal States in the form of automatic payments based upon OCS leasing and development, as well as a discretionary program of aid based upon the concept of net adverse impacts.

The first part of the program would provide a total of \$400 million to States effected by OCS development, commencing at \$50 million in fiscal 1977, and increasing to \$125 million in fiscal 1981. The automatic payments will be allocated to States on the basis of each State's share of the total OCS activity in the United States. The amount of OCS activity would be determined by averaging six indexes of offshore energy production which includes the amount of acreage leased, the number of wells drilled, the amount of oil and gas produced, the amount of oil and gas landed,

the number of energy-related employees, and the amount of capital invested.

Under the terms of the automatic payments program, funds must be used by the States first for the retirement of bonds guaranteed under the Coastal Zone Management Act which were issued to finance OCS-induced public expenditures. The bill further requires that local bonds be retired before State bonds.

The second priority for automatic payments is devoted to the planning and carrying out of projects required as a result of OCS activity. The last priority is to reduce or ameliorate the loss of any ecological or recreational resource due to OCS developments.

In addition to the automatic payments program provided under H.R. 3981, there is also a \$625 million program for 80 percent matching grants to those States which have experienced or will experience a net adverse impact as a consequence of OCS energy activities. This form of assistance contains a provision to deny aid for the impact of those facilities which could be located in a non-coastal area. This will provide an important incentive to keep all but the most essential facilities away from the shorelines, which are rapidly becoming more and more developed.

The proposed coastal zone management amendments contain many other important provisions as well, such as the approval of interstate agreements on coastal management, and the provision of aid to States to secure rights-of-way to public beaches.

I am disappointed, however, that the amendment offered by Mr. DU PONT to delete the provision requiring that Federal offshore leasing be consistent with State coastal zone management plans has been agreed to. I nevertheless rely upon the record established during today's debate to show that it is the intent of this legislation that offshore leasing not be in conflict with State management plans. Obviously, the development of offshore energy resources is among the most serious pressures that presently exist upon the maintenance of our coastal areas.

All things considered, however, I feel that this legislation represents an important step forward in providing needed protections for those regions of the Nation which have never before been forced to cope with the adverse impacts of offshore oil and gas development. This is a vitally important piece of legislation which I hope will receive the overwhelming support of the Members of the House.

Mr. ANDERSON of California. Mr. Chairman, the California coast is a thing strip of land, some 1,100 miles long, that cannot possibly accommodate all the demands—we are putting on it unless we plan wisely.

H.R. 3981, Amendments to the Coastal Zone Management Act, expands on the far sighted planning Congress started in 1972 by initiating programs to protect valuable coastal resources as well as policies to guide future development. Representing a district where major energy facilities are located or proposed to be located: Namely supertanker ports to re-

ceive Alaskan oil and liquefied natural gas, refineries, offshore oil rigs and related onshore developments; I am particularly pleased with the bill's coastal energy impact program. The leasing of Outer Continental Shelf tracts mandated congressional action to protect State and local communities which must bear the brunt of federally approved energy projects conducted in the national interest.

Mr. Chairman, I will not take any more of this body's time explaining the other significant provisions of this bill. I am sure the Members are very aware of them. I will say that 85 percent of California's 20 million people live within 30 miles of the coast and, in their behalf, I urge an "aye" vote on H.R. 3981.

Mr. LAGOMARSINO. Mr. Chairman, it is a rare occasion when a politician cannot be found to say that some event or another represents a milestone. Yet that is precisely what the bill before us today, H.R. 3981, represents. These amendments to the Coastal Zone Management Act are formal recognition of the fact that there is a social cost associated with energy development.

This is a lesson which Santa Barbara had the misfortune to learn more than 7 years ago, when crude oil from offshore wells spilled on our shores. Many marked that event as the start of a new era in man's relation to his environment. This bill, in a sense, is an outgrowth of that era. Yet in another sense, it is much more. It is an acknowledgement of the complex interrelationship between the Government's decision to develop a resource, and the social, economic, and environmental effects which can result from that decision.

In a sense, this is not a new principle. We have recognized for years that Government has an obligation to local school districts to help with the education of children associated with a military base. In fact, that program is even known as impact aid. This bill deals with a similar type of impact—on Government institutions, on services, on the local economy and environment as it is affected by large-scale energy development projects. The principle that a portion of the funds generated by such operations should be used to prevent or repair any damages is both just and necessary, if we are to continue such large-scale development.

In effect, this bill is an honesty-in-accounting act, which says that you have to subtract the cost of mitigating adverse impacts from the benefits of a particular project. If that principle is not followed, then you are just shifting the cost of energy development from one level of government to another; from a larger class of taxpayers at the Federal level to a smaller class at the local level.

I hope each of the Members will consider what this principle means for your own district. Every area of the country has some resource which may become necessary at some point to the national interest. The realization that a fair accounting entails a weighing of both the benefits and the costs of such an undertaking, is one of the underlying principles of this bill. I hope you will give it your support. I strongly support this legislation.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in strong support of H.R. 3981, a bill which makes significant and important amendments to the Coastal Zone Management Act of 1972, and I commend the Merchant Marine and Fisheries Committee for their diligence and effort in perfecting this vital legislation.

As most of my colleagues may be aware, the Senate approved similar legislation in July of 1975. This action was designed to improve our energy resource supply but at the same time, protect our Nation's coastal environment.

This legislation establishes a framework in which our dual concerns for environmental protection and increased energy self-sufficiency can be addressed. The framework will be federally assisted, but State administered.

The intensive effort that will be launched to develop our petroleum and natural gas resources on the Outer Continental Shelf holds out great promise for our entire country. But it also holds out the prospect of great peril to the coastal regions of the Nation.

The need for onshore support facilities will grow rapidly as this development proceeds, as will the need for docking facilities, deepwater ports and liquefied natural gas.

We must allow rationality and a sense of priorities to influence the decisions that will be made in the not-too-distant future. By strengthening the Coastal Zone Management Act to provide additional tools for the States to meet this new energy challenge, Congress can achieve that delicate balance between energy resource development and coastal preservation and protection.

But, clearly time is of the essence.

The legislation before us today addresses itself to the coastal energy problem in two major ways:

First, in the area of planning, the legislation asks coastal States to establish an energy facility planning process as part of their present program development work. Also, planning for specific energy facilities which may be located in the coastal zone—planning to reduce the possible socioeconomic and environmental effects from the location or operation of those facilities—is funded with 80 percent Federal grants.

Second Federal financial assistance for the negative impact of OCS and other coastal related energy activities is provided through a two-part coastal energy activity impact program.

Affected coastal States experiencing certain levels of OCS activity resulting in the requirement for additional public service or public facilities will be assisted through an annual payment program based on a simple formula which will reduce administrative staffing requirements to a minimum. The OCS payments will go to coastal States in proportion to the level of offshore activity they are experiencing.

The other part of the program provides for 80 percent grants to coastal States if they can demonstrate that they have suffered or are suffering net adverse impacts from energy activity which is coastal-dependent.

H.R. 3981 also contains other signifi-

cant changes to the Coastal Zone Management Act, including the extension of existing authorizations; the raising of the Federal share of the program development and administrative grants from 66⅔ to 80 percent; the establishment of Federal and State coastal research and training programs; the inclusion of beach access and beach protection planning processes; the increased encouragement of interstate coordination in coastal-related policies; the addition of a shoreline erosion control planning process; and the establishment of a new, interim phase between program development and administration grants to give States time to enact needed legislation or to assure local implementation.

Mr. Chairman, this legislative response to our compelling energy and environmental challenges of the Outer Continental Shelf deserves the full support of my colleagues.

While we work to insure a more secure energy future for America, we must also insure that our precious coastal resources are protected for future generations of Americans.

H.R. 3981 will help to achieve these objectives, and it deserves our full support.

Mr. DRINAN. Mr. Chairman, I rise in support of the Coastal Zone Management Act, H.R. 3981, a bill which will assist coastal States which experience adverse impacts as a result of Outer Continental Shelf activities. The energy crisis of the 1970's has served to bring into focus more sharply than in the past the tremendous pressures that fall upon the coastal zone. Without this type of legislation, it is quite possible that rash planning and insufficient State input will severely and adversely affect many of this country's coastal regions.

It is quite evident, Mr. Chairman, that coastal areas will be under great pressure to develop their undersea resources. As this Nation becomes increasingly dependent on foreign oil supplies, the desirability of having offshore development will become increasingly apparent. And we are not talking just about offshore drilling. Terminals will be needed to serve the increasingly large supertankers, new facilities will be needed to handle liquefied natural gas imports, and refineries will have to be located in nearby locations.

It is impossible for us to state at this point what the full ramifications will be of this Outer Continental Shelf activity. The economic and sociological eventualities cannot be predicted with certainty at this time. However, the Presidential Commission on Marine Science and Resources provided some instructive insights into what we can expect in the coming years.

In its major 2-year study of ocean issues, "Our Nation and the Sea," the Commission stated that the coasts were endangered from excessive uses, some of which were incompatible with the continued health of the coastal region. The report pointed out that the coastal area was less than 10 percent of the total land area of the country, but already had over 40 percent of the population and was growing at a faster rate than the rest of the country. Indeed, a 3-year study of the Nation's most populous

State determined that 85 percent of California's 20 million people live within 30 miles of the coast.

Mr. Chairman, we must take pains now to insure that our coastlines are adequately protected against ill-advised or environmentally risky development. This is why it behooves the Congress to enact the Coastal Zone Management Act. The present legislation will amend the Coastal Zone Management Act of 1972, a bill which made a worthy beginning in this area. But the act of 1972 could not have accurately predicted the energy crisis which would soon follow and, as a result, new protection is needed.

H.R. 3981 would authorize a large-scale program for new and continuing assistance for coastal States which may soon be affected by off-shore development. This assistance takes the form of automatic grants, adverse impact grants, and State and local bond guarantees.

First, the bill would require the Secretary of Commerce to make automatic annual payments to States based upon a six-part formula that determines the extent of OCS energy activity in each of the States. The Secretary would determine this OCS activity by assessing the amount of acreage leased, wells drilled, oil and gas produced, oil and gas land, number of energy-related employees, and the amount of capital invested. From the formula derived, the grants would then be made available in prorata shares according to the money which is available.

Second, the bill authorizes adverse impact grants to be made available to coastal States that have or will suffer net adverse impacts as a result of energy activity. Net adverse impact is defined by the bill as occurring when the beneficial consequences of coastal energy activity are outweighed by its economic and environmental costs. Unlike the automatic grants, the adverse impacts grants can be extended to include the development of deep water ports, and liquified natural gas, coal and oil loading facilities.

Third, H.R. 3891 would authorize guarantees of State and local bonds issued to provide public services and facilities which are made necessary by OCS energy activities. Guarantees could only be approved if the State or local government would otherwise be unable to secure the funds without a Federal guarantee.

The bill does contain other provisions which extend its scope. For example, requirements are added to existing State coastal zone management programs which would mandate evaluation of options so as to provide public access to beaches and other public areas. Mechanisms are provided whereby local governments can contest State provisions which affect them. Federal funding is extended to support interstate planning arrangements. And finally, money is made available for a State and Federal research program to guard against unforeseen environmental, and economic consequences.

Mr. Chairman, while I do endorse the provisions of this bill, I would like to add one note of caution. I feel that it is possible that under the automatic grant provisions the Federal funds will not go

where they are most needed. For example, the formula which has been proposed will benefit the State of Louisiana to a much greater extent than other States due to the off-shore activity which has already begun in that region. By placing too much emphasis on production rather than need, there may very well be a misallocation of funds which will shortchange areas such as the mid-Atlantic region and Alaska. I do feel that regulations can prevent this problem from taking place, but this possibility should be addressed early on by the Department of Commerce.

Mr. Chairman, as we turn increasingly to the sea to recover our limited oil and gas supplies, we must become increasingly aware of the possible dangers which could accrue to our beautiful coastlines and their surrounding environment. It is necessary for us to develop these new energy supplies, but we must always bear in mind that our environment must not be sacrificed in the name of energy exploration and development. Toward this end, the Coastal Zone Management Act represents a needed step forward.

Mr. RUPPE. Mr. Chairman, with congressional passage of the Coastal Zone Management Act of 1972, the first positive step was taken to guarantee the precious resource that is our national coastline. The bill we have before us today, H.R. 3981, is intended to carry the original act to fruition, preserving and protecting our coastal land area, while permitting that area to be fully and properly utilized. It cannot be denied that the 1972 act has been enthusiastically accepted by our coastal States—without exception, every one of those States has opted to participate in the voluntary programs made possible through this act.

In the years since enactment of that law, the need for well thought out and practical management of our coastal areas has become even more glaring. Now, we must augment and fortify the Coastal Zone Management Act, so that we may meet and handle the various needs and demands of the present, while also assuring that our coastline remains a viable resource for the future.

When Congress passed the original act, we had not yet experienced any energy crisis. In a sense, that crisis may have been a blessing, for it forced us to be cognizant of the fact that an alteration in our national energy policy was mandatory. In an effort to implement a more valid energy policy, we could not but realize there would be an increased demand for the oil and gas resources which are available beneath our offshore areas. Individual coastal States are presently ill equipped to cope with inherent impacts as we pursue offshore leasing programs, deepwater ports, and additional energy facilities. We cannot hope to secure a policy of energy self-sufficiency without these offshore deposits, and we surely cannot expect to retain them without smooth cooperation between the Federal Government, and State and local governments. By providing the means for States to deal with inevitable consequences of accelerated energy development, H.R. 3981 assures that such coop-

eration will be achieved in a responsible manner.

All coastal States, including the Great Lakes States, will be able to develop the needed energy facilities, siting, and planning processes, as the bill provides increased planning grants to such States. Perhaps more importantly, the potential impacts of energy development upon individual States' coastal areas may be properly assessed.

As a Representative from Michigan, I am proud to point out to my colleagues that my State is one of the foremost in facing and dealing with the problems of coastal zone management. The necessity of proper management was brought home hard, in part because of the critical shoreline erosion with which Michigan is faced. This erosion problem is not limited to the Great Lakes States, or even the remaining coastal States, but has become national in nature. Close to one quarter of our Nation's shoreline is eroding, some of it extremely seriously. A large portion of that critical erosion occurs along the Great Lakes coastline. As their is more development per mile of shore along the Great Lakes than exists in remaining coastal areas, the amount of potential and actual damage to life, public safety, property, and wildlife habitats is proportionately greater.

Estimates of annual shoreline erosion damage vary, but \$300 million would be an acceptable figure. In 1971, an estimate of \$1 billion to prevent and arrest this harm by erecting structural controls was given; yet, between 1970 and 1974, only \$104 million was spent by the Corps of Engineers to reduce this eradication of our coastline. Further, the corps is presently able only to implement programs where public access is guaranteed, and which will protect public interests. No action can be taken which benefits only private owners. While 13 demonstration programs have been authorized by the Congress, no funding has yet been appropriated. There has been no coordinated approach to this problem, since no one has seen fit to correlate the efforts of land owners, whether public or private. It should be quite obvious that such coordination and cooperation is essential if we are to halt the vanishing shoreline phenomenon.

H.R. 3981 provides for just such an organized effort, by requiring coastal States to institute a planning process to assess the effects of shoreline erosion, and to evaluate methods of control, and restoration of areas stricken by such erosion, whether the damage is natural, or induced by man. Knowing full well the grave implications if this erosion is permitted to continue unchecked, and having heard much additional testimony on the subject, I was pleased to introduce this provision into the bill, H.R. 3981, and greatly satisfied that the necessity for such a measure was recognized by my colleagues on the committee.

Further, the committee realized that the addition of this program would require additional funding, permitting the States to conceive and develop their respective programs to remedy the erosion threat. Consequently, the level of funding authorized for planning grants was

increased from \$12 million to \$24 million annually, and States would be allowed to receive developmental grants for 4 years, as opposed to the 3-year period authorized in the original 1972 act. When weighing the potential destruction of our national coastline if action is not taken to preserve it, and when considering the Corps of Engineers estimates of funding levels to terminate such loss, I do not believe that there is any way we can afford not to sanction this funding.

However, though I do support a provision that calls for the development of a State planning process for the protection of and access to public beaches and other public areas of identified value, I must reiterate my opposition to the provisions of this bill that provide for grants to assist States in acquiring land accessways. I am of the opinion that until the planning process is completed, the Federal Government, by the addition of an attractive though unnecessary funding provision, should not as a matter of policy impose what would be tantamount to a Federal mandate to acquire public accessways across private lands. Since the principal thrust of the basic act is preservation and protection, we should be cautious that our calculated Federal action does not have such a detrimental effect on adjacent private property as to give rise to the need for another form of impact fund. Congress needs to know the impact of a provision for accessways that may well result in the degradation of the areas to be reached as well as adjacent areas without strict and costly State regulatory and supervision regimes that this bill does not provide for. In the final analysis, the States have the authority and perhaps even the funds to acquire necessary rights-of-way by exercising their own inherent right of eminent domain. A few have programs underway even now without additional Federal impetus—others, at their discretion and prompted by the planning process in this bill, may follow suit. In my opinion, an additional grant largesse is not an essential ingredient of a coastal zone management program at this time.

I have opposed Federal land use legislation in the House Interior Committee and have serious reservations about imposing a land use plan upon the States which is accomplished by the coupling of land grants with a planning process for access to specified public areas.

I lost in my efforts to amend this bill in both subcommittee and full committee markups and so bow to the will of my colleagues on the committee. Except for the reservation expressed above, I support this bill wholeheartedly, commend my colleagues for their work, and urge my colleagues on both sides of the aisle in the House to support the bill, as my colleagues on both sides of the committee aisle have seen fit to do.

Mrs. SULLIVAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will read the committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coastal Zone Management Act Amendments of 1975".

Sec. 2. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 302(b) of such Act (16 U.S.C. 1451(b)) is amended by inserting "ecological," immediately after "recreational."

(2) Section 304(a) of such Act (16 U.S.C. 1453(a)) is amended by inserting "islands," immediately after "and includes."

(3) Section 304(e) of such Act (16 U.S.C. 1453(e)) is amended by deleting "and" after "transitional areas," and by inserting "and islands," immediately after "uplands."

(4) Section 304 of such Act (16 U.S.C. 1453) is further amended by adding at the end thereof the following new subsections:

"(j) 'Outer Continental Shelf energy activity' means exploration for, or the development or production of, oil and gas resources from the outer Continental Shelf, or the location, construction, expansion or operation of any energy facilities made necessary by such exploration or development.

"(k) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of people.

The term includes, but is not limited to (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and uranium enrichment or nuclear fuel processing facilities; (D) outer Continental Shelf oil and gas exploration, development, and production facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary for such exploration, development, or production; (E) facilities for offshore loading and marine transfer of petroleum; (F) pipelines and transmission facilities; and (G) terminals which are associated with any of the foregoing.

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by state or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services, and facilities related thereto, and such governmental services as are necessary to support any increase in population and development:

"(m) 'local government' means any political subdivision of any coastal State if such subdivision has taxing authority or provides any public service which is financed in whole or part by taxes, and such term includes, but is not limited to, any school district, fire district, transportation authority, and any other special purpose district or authority.

"(n) 'Net adverse impacts' means the consequences of a coastal energy activity which are determined by the Secretary to be economically or ecologically costly to a state's coastal zone when weighed against the benefits of a coastal energy activity which directly offset such costly consequences ac-

ording to the criteria as determined in accordance with section 308(c) of this title. Such impacts may include, but are not limited to—

"(1) rapid and significant population changes or economic development requiring expenditures for public facilities and public services which cannot be financed entirely through its usual and reasonable means of generating state and local revenues, or through availability of Federal funds including those authorized by this title;

"(2) unavoidable loss of unique or unusually valuable ecological or recreational resources when such loss cannot be replaced or restored through its usual and reasonable means of generating state and local revenues, or through availability of Federal funds including those authorized by this title.

"(o) 'Coastal energy activity' means any of the following activities if it is carried out in, or has a significant effect on, the coastal zone of any coastal state or coastal states—

"(1) the exploration, development, production, or transportation of oil and gas resources from the outer Continental Shelf and the location, construction, expansion, or operation of supporting equipment and facilities limited to exploratory rigs and vessels; production platforms; subsea completion systems; marine service and supply bases for rigs, drill ships, and supply vessels; pipelines, pipelaying vessels and pipeline terminals, tanks receiving oil or gas from the outer Continental Shelf for temporary storage; vessel loading docks and terminals used for the transportation of oil or gas from the outer Continental Shelf; and other facilities or equipment required for the removal of the foregoing or made necessary by the foregoing when such other facilities or equipment are determined by the coastal state affected to have technical requirements which would make their location, construction, expansion, or operation in the coastal zone unavoidable;

"(2) the location, construction, expansion, or operation of vessel loading docks, terminals, and storage facilities used for the transportation of liquefied natural gas, coal, or oil or of conversion or treatment facilities necessarily associated with the processing of liquefied natural gas; or

"(3) the location, construction, expansion, or operation of deepwater ports and directly associated facilities, as defined in the Deepwater Port Act (33 U.S.C. 1501-1524; Public Law 93-627)."

(5) Section 305(b) of such Act (16 U.S.C. 1454(b)) is amended by deleting the period at the end thereof and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(7) a definition of the term 'beach' and a planning process for the protection of, and access to, public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological, and cultural value;

"(8) a planning process for energy facilities likely to be located in the coastal zone and a process for the planning and management of the anticipated impacts from any energy facility; and

"(9) a planning process that will assess the effects of shoreline erosion and evaluate methods of control, lessen the impact of, or otherwise restore areas adversely affected by such erosion, whether caused by natural or man-induced actions."

(6) Section 305(c) of such Act (16 U.S.C. 1454(c)) is amended by deleting "66 2/3" and inserting in lieu thereof "80"; by deleting in the first sentence thereof "three" and inserting in lieu thereof "four"; and by deleting the second sentence thereof.

(7) Section 305(d) of such Act (16 U.S.C. 1454(d)) is amended—

(A) by deleting the period at the end of

first sentence thereof and inserting in lieu thereof the following: "Provided, That notwithstanding any provision of this section or of section 306 no state management program submitted pursuant to this subsection before October 1, 1978, shall be considered incomplete, nor shall final approval thereof be delayed, on account of such state's failure to comply with any regulations that are issued by the Secretary to implement subsection (b) (7), (b) (8), or (b) (9) of this section."; and

(B) by deleting the period at the end hereof and inserting in lieu thereof the following: "Provided, That the state shall remain eligible for grants under this section through the fiscal year ending in 1978 for the purpose of developing a public beach and public coastal area access planning process, an energy facility planning process, and a shoreline erosion planning process for its state management program, pursuant to regulations adopted by the Secretary to implement subsections (b) (7), (b) (8), and (b) (9) of this section."

(8) Section 305 of such Act (16 U.S.C. 454 et seq.) is amended—

(A) by striking out the period at the end of subsection (e) thereof and inserting in lieu thereof the following: "And provided further, That the Secretary may waive the application of the 10 per centum maximum requirement as to any grant under this section when the coastal state is implementing a management program pursuant to subsection (h) of this section."

(B) by redesignating subsection (h) thereof as subsection (i), and by inserting immediately after subsection (g) the following:

"(h) (1) The Secretary may make annual grants under this subsection to any coastal state for not more than 80 per centum of the cost of implementing the state's management program, if he preliminarily approves such program in accordance with paragraph (2) of this subsection. The limitation on the number of annual development grants pursuant to subsection (c) of this section is not applicable to this subsection. States shall remain eligible for implementation grants pursuant to this subsection until September 30, 1979.

"(2) Before granting preliminary approval of a management program submitted by a coastal state pursuant to this subsection, the Secretary shall find that the coastal state has—

"(A) developed a management program which is in compliance with the rules and regulations promulgated pursuant to this section but is not yet wholly in compliance with the requirements of section 306 of this title,

"(B) in consultation with the Secretary, specifically identified the deficiencies in the program which would render the state ineligible for the Secretary's approval pursuant to section 308 of this title, and deficiencies such as the lack of an adequate organizational network or the lack of sufficient state authority to administer effectively the state's program have been set forth with particularity,

"(C) has established a reasonable time schedule during which it can remedy the deficiencies identified under subparagraph (B) of this subsection; and

"(D) has specifically identified the types of program management activities that it seeks to fund pursuant to this subsection.

"(3) The Secretary shall determine allowable costs under this subsection and shall publish necessary and reasonable rules and regulations in this regard.

"(4) Any state program funded under the provisions of this subsection shall not be considered an approved program for the purposes of section 307 of this title."

(9) Section 305(1) of such Act, as redesignated by paragraph (8) (B) of this section) is amended by deleting "June 30, 1977" and

inserting in lieu thereof "September 30, 1979".

(10) Section 306(a) of such Act (16 U.S.C. 1455(a)) is amended by deleting "86%" and inserting in lieu thereof "80"; and by deleting the last sentence thereof.

(11) Section 306(c) (2) (B) of such Act (16 U.S.C. 1455(c) (2) (B)) is amended by adding at the end thereof the following flush sentences:

"No mechanism referred to in this paragraph for continuing consultation and coordination shall be found by the Secretary to be effective unless such mechanism includes, in addition to such other provisions as may be appropriate, provisions under which:

"(i) the management agency designated pursuant to paragraph (5) of this subsection is required, before implementing any decision made by it to carry out the management program, to send notice of such decision to any local government which has land use or water use control powers within the area to which such decision may apply;

"(ii) any such local government may, within thirty days after the date on which such notice is received, request the management agency to hold a public hearing regarding such decision;

"(iii) the management agency, upon receiving a request for a public hearing as provided for in clause (ii), is required to hold such public hearing not sooner than ninety days after the date on which notice of the decision is received by the local government; and

"(iv) if a public hearing on any such decision is timely requested by any local government, the management agency may not implement the decision until after the public hearing is concluded.

Funds which may be allocated to any local government pursuant to subsection (f) of this section may be used, in part, to defray expenses incurred by the local government in preparing for any public hearing referred to in the preceding sentence which is requested by it."

(12) Section 306(c) (8) of such Act (16 U.S.C. 1455(c) (8)) is amended by adding at the end thereof the following new sentence:

"In considering the national interest involved in the planning for and siting of such facilities which are energy facilities located within a state's coastal zone, the Secretary shall further find, pursuant to regulations adopted by him, that the state has given consideration to any applicable interstate energy plan or program which is promulgated by an interstate entity established pursuant to section 309 of this title."

(13) Section 306 of such Act (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(1) As a condition of a State's continued eligibility for grants pursuant to this section, the management program of such state shall, after the fiscal year ending in 1978, include, as an integral part thereof (1) a planning process for the protection of, and access to, public beaches and other coastal areas, which is prepared pursuant to section 305(b) (7) of this title, and approved by the Secretary; (2) an energy facility planning process, which is developed pursuant to section 305(b) (8) of this title, and approved by the Secretary; and (3) a shoreline erosion planning process, which is developed pursuant to section 305(b) (9) of this title, and approved by the Secretary."

(14) Section 307(c) of such Act (16 U.S.C. 1456(c)) is amended by adding at the end thereof the following new paragraph:

"(4) In case of serious disagreement between any Federal agency and the state in the implementation of an approved state management program, the Secretary, in cooperation with the Executive Office of the President, shall seek to mediate the differences."

(15) Section 307(c) (3) of such Act (16 U.S.C. 1456(c) (3)) is amended by (A) delet-

ing "license or permit" in the first sentence thereof and inserting in lieu thereof "license, lease, or permit"; (B) deleting "licensing or permitting" in the first sentence thereof and inserting in lieu thereof "licensing, leasing, or permitting"; and (C) deleting "license or permit" in the last sentence thereof and inserting in lieu thereof "license, lease, or permit".

(16) Sections 308 through 314 of such Act (16 U.S.C. 1457 through 1463) are redesignated as sections 311 through 317, respectively.

(17) Such Act is amended by inserting immediately after section 307 the following new sections:

"COASTAL ENERGY ACTIVITY IMPACT PROGRAM"

"Sec. 308. (a) (1) The Secretary shall make a payment for each fiscal year to each coastal state in an amount which bears to the amount appropriated for that fiscal year pursuant to paragraph (6) of this subsection the same ratio as the number representing the average of the following proportions (computed with regard to such state) bears to 100—

"(A) the proportion which the outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government in that year bears to the total outer Continental Shelf acreage which is leased by the Federal Government in that year;

"(B) the proportion which the number of exploration and development wells adjacent to that state which are drilled in that year on outer Continental Shelf acreage leased by the Federal Government bears to the total number of exploration and development wells drilled in that year on outer Continental Shelf acreage leased by the Federal Government;

"(C) the proportion which the volume of oil and natural gas produced in that year from outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government bears to the total volume of oil and natural gas produced in that year from outer Continental Shelf lands under Federal lease in that year;

"(D) the proportion which the volume of oil and natural gas produced from outer Continental Shelf acreage leased by the Federal Government and first landed in such state in that year bears to the total volume of oil and natural gas produced from all outer Continental Shelf acreage leased by the Federal Government and first landed in the United States in that year;

"(E) the proportion which the number of individuals residing in such state in that year who are employed directly in outer Continental Shelf energy activities by outer Continental Shelf lessees and their contractors and subcontractors bears to the total number of individuals residing in all coastal states who are employed directly in outer Continental Shelf energy activities in that year by outer Continental Shelf lessees, and their contractors and subcontractors; and

"(F) the proportion which the onshore capital investment which is made during that year in such state and which is required to directly support outer Continental Shelf energy activities bears to the total of all such onshore capital investment made in all coastal states during that year.

"(2) For purposes of calculating the proportions set forth in paragraph (1) of this subsection, the outer Continental Shelf lands which are adjacent to such state shall be the portion of the outer Continental Shelf lying on that state's side of extended seaward boundaries determined as follows: (A) In the absence of seaward lateral boundaries, or any portion thereof, clearly defined or fixed by interstate compacts, agreements, or judicial decree (if entered into, agreed to, or issued before the effective date of this paragraph), the boundaries shall be that portion of the outer Continental Shelf which would

lie on that state's side of lateral marine boundaries as determined by the application of the principles of the Convention on the Territorial Sea and the Contiguous Zone. (B) If seaward lateral boundaries have been clearly defined or fixed by interstate compacts, agreements, or judicial decree (if entered into, agreed to, or issued before the effective date of this paragraph), such boundaries shall be extended on the basis of the principles of delimitation used to establish them.

"(3) The Secretary shall have the responsibility for the compilation, evaluation, and calculation of all relevant data required to determine the amount of the payments authorized by this subsection and shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, set forth the method by which collection and evaluation of such data shall be made. In compiling and evaluating such data, the Secretary may require the assistance of any relevant Federal or State agency. In calculating the proportions set forth in paragraph (1) of this subsection, payments made for any fiscal year shall be based on data from the immediately preceding fiscal year, and data from the transitional quarter beginning July 1, 1976, and ending September 30, 1976, shall be included in the data from the fiscal year ending June 30, 1976.

"(4) Each coastal state receiving payments under this subsection shall use the moneys for the following purposes and in the following order of priority:

"(A) The retirement of state and local bonds, if any, which are guaranteed under section 319 of this title which were issued for projects or programs designed to provide revenues which are to be used to provide public services and public facilities which are made necessary by outer Continental Shelf Energy activity; except that, if the amount of such payments is insufficient to retire both state and local bonds, priority shall be given to retiring local bonds.

"(B) The study of, planning for, development of, and the carrying out of projects or programs which are designed to provide new or additional public facilities or public services required as a direct result of outer Continental Shelf energy activity.

"(C) The reduction or amelioration of any unavoidable loss of unique or unusually valuable ecological or recreational resources resulting from outer Continental Shelf activity.

"(5) It shall be the responsibility of the Secretary to determine annually if such coastal state has expended or committed funds in accordance with the purposes authorized herein by utilizing procedures pursuant to section 313 of this title. The United States shall be entitled to recover from any coastal state that portion of any payment received by such state under this subsection which—

"(A) is not expended by such state before the close of the fiscal year immediately following the fiscal year in which the payment was disbursed, or;

"(B) is expended or committed by such state for any purposes other than a purpose set forth in paragraph (4) of this subsection.

"(6) For purposes of this subsection, there are hereby authorized to be appropriated funds not to exceed \$50,000,000 for the fiscal year ending September 30, 1977; \$50,000,000 for the fiscal year ending September 30, 1978; \$75,000,000 for the fiscal year ending September 30, 1979; \$100,000,000 for the fiscal year ending September 30, 1980; and \$125,000,000 for the fiscal year ending September 30, 1981.

"(7) It is the intent of Congress that each state receiving payments under this subsection shall, to the maximum extent practicable, allocate all or a portion of such pay-

ments to local governments thereof and that such allocation shall be on a basis which is proportional to the extent to which local governments require assistance for purposes as provided in paragraph (4) of this subsection. In addition, any coastal state may, for the purposes of carrying out the provisions of this subsection and with the approval of the Secretary, allocate all or a portion of any grant received under this subsection to (A) any areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, (B) any regional agency, or (C) any interstate agency. No provision in this subsection shall relieve any state of the responsibility for insuring that any funds allocated to any local government or other agency shall be applied in furtherance of the purposes of this subsection.

"(b) (1) The Secretary may make grants to any coastal state if he determines that such state's coastal zone is being, or is likely to be, impacted by the location, construction, expansion, or operation of energy facilities in, or which significantly affect its coastal zone. Such grants shall be for the purpose of enabling such coastal state to study and plan for the economic, social, and environmental consequences which are resulting or are likely to result in its coastal zone from such energy facilities. The amount of any such grant may equal up to 80 per centum of the cost of such study or plan, to the extent of available funds.

"(2) The Secretary may make grants to any coastal state if he is satisfied, pursuant to regulations and criteria to be promulgated according to subsection (c) of this section, that such state's coastal zone has suffered, or will suffer, net adverse impacts from any coastal energy activity. Such grants shall be used for, and may equal up to 80 per centum of the cost of carrying out projects, programs, or other purposes which are designed to reduce or ameliorate any net adverse impacts resulting from coastal energy activity.

"(c) Within one hundred and eighty days after the effective date of this section, the Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant eligibility under subsection (b) of this section. Such regulations shall—

"(1) include appropriate criteria for determining the amount of a grant and the general range of studying and planning activities for which grants will be provided under subsection (b) (1) of this section;

"(2) specify the means and criteria by which the Secretary shall determine whether a state's coastal zone has, or will suffer, net adverse impacts;

"(3) include criteria for calculating the amount of a grant under subsection (b) (2) of this section, which criteria shall include consideration of—

"(A) offsetting benefits to the state's coastal zone or a political subdivision thereof, including but not limited to increased revenues,

"(B) the state's overall efforts to reduce or ameliorate net adverse impacts, including but not limited to, the state's effort to insure that persons whose coastal energy activity is directly responsible for net adverse impacts in the state's coastal zone are required, to the maximum extent practicable, to reduce or ameliorate such net adverse impacts,

"(C) the state's consideration of alternative sites for the coastal energy activity which would minimize net adverse impacts; and

"(D) the availability of Federal funds pursuant to other statutes, regulations, and programs, and under subsection (a) of this section, which may be used in whole or in part to reduce or ameliorate net adverse impacts of coastal energy activity;

In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, which upon request, shall assist the Secretary in the formulation of the regulations under this subsection on a nonreimbursable basis; with representatives of appropriate state and local governments; with commercial, industrial, and environmental organizations; with public and private groups; and with any other appropriate organizations and persons with knowledge or concerns regarding adverse impacts and benefits that may affect the coastal zone.

"(d) All funds appropriated to carry out the purposes of subsection (b) of this section shall be deposited in a fund which shall be known as the Coastal Energy Activity Impact Fund. The fund shall be administered and used by the Secretary as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to the fund. Moneys in the fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest to the United States.

"(e) There are hereby authorized to be appropriated to the Coastal Energy Activity Impact Fund such sums not to exceed \$125,000,000 for the fiscal year ending September 30, 1977, and for each of the next four succeeding fiscal years, as may be necessary, which shall remain available until expended.

"(f) It is the intent of Congress that each state receiving any grant under paragraph (1) or (2) of subsection (b) of this section shall, to the maximum extent practicable, allocate all or a portion of such grant to any local government thereof which has suffered or may suffer net adverse impacts resulting from coastal energy activities and such allocation shall be on a basis which is proportional to the extent of such net adverse impact. In addition, any coastal state may, for the purpose of carrying out the provisions of subsection (b) of this section, with the approval of the Secretary, allocate all or a portion of any grant received to (1) and areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, (2) any regional agency, or (3) any interstate agency. No provision in subsection (b) of this section shall relieve a state of the responsibility for insuring that any funds so allocated to any local government or any other agency shall be applied in furtherance of the purposes of such subsection.

"(g) No coastal state is eligible to receive any payment under subsection (a) of this section, or any grant under subsection (b) of this section unless such state—

"(1) is receiving a program development grant under section 305 of this title or, is making satisfactory progress, as determined by the Secretary, toward the development of a coastal zone management program, or has such a program approved pursuant to section 306 of this title; and

"(2) has demonstrated to the satisfaction of, and has provided adequate assurances to, the Secretary that the proceeds of any such payment or grant will be used in a manner consistent with the coastal zone management program being developed by it, or with its approved program, consistent with the goals and objectives of this title:

"INTERSTATE COORDINATION GRANTS TO STATES

"SEC. 309. (a) The states are encouraged to give high priority (1) to coordinating state coastal zone planning, policies, and programs in contiguous interstate areas, and (2) to studying, planning, and/or implementing unified coastal zone policies in such areas. The states may conduct such coordination, study, planning, and implementation through interstate agreement or compact. The Secretary is authorized to make annual grants to the coastal states, not to exceed 90

per centum of the cost of such coordination, study, planning, or implementation, if the Secretary finds that each coastal state receiving a grant under this section will use such grants for purposes consistent with the provisions of sections 305 and 306 of this title.

"(b) The consent of the Congress is hereby given to two or more states to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) developing and administering coordinated coastal zone planning, policies, and programs, pursuant to sections 305 and 306 of this title, and (2) establishing such agencies, joint or otherwise, as the states may deem desirable for making effective such agreements and compacts. Such agreements or compacts shall be binding and obligatory upon any state or party thereto without further approval by Congress.

"(c) Each executive instrumentality which is established by an interstate agreement or compact pursuant to this section is encouraged to establish a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone: The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, the Administrator of the Federal Energy Administration, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, whenever any such Federal-State consultation is requested by such an instrumentality.

"(d) Prior to establishment of an interstate agreement or compact pursuant to this section, the Secretary is authorized to make grants to a multistate instrumentality or to a group of states for the purpose of creating temporary ad hoc planning and coordinating entities to—

"(1) coordinate state coastal zone planning, policies, and programs in contiguous interstate areas;

"(2) study, plan, and/or implement unified coastal zone policies in such interstate areas; and

"(3) provide a vehicle for communication with Federal officials with regard to Federal activities affecting the coastal zone of such interstate areas.

The amount of such grants shall not exceed 90 per centum of the cost of creating and maintaining such an entity. The Federal officials specified in subsection (c) of this section, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, upon the request of the parties to such ad hoc planning and coordinating entities. This subsection shall expire at the close of the five-year period beginning on the effective date of this section.

"COASTAL RESEARCH AND TECHNICAL ASSISTANCE"

"Sec. 310. (a) The Secretary may conduct a program of research, study, and training to support the development and implementation of State coastal zone management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government shall assist the Secretary, upon his written request, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and in the actual conduct of any such research, study, and training so long as such activity does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts and other arrangements with suitable individuals, business entities, and other

institutions or organizations for such purposes. The Secretary shall make the results of research conducted pursuant to this section available to any interested person. The Secretary shall include, in the annual report prepared and submitted pursuant to this title, a summary and evaluation of the research, study, and training conducted under this section.

"(b) The Secretary is authorized to make up to an 80 per centum grant to any coastal State to assist such State in developing its own capability for carrying out short-term research, studies, and training required in support of coastal zone management.

"(c) (1) The Secretary is authorized to—

"(A) undertake a comprehensive review of all aspects of the shellfish industry including but not limited to the harvesting, processing, and transportation of shellfish;

"(B) evaluate the impact of Federal legislation affecting water quality on the shellfish industry;

"(C) examine and evaluate methods of preserving and upgrading areas which would be suitable for the harvesting of shellfish, including the improvement of water quality in areas not presently suitable for the production of wholesome shellfish and other seafood;

"(D) evaluate existing and pending bacteriological standards, pesticide standards, and toxic metal guidelines which may be utilized to determine the wholesomeness of shellfish, and

"(E) evaluate the effectiveness of the national shellfish sanitation program.

"(2) The Secretary shall submit a report to the Congress on the activities required to be undertaken by it under paragraph (1) together with such comments and recommendations as he may deem necessary, not later than June 30, 1977.

"(d) Notwithstanding any other provision of law, no Federal agency shall promulgate any additional regulations affecting the harvesting, processing, or transportation of shellfish in interstate commerce, unless an emergency occurs as determined by the Secretary, before the submission to the Congress of the report required under subsection (c) (2).

(18) Section 313 of such Act (as redesignated by paragraph (16) of this Act) is amended by (A) inserting the words "or payments" after the word "grant" wherever the word "grant" appears; (B) inserting ", for up to three years after the termination of any grant or payment program under this title," after the word "access" in subsection (b) thereof; and (C) inserting the words "or paid" after "granted" in subsection (b) thereof.

(19) Section 315 of such Act (as redesignated by paragraph (16) of this Act) is amended by (A) inserting "AND BEACH ACCESS" immediately after "ESTUARINE SANCTUARIES" in the section heading thereof; (B) deleting the last sentence thereof; (C) inserting "(a)" immediately before "The Secretary" in the first sentence thereof; and (D) inserting at the end thereof the following new subsection:

"(b) The Secretary, in accordance with rules and regulations promulgated by him, is authorized to make available to a coastal state grants of up to 50 per centum of the costs of acquisition of access to public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological and cultural value."

(20) Section 316(a) of such Act (as redesignated by paragraph (16) of this Act) is amended by (A) deleting "and" at the end of subdivision (8) thereof immediately after the semicolon; (B) redesignating subdivision (9) as subdivision (11); and (C) inserting after subdivision (8) the following two new subdivisions: "(9) a general description of the economic, environmental, and social impacts of energy activity affect-

ing the coastal zone; (10) a description and evaluation of interstate and regional planning mechanisms developed by the coastal states; and"

(21) Section 315 of such Act (16 U.S.C. 1464) is redesignated as section 320 and amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS"

"Sec. 320. (a) There are authorized to be appropriated—

"(1) the sum of \$24,000,000 for the fiscal year ending September 30, 1977, and \$24,000,000 for each of the two succeeding fiscal years, for grants under section 305 of this title to remain available until expended;

"(2) such sums, not to exceed \$50,000,000 for the fiscal year ending September 30, 1977, and \$50,000,000 for each of the three succeeding fiscal years, as may be necessary, for grants under section 306 of this title, to remain available until expended;

"(3) such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years as may be necessary, for grants under section 309 of this title, to remain available until expended;

"(4) such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years, as may be necessary, for financial assistance under section 310(a) of this title, to remain available until expended;

"(5) such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years, as may be necessary, for financial assistance under section 310(b) of this title, to remain available until expended;

"(6) such sums, not to exceed \$6,000,000 for the fiscal year ending September 30, 1977, and \$6,000,000 for each of the three succeeding fiscal years, as may be necessary, for grants under section 315(a) of this title, to remain available until expended; and

"(7) such sums, not to exceed \$25,000,000 for the fiscal year ending September 30, 1977, and \$25,000,000 for each of the three succeeding fiscal years, as may be necessary, for grants under section 315(b) of this title, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years, as may be necessary, for administrative expenses incident to the administration of this title.

"(c) No Federal funds received by a state shall be used to pay the state's share of the costs of a program or project authorized under this title."

(22) Such Act is further amended by inserting immediately after section 317 (as redesignated by paragraph (16) of this Act) the following new sections:

"LIMITATIONS"

"Sec. 318. Nothing in this title shall be construed to authorize or direct the Secretary or any other Federal official to intercede in any state land or water use decision including, but not limited to the siting of energy facilities, as a prerequisite to such states eligibility for grants or bond guarantees under this title.

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES"

"Sec. 319. (a) The Secretary is authorized, in accordance with such rules as he shall prescribe, to make commitments to guarantee and to guarantee the payment of interest on and the principal balance of bonds or other evidences of indebtedness issued by a coastal state or unit of general purpose local government for the purposes specified in subsection (b) of this section.

"(b) A bond or other evidence of indebtedness may be guaranteed under this section only if it is issued by a coastal state or unit

of general purpose local government for the purpose of obtaining revenues which are to be used to provide public services and public facilities which are made necessary by outer Continental Shelf energy activities.

"(c) Bonds or other evidences of indebtedness guaranteed under this section shall be guaranteed on such terms and conditions as the Secretary shall prescribe, except that—

"(1) no guarantee shall be made unless the Secretary determines that the issuer of the evidence of indebtedness would not be able to borrow sufficient revenues on reasonable terms and conditions without the guarantee;

"(2) the guarantees shall provide for complete amortization of the indebtedness within a period not to exceed thirty years;

"(3) the aggregate principal amount of the obligations which may be guaranteed under this section on behalf of a coastal state or a unit of general purpose local government and outstanding at any one time may not exceed \$20,000,000;

"(4) the aggregate principal amount of all the obligations which may be guaranteed under this section and outstanding at any one time may not exceed \$200,000,000;

"(5) no guarantee shall be made unless the Secretary determines that the bonds or other evidences of indebtedness will—

"(A) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if any offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

"(B) bear interest at a rate satisfactory to the Secretary;

"(C) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

"(D) contain or be subject to provisions with respect to the protection of the security interest of the United States;

"(6) the approval of the Secretary of the Treasury shall be required with respect to any guarantee made under this section, except that the Secretary of the Treasury may waive this requirement with respect to the issuing of any such obligation when he determines that such issuing does not have a significant impact on the market for Federal Government and Federal Government-guaranteed securities;

"(7) the Secretary determines that there is reasonable assurance that the issuer of the evidence of indebtedness will be able to make the payments of the principal of and interest on such evidence of indebtedness; and

"(8) no guarantee shall be made after September 30, 1981.

"(d) (1) Prior to the time when the first bond or other evidence of indebtedness is guaranteed under this section, the Secretary shall publish in the Federal Register a list of the proposed terms and conditions under which bonds and other evidences of indebtedness will be guaranteed under this section. For at least thirty days following such publication, the Secretary shall receive, and give consideration to, comments from the public concerning such terms and conditions. Following this period, the Secretary shall publish in the Federal Register a final list of the conditions under which bonds and other evidences of indebtedness will be guaranteed under this section. The initial guarantee made under this section may not be conducted until thirty days after the final list of terms and conditions is published.

"(2) Prior to making any amendment to such final list of terms and conditions, the Secretary shall publish such amendment in the Federal Register and receive, and give consideration to, comments from the public for at least thirty days following such publication. Following this period, the Secretary shall publish in the Federal Register the final form of the amendment, and such

amendment shall not become effective until thirty days after this publication.

"(e) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to principal, interest, and any redemption premiums. Any such guarantees made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

"(f) The Secretary shall prescribe and collect a fee in connection with guarantees made under this section. This fee may not exceed the amount which the Secretary estimates to be necessary to cover the administrative costs of carrying out this section. Fees collected under this subsection shall be deposited in the revolving fund established under subsection (1).

"(g) With respect to any obligation guaranteed under this section, the interest payment paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(h) (1) Payments required to be made as a result of any guarantee made under this section shall be made by the Secretary from funds which may be appropriated to the revolving fund established by subsection (1) or from funds obtained from the Secretary of the Treasury and deposited in such revolving fund pursuant to subsection (1) (2).

"(2) If there is a default by a coastal State or unit of general purpose local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary under this section, any holder of such bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, after investigating the facts presented by the holder, shall pay to the holder the amount which is due him, unless the Secretary finds that there was no default by the coastal State or unit of general purpose local government or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the coastal State or unit of general purpose local government for which the payment was made for the amount of such payment plus interest at the prevailing current rate as determined by the Secretary. If any revenue becomes due to such coastal State or unit of general purpose local government under section 308(a) of this title, the Secretary shall, in lieu of paying such coastal State or unit of general purpose local government such revenue, deposit such revenue in the revolving fund established under subsection (1) until the right of reimbursement has been satisfied.

"(3) The Attorney General shall, upon request of the Secretary, take such action as may be appropriate to enforce any right accruing to the United States as a result of the issuance of any guarantee under this section. Any sum recovered pursuant to this paragraph shall be paid into the revolving fund established by subsection (1).

"(1) (1) The Secretary shall establish a revolving fund to provide for the timely payment of any liability incurred as a result of guarantees made under this section, for the payment of costs of administering this section, and for the payment of obligations issued to the Secretary of the Treasury under paragraph (2) of this subsection. This revolving fund shall be comprised of—

"(A) receipts from fees collected under this section;

"(B) recoveries under security, subrogation, and other rights;

"(C) reimbursements, interest income, and any other receipts obtained in connection with guarantees made under this section;

"(D) proceeds of the obligations issued to the Secretary of the Treasury pursuant to paragraph (2) of this subsection; and

"(E) such sums as may be appropriated to carry out the provisions of this section.

Funds in the revolving fund not currently needed for the purpose of this section shall be kept on deposit or invested in obligations of the United States or guaranteed thereby or in obligations, participation, or other instruments which are lawful investments for fiduciary, trust, or public funds.

"(2) The Secretary may, for the purpose of carrying out the functions of this section, issue obligations to the Secretary of the Treasury only to such extent or in such amounts as may be provided in appropriation Acts. The obligations issued under this paragraph shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury shall purchase any obligation so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any security issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder. Proceeds obtained by the Secretary from the issuance of obligations under this paragraph shall be deposited in the revolving fund established in paragraph (1).

"(3) There are authorized to be appropriated to the revolving fund such sums as may be necessary to carry out the provisions of this section.

"(j) No bond or other evidence of indebtedness shall be guaranteed under this section unless the issuer of the evidence of indebtedness and the person holding the note with respect to such evidence of indebtedness permit the General Accounting Office to audit, under rules prescribed by the Comptroller General of the United States, all financial transactions of such issuer and holder which relate to such evidence of indebtedness. The representatives of the General Accounting Office shall have access to all books, accounts, reports, files, and other records of such issuer and such holder insofar as any such record pertains to financial transactions relating to the evidence of indebtedness guaranteed under this section.

"(k) For purposes of this section, the term 'unit of general purpose local government' shall mean any city, county, town, township, parish, village, or other general purpose political subdivision of a coastal state, if such general purpose political subdivision possesses taxing powers and has responsibility for providing public facilities or public services to the community, as determined by the Secretary."

Sec. 3. (a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be a qualified individual who is, by reason of background and experience, especially qualified to direct the implementation and administration of this Act. Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration."

Sec. 4. Nothing in this Act shall be construed to modify or abrogate the consistency

requirements of section 307 of the Coastal Zone Management Act of 1972.

Mr. MURPHY of New York (during a reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENTS OFFERED BY MR. LENT

Mr. LENT. Mr. Chairman, I offer two amendments, and I ask unanimous consent that the amendments may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. LENT: On page 1, line 21, after the word "decision" insert which would supersede local zoning ordinances."

And on page 20, lines 23 and 24, after the word "to" strike out the words "any local government which has land use or water use control powers" and insert "any local government which has zoning jurisdiction".

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. LENT asked and was given permission to revise and extend his remarks.)

Mr. LENT. Mr. Chairman, these amendments I offer today en bloc are of a perfecting nature, to a provision included in the Merchant Marine and Fisheries Committee's final version of H.R. 3981.

This provision granted the right to a public hearing to local governments with land and water use control powers when affected by a State coastal zone management agency's decisions.

The intent of this provision was to strengthen the provisions in section 306 (2) (A) and (B), which requires ongoing consultation and coordination by the State management agency with units of local government in administering the coastal zone plan and requires the management agency to delegate as much responsibility to local governments as possible.

I believe that within our federal system of government, the best decision-making is done at the level of government closest to the problem. Indeed, this is the rationale behind the 1972 Coastal Zone Management Act's positing of management authority with the State. But if our commitment to returning authority and decisionmaking to the levels of government most in tune with the needs of our citizens is sincere, we must provide a mechanism to allow meaningful participation for local government in coastal zone management decisions. Just as we wish to avoid erecting a huge Federal coastal zone bureaucracy, we must avoid spawning huge State coastal zone bureaucracies.

There are over 80,000 units of local government in this country. In the Northeast, many towns and villages have been in the land-use zoning business for over three centuries; their charters and

rights antedate the Constitution. In the towns and villages of Nassau County, the desire of my constituents and their local elected leaders to have a say in their own affairs runs strong.

This provision in the committee bill allows the elected leaders in these towns and villages the right to request a public hearing on any decision which the State management agency made which would impact on that area.

In conversations regarding this provision with New York State's coastal zone manager-designate Hank Williams, it was pointed out that the allowing to local governments of the right to a public hearing for "any" decision might well open the gates to unconscionable delay by any group committed to blocking an action, as the characterization of "any" decision would include minor, perhaps even internal, decisions by the management agency. The amendments I offer today would tighten up this language by limiting the right to a public hearing to decisions by the State agency which would specifically violate or override a local government's zoning ordinances.

The zoning-related nature of this provision cannot be too greatly emphasized. This provision does not delegate new authority, or undermine the State management agency's prerogative to exercise power, as granted to it under the 1972 Coastal Zone Management Act. It does, I believe, provide the State agency with a strong incentive to ensure local participation in decisions affecting local citizens, and I urge its adoption.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. LENT. I yield to the gentleman from Delaware.

Mr. DU PONT. I thank the gentleman for yielding.

I think the gentleman's amendments are a definite improvement over the language of the bill. They tighten up the language considerably and are certainly acceptable to the minority side.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. LENT. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

I think the gentleman's amendments certainly clarify the issue that he raised in the subcommittee. We will accept his amendments.

Mr. LENT. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. LENT).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. SLACK

Mr. SLACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SLACK: Page 49, after line 19, "(4) Funds may be obligated for purposes stated in subsection (1) only to the extent provided in appropriation Acts."

(Mr. SLACK asked and was given permission to revise and extend his remarks.)

Mr. SLACK. Mr. Chairman, I will be brief. Section 319(i) of the pending bill establishes a revolving fund to provide

for necessary payments and administrative expenses required to be made pursuant to this section. As I stated earlier this afternoon, the amendment which I have just offered would bring the administrative expenses of the new bond guarantee section of this bill under better control, and would subject such expenses to the regular appropriations process.

Mr. Chairman, I have no quarrel with the bond guarantee program. However, I do not think it would be appropriate to exclude the administrative expenses involved in carrying out the program from the normal appropriation process. My amendment would simply bring such administrative costs within the purview of the regular appropriations procedures. I ask for your support of my amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The bond section of this bill when it came to the committee from the Senate, was rather loosely written. The committee, with the assistance of the gentleman from Michigan (Mr. DINGELL) carefully reworked the entire bond program provisions. I am happy that the Committee on Appropriations has pointed out one area that we had not included, which was to keep this within the Appropriations Act. I think with the adoption of the amendment as recommended by the gentleman from West Virginia we will have a bond provision section that will be a model to be used in future legislation.

Mr. Chairman, we accept the amendment.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Delaware.

Mr. DU PONT. I thank the gentleman for yielding.

On the minority side we concur in the amendment.

Mr. SLACK. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. SLACK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DU PONT: On page 23 delete lines 3 through and including line 10.

Remember the following sections accordingly.

(Mr. DU PONT asked and was given permission to revise and extend his remarks.)

Mr. DU PONT. Mr. Chairman, this amendment is very straightforward. If we refer to page 23 of the bill, it simply strikes all of section 15. The existing law requires laws already in place and passed by coastal States to be fully complied with whenever a permit or a license is granted by the Federal Government to perform offshore drilling. That is the law the way it is today.

The committee added to that in our drafting sessions the word "lease,"—and that would bring the leasing of offshore oil sections within this same framework. Since we wrote that section and passed it in committee, we have had some comments both from industry and from the administration, and from other groups, that they are not quite clear as to what effect that would really have on offshore oil tract leasing procedures.

My amendment is offered to strike that section not because I disagree with having leases included. As a matter of fact I feel very strongly that leases should be included, but the language is also in the Senate bill, and because of the confusion that has arisen over the effect this would have, we frankly would like a little bit more time to come to an understanding of exactly what we are doing here. By striking it in the House bill and leaving it in the bill that has already passed the Senate we will be giving ourselves a little bit of flexibility in the conference to either adopt the language as the Senate put it in or adopt some other language we feel would be more beneficial and at the same time protect the rights of the States.

So the purpose of this amendment is not to get rid of the word "lease" but to allow us time to work on the problem a little bit longer.

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, as we know, the provisions of the act require the license or permit, so within the Federal consistency requirement provisions, we have that. Therefore, even if an organization had a lease it could not do much with it because the licenses and permits are required to deal with the development of oil on the Continental Shelf. Many attorneys feel that "lease" is redundant and that the lease is included in license or permit.

I agree with the gentleman from Delaware that we should make this a subject for the conference and I accept the amendment offered by the gentleman.

[Mr. STUDDS addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SLACK

*Mr. SLACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SLACK: Page 50, after line 13, insert:

"(1) Notwithstanding any other provision of this section, the authority to make guarantees or commitments to guarantee under this section shall be effective only to the extent provided in appropriation Acts enacted after the date of enactment of this section."

Mr. SLACK. Mr. Chairman, section 319 of this bill would authorize the Secretary of Commerce to make commitments to guarantee and to guarantee bonds or other evidences of indebtedness which are issued by a coastal State or unit of general purpose local government thereof.

Let me say again, that I do not object to the bond guarantee program. My amendment would simply give the Congress the opportunity to better control the program and would require that Congress enact appropriations before any guarantee could be made. It is my understanding that the objective of this amendment is shared by the managers and sponsors of this bill.

Mr. Chairman, I believe that this amendment will permit Congress to retain control over this program by requiring the program to go through the normal appropriations process. I further believe, Mr. Chairman, that this would be in accord with the intent and the spirit of the Budget Control Act.

I ask for your support of this amendment.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I wish to commend my colleague, the gentleman from West Virginia, for offering this amendment. The gentleman and I have discussed it with the members of the committee. I have been very much pleased with the reception which we have received. I see the chairman on his feet and I am hopeful he will be able to help us work this out. I am sure the gentleman wants to do whatever is appropriate with respect to the subject.

Mr. SLACK. Mr. Chairman, I thank the distinguished gentleman from Texas.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, it is fully within the intent of the committee that the appropriation process of the House and, of course, of the Congress, be the controlling factor. I am happy that the gentleman from West Virginia has again pointed out to us an area which helps tighten the provisions of this section.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, the amendment is fully acceptable to the minority side, as was the initial amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. SLACK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM: Page 23, line 2, after the period, insert "And such differences shall be resolved through public hearings conducted in the state or local area concerned."

Mr. KETCHUM. Mr. Chairman, I shall not take the 5 minutes.

This is an area of concern that I expressed in my dialog with the gentleman from New York (Mr. MURPHY).

I simply want to point out in law, that it is a concern of this House that when

there are disagreements they be resolved where the disagreement occurs, rather than asking our people to come to Washington.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the gentleman's amendment codifies the statement of agreement we had earlier. We are happy to accept the amendment.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I feel sympathetic with the gentleman's amendment and hope that it will be adopted and that we will have the gentleman's support.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KETCHUM).

The amendment was agreed to.

AMENDMENT BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 51, after line 8 add new section:

"Sec. 5. Nothing in this Act shall be construed to deny, reduce or abrogate any existing rights of freedom of access to the public beaches."

(Mr. GONZALEZ asked and was given permission to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Chairman, this amendment is very clear.

There is no equivocation about it. It merely says that nothing in this act shall be construed as reducing any existing right of access to the public beaches, such as there are today. I believe that this is an important fact so that there could not be any misconstruction as to the intention of the House in approving this type of coastal management legislation.

From time immemorial, it has been clearly established in every jurisdiction and every land that the public beaches are in common ownership by the people. The people shall have undiminished, untrammelled access to those beaches. All my amendment says is that there is nothing in this act to be construed in any way diminishing or diluting or reducing the existing rights that any citizens or group of citizens might have to access to the beaches.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I want to assure the gentleman that the beach access language in this bill was carefully considered, both in the subcommittee and in the full committee; that the very purpose of the language that we have written is to do exactly what the gentleman brings up in his amendment.

I would say that his amendment is really not necessary because no substantive rights are affected. The beach access amendments here are to permit methods

in order to provide access to the beaches because in many areas we find facilities being sited in a manner that access to beaches may be miles and miles away. In order to guarantee that the public has the ability to get to those beaches, we have provided this mechanism.

I can assure the gentleman that no rights would be abrogated with the language presently in the bill. We would appreciate it if the gentleman would consider withdrawing his amendment.

Mr. GONZALEZ. I thank the distinguished gentleman from New York. I have just one question to ask: Is it the gentleman's considered opinion that there is nothing in this act that would provide for some future definition or a reduction in the definition of public beaches?

Mr. MURPHY of New York. No, there is nothing in this act that could be construed that way. I think quite the opposite is inherent in the language that is presently in the bill, that it is the intent of the Congress that the public have access and that the Congress is ready to fund access to the Nation's beaches.

Mr. GONZALEZ. With that assurance from this distinguished and trusted colleague, I certainly take this opportunity to withdraw my amendment.

I want to assure the gentleman and my colleagues that I am a friend of the beaches, not a son of the beaches.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. MURPHY
OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 11, lines 21 and 22, strike the words "Coastal Zone Management Act Amendments of 1976" and insert in lieu thereof the words "Coastal Zone Management Act Amendments of 1978".

Mr. MURPHY of New York. Mr. Chairman, this is merely a conforming amendment to change the dates from 1975 to 1976.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM: Page 42, line 10, strike out section 319 in its entirety.

(Mr. KETCHUM asked and was given permission to revise and extend his remarks.)

Mr. KETCHUM. Mr. Chairman, I shall not use the total 5 minutes.

We discussed this during the general debate on this bill. The fact that Federal funds would be used to guarantee the payment of interest on and the principal balance of bonds or other evidences of

indebtedness issued by a coastal State or unit of general purpose local government for the purposes specified in subsection (b) of this section is repugnant to me, and I hope that it is repugnant to the Members. This is so reminiscent—despite the fact that some might say we are talking about apples and oranges—of something that has just occurred in this Congress: The bailout of New York City.

Mr. Chairman, there is absolutely no reason for this provision to be in this bill, despite the fact that it is my understanding that it is in the Senate version. I am astounded that anyone who was objecting to the New York bailout could possibly support this provision in this bill.

Mr. DU PONT. Mr. Chairman, I rise in opposition to the amendment.

(Mr. DU PONT asked and was given permission to revise and extend his remarks.)

(Mr. DU PONT addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.)

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

(Mr. MURPHY of New York asked and was given permission to revise and extend his remarks.)

Mr. MURPHY of New York. Mr. Chairman, I was a little perplexed by the gentleman's analogy vis-a-vis this bond section and the recent problems of New York. He used the term "bailout." I must say that they are using a thimble here to help bail out New York.

But I would like to refer to pages 66 and 67 of the report. These pages clearly spell out the ground rules and conditions. They stipulate clearly that no bond could be guaranteed unless the Secretary determines that—

The State or local government could not borrow sufficient revenues on reasonable terms and conditions without the guarantee.

The bond issued must provide for a complete amortization period within thirty years.

The total principal amount of any individual bond to be guaranteed cannot exceed \$20 million.

We go down chapter and verse and carefully lock in the entire bonding provisions. That is why we incorporated the two amendments proposed by the Committee on Appropriations.

We further codify what is a model bond guarantee program. We are limited to public services in the use of these bonds. It is only in OCS-related activities.

Mr. Chairman, this bonding section is necessary to the bill. It is necessary to help retrieve \$400 billion worth of oil, and it goes only to OCS areas. This bonding portion is one of the vital sections of the bill, and I certainly hope my colleagues will help defeat this amendment.

Mr. FORSYTHE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to make one small point in opposition to the amendment pending before this body.

We, on the committee, visited a village of 240 people, the village of Yakutat, Alaska, and the visit of the committee had an impact on that community that was difficult to handle. They already are facing the kind of impact that this section is designed to try to alleviate. This is not meant for any purpose but just to give them the front-end money so they will have the local facilities to handle it. We expect this to be successful so that over the term they are going to be able to pay off those bonds easily.

But if they do not have the bonding capacity at the outset, it would devastate a community such as this. There are other communities around the country that are in the same position.

(Mr. FORSYTHE addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KETCHUM).

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BERGLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3981) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes, pursuant to House Resolution 1083, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KETCHUM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 370, nays 14, not voting 48, as follows:

[Roll No. 100]

YEAS—370

Abdnor	Early	Levitas
Abzug	Eckhardt	Litton
Adams	Edgar	Lloyd, Calif.
Addabbo	Edwards, Calif.	Lloyd, Tenn.
Alexander	Ellberg	Long, La.
Allen	Emery	Long, Md.
Ambro	Erlenborn	Lott
Anderson,	Esch	Lujan
Calif.	Eshleman	Lundine
Andrews, N.C.	Evins, Tenn.	McClory
Andrews,	Fary	McCloskey
N. Dak.	Fenwick	McCormack
Annunzio	Findley	McEwen
Archer	Fish	McFall
Armstrong	Fisher	McHugh
Ashley	Flood	McKay
Aspin	Florio	Maguire
AuCoin	Flowers	Mahon
Badillo	Flynt	Martin
Bafalis	Foley	Mathis
Baldus	Ford, Mich.	Matsunaga
Baucus	Ford, Tenn.	Mazzoli
Bauman	Forsythe	Meeds
Beard, R.I.	Fountain	Melcher
Beard, Tenn.	Fraser	Meyner
Bedell	Frenzel	Mezvinsky
Bennett	Frey	Michel
Bergland	Fuqua	Mikva
Bevill	Gaydos	Milford
Biaggi	Gialmo	Muller, Ohio
Blester	Gibbons	Mills
Bingham	Gilman	Mineta
Blanchard	Ginn	Minish
Blouin	Goldwater	Mink
Boland	Gonzalez	Mitchell, Md.
Bolling	Goodling	Mitchell, N.Y.
Bonker	Gradison	Moakley
Bowen	Grassley	Mollohan
Brademas	Green	Montgomery
Breaux	Gude	Moore
Breckinridge	Hagedorn	Moorhead, Pa.
Brinkley	Haley	Morgan
Broadhead	Hall	Mosher
Brooks	Hamilton	Moss
Broomfield	Hammer-	Mottl
Brown, Mich.	schmidt	Murphy, Ill.
Brown, Ohio	Hanley	Murphy, N.Y.
Broyhill	Hannaford	Murtha
Buchanan	Harrington	Myers, Ind.
Burgener	Harris	Natcher
Burke, Calif.	Harsha	Neal
Burke, Fla.	Hawkins	Nedzi
Burke, Mass.	Hays, Ohio	Nichols
Burleson, Tex.	Hechler, W. Va.	Nolan
Burton, John	Heckler, Mass.	Nowak
Burton, Phillip	Hefner	Oberstar
Butler	Henderson	Obey
Byron	Hicks	O'Brien
Carney	Hightower	O'Hara
Carr	Holland	O'Neill
Carter	Holt	Ottinger
Cederberg	Holtzman	Passman
Chappell	Horton	Patten, N.J.
Chisholm	Howard	Patterson,
Clancy	Howe	Calif.
Clawson, Del	Hubbard	Pepper
Clay	Hughes	Perkins
Cleveland	Hungate	Pettis
Cochran	Hutchinson-	Pickle
Cohen	Hyde	Pike
Conable	Ichord	Poage
Conte	Jacobs	Pressler
Conyers	Jarman	Freyer
Corman	Jeffords	Price
Cornell	Jenrette	Pritchard
Gotter	Johnson, Calif.	Quie
Coughlin	Johnson, Colo.	Quillen
D'Amours	Johnson, Pa.	Rallsback
Daniel, Dan	Jones, Ala.	Randall
Daniel, R. W.	Jones, Tenn.	Rangel
Daniels, N.J.	Jordan	Rees
Danielson	Karth	Regula
Davis	Kasten	Reuss
de la Garza	Kastenmeter	Rhodes
Delaney	Kazen	Richmond
Delums	Kelly	Rinaldo
Dent	Kemp	Robinson
Derrick	Keys	Rodino
Derwinski	Kindness	Roe
Devine	Koch	Rogers
Dickinson	Krebs	Roncallo
Diggs	Krueger	Rooney
Dingell	LaFalce	Rose
Downey, N.Y.	Lagomarsino	Rosenthal
Downing, Va.	Landrum	Rostenkowski
Drinan	Latta	Roush
Duncan, Oreg.	Leggett	Roybal
Duncan, Tenn.	Lehman	Runnels
du Pont	Lent	Ryan

St Germain	Stanton,	Waggonner
Santini	James V.	Walsh
Sarasin	Stark	Wampler
Sarbanes	Steed	Waxman
Satterfield	Steelman	Weaver
Scheuer	Steiger, Wis.	Whalen
Schneebeil	Stephens	Whitehurst
Schroeder	Stokes	Whitten
Schulze	Stratton	Wilson, Bob
Sebelius	Stuckey	Wilson, C. H.
Seiberling	Studds	Wilson, Tex.
Sharp	Sullivan	Winn
Shipley	Symington	Wirth
Shriver	Talcott	Wolf
Shuster	Taylor, N.C.	Wright
Sikes	Teague	Wyder
Sisk	Thompson	Wyllie
Slack	Thone	Yates
Smith, Iowa	Thornton	Yatron
Smith, Nebr.	Treen	Young, Alaska
Snyder	Tsongas	Young, Fla.
Solarz	Ullman	Young, Ga.
Spellman	Van Deertin	Young, Tex.
Spence	Vander Jagt	Zablocki
Staggers	Vander Veem	Zeferetti
Stanton,	Vanik	
J. William	Vigorito	

NAYS—14

Ashbrook	Jones, Okla.	Myers, Pa.
Burlison, Mo.	Ketchum	Rousselet
Collins, Tex.	McDonald	Symms
Evans, Ind.	Moorhead,	Taylor, Mo.
Hansen	Calif.	Wiggins

NOT VOTING—48

Anderson, Ill.	Harkin	Moffett
Barrett	Hayes, Ind.	Nix
Bell	Hébert	Pattison, N.Y.
Boggs	Heinz	Peysr
Brown, Calif.	Helstoski	Riegle
Clausen,	Hillis	Risenhoover
Don H.	Hinshaw	Roberts
Collins, Ill.	Jones, N.C.	Ruppe
Conlan	McCollister	Russo
Crane	McDade	Simon
Dodd	McKinney	Skubitz
Edwards, Ala.	Macdonald	Steiger, Ariz.
English	Madden	Traxler
Evans, Colo.	Madigan	Udall
Fascell	Mann	White
Fithian	Metcalfe	
Guyer	Miller, Calif.	

The Clerk announced the following pairs:

On this vote:
 Mr. Russo for, with Mr. English against.
 Mr. Hébert for, with Mr. Jones of North Carolina against.

Until further notice:
 Mrs. Boggs with Mr. Anderson of Illinois.
 Mr. Macdonald of Massachusetts with Mr. Heinz.
 Mr. Risenhoover with Mr. Peyser.
 Mr. Dodd with Mr. Ruppe.
 Mr. Riegle with Mr. McDade.
 Mr. Fascell with Mr. Hillis.
 Mr. Barrett with Mr. Don H. Clausen.
 Mr. Hayes of Indiana with Mr. Guyer.
 Mr. Simon with Mr. Fithian.
 Mr. Udall with Mr. Madigan.
 Mr. Nix with Mr. McCollister.
 Mr. Moffett with Mr. Skubitz.
 Mr. Helstoski with Mr. Conlan.
 Mr. Mann with Mr. Edwards of Alabama.
 Mr. Metcalfe with Mr. Steiger of Arizona.
 Mr. Traxler with Mr. Bell.
 Mr. White with Mr. Crane.
 Mr. Madden with Mr. Evans of Colorado.
 Mr. Roberts with Mr. McKinney.
 Mr. Harkin with Mr. Pattison of New York.
 Mr. Brown of California with Mrs. Collins of Illinois.

Mr. BUCHANAN and Mr. JACOBS changed their vote from "nay" to "yea."

So the bill was passed.
 The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1083, the Committee on Merchant Marine and Fisheries is discharged from further con-

sideration of the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill, S. 586, and to insert in lieu thereof the provisions of H.R. 3981, as passed, as follows:

That this Act may be cited as the "Coastal Zone Management Act Amendments of 1976".

Sec. 2. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 302(b) of such Act (16 U.S.C. 1451(b)) is amended by inserting "ecological," immediately after "recreational,"

(2) Section 304(a) of such Act (16 U.S.C. 1453(a)) is amended by inserting "islands," immediately after "and includes".

(3) Section 304(e) of such Act (16 U.S.C. 1453(e)) is amended by deleting "and" after "transitional areas," and by inserting "and islands," immediately after "uplands,"

(4) Section 304 of such Act (16 U.S.C. 1453) is further amended by adding at the end thereof the following new subsections:

"(j) 'Outer Continental Shelf energy activity' means exploration for, or the development or production of, oil and gas resources from the outer Continental Shelf, or the location, construction, expansion or operation of any energy facilities made necessary by such exploration or development.

"(k) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of people.

The term includes, but is not limited to (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and uranium enrichment or nuclear fuel processing facilities; (D) outer Continental Shelf oil and gas exploration, development, and production facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary for such exploration, development, or production; (E) facilities for offshore loading and marine transfer of petroleum; (F) pipelines and transmission facilities; and (G) terminals which are associated with any of the foregoing:

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by state or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services, and facilities related thereto, and such gov-

ernmental services as are necessary to support any increase in population and development.

"(m) 'local government' means any political subdivision of any coastal State if such subdivision has taxing authority or provides any public service which is financed in whole or part by taxes, and such term includes, but is not limited to, any school district, fire district, transportation authority, and any other special purpose district or authority.

"(n) 'Net adverse impacts' means the consequences of a coastal energy activity which are determined by the Secretary to be economically or ecologically costly to a state's coastal zone when weighed against the benefits of a coastal energy activity which directly offset such costly consequences according to the criteria as determined in accordance with section 308(c) of this title. Such impacts may include, but are not limited to—

"(1) rapid and significant population changes or economic development requiring expenditures for public facilities and public services which cannot be financed entirely through its usual and reasonable means of generating state and local revenues, or through availability of Federal funds including those authorized by this title;

"(2) unavoidable loss of unique or unusually valuable ecological or recreational resources when such loss cannot be replaced or restored through its usual and reasonable means of generating state and local revenues, or through availability of Federal funds including those authorized by this title.

"(o) 'Coastal energy activity' means any of the following activities if it is carried out in, or has a significant effect on, the coastal zone of any coastal state or coastal states—

"(1) the exploration, development, production, or transportation of oil and gas resources from the outer Continental Shelf and the location, construction, expansion, or operation of supporting equipment and facilities limited to exploratory rigs and vessels; production platforms; subsea completion systems; marine service and supply bases for rigs, drill ships, and supply vessel; pipeline, pipelaying vessels and pipeline terminals, tanks, receiving oil or gas from the outer Continental Shelf for temporary storage; vessel loading docks and terminals used for the transportation of oil or gas from the outer Continental Shelf; and other facilities or equipment required for the removal of the foregoing or made necessary by the foregoing when such other facilities or equipment are determined by the coastal state affected to have technical requirements which would make their location, construction, expansion, or operation in the coastal zone unavoidable;

"(2) the location, construction, expansion, or operation of vessel loading docks, terminals, and storage facilities used for the transportation of liquefied natural gas, coal, or oil or of conversion or treatment facilities necessarily associated with the processing of liquefied natural gas; or

"(3) the location, construction, expansion, or operation of deepwater ports and directly associated facilities, as defined in the Deepwater Port Act (33 U.S.C. 1501-1524; Public Law 93-627)."

(5) Section 305(b) of such Act (16 U.S.C. 1454(b)) is amended by deleting the period at the end thereof and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(7) a definition of the term 'beach' and a planning process for the protection of, and access to, public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological, and cultural value;

"(8) a planning process for energy facilities likely to be located in the coastal zone

and a process for the planning and management of the anticipated impacts from any energy facility; and

"(9) a planning process that will assess the effects of shoreline erosion and evaluate methods of control, lessen the impact of, or otherwise restore areas adversely affected by such erosion, whether caused by natural or man-induced actions."

(6) Section 305(c) of such Act (16 U.S.C. 1454(c)) is amended by deleting "66 $\frac{2}{3}$ " and inserting in lieu thereof "80"; by deleting in the first sentence thereof "three" and inserting in lieu thereof "four"; and by deleting the second sentence thereof.

(7) Section 305(d) of such Act (16 U.S.C. 1454(d)) is amended—

(A) by deleting the period at the end of the first sentence thereof and inserting in lieu thereof the following: "Provided, That notwithstanding any provision of this section or of section 306 no state management program submitted pursuant to this subsection before October 1, 1978, shall be considered incomplete, nor shall final approval thereof be delayed, on account of such state's failure to comply with any regulations that are issued by the Secretary to implement subsection (b) (7), (b) (8), or (b) (9) of this section."; and

(B) by deleting the period at the end thereof and inserting in lieu thereof the following: "Provided, That the state shall remain eligible for grants under this section through the fiscal year ending in 1978 for the purpose of developing a public beach and public coastal area access planning process, an energy facility planning process, and a shoreline erosion planning process for its state management program, pursuant to regulations adopted by the Secretary to implement subsections (b) (7), (b) (8), and (b) (9) of this section."

(8) Section 305 of such Act (16 U.S.C. 1454 et seq.) is amended—

(A) by striking out the period at the end of subsection (e) thereof and inserting in lieu thereof the following: "And provided further, That the Secretary may waive the application of the 10 per centum maximum requirement as to any grant under this section when the coastal state is implementing a management program pursuant to subsection (h) of this section."

(B) by redesignating subsection (h) thereof as subsection (i), and by inserting immediately after subsection (g) the following:

"(h) (1) The Secretary may make annual grants under this subsection to any coastal state for not more than 80 per centum of the cost of implementing the state's management program, if he preliminarily approves such program in accordance with paragraph (2) of this subsection. The limitation on the number of annual development grants pursuant to subsection (c) of this section is not applicable to this subsection. States shall remain eligible for implementation grants pursuant to this subsection until September 30, 1979.

"(2) Before granting preliminary approval of a management program submitted by a coastal state pursuant to this subsection, the Secretary shall find that the coastal state has—

"(A) developed a management program which is in compliance with the rules and regulations promulgated pursuant to this section but is not yet wholly in compliance with the requirements of section 306 of this title,

"(B) in consultation with the Secretary, specifically identified the deficiencies in the program which would render the state ineligible for the Secretary's approval pursuant to section 306 of this title, and deficiencies such as the lack of an adequate organizational network or the lack of sufficient state authority to administer effectively the state's program have been set forth with particularity.

"(C) has established a reasonable time schedule during which it can remedy the deficiencies identified under subparagraph (B) of this subsection; and

"(D) has specifically identified the types of program management activities that it seeks to fund pursuant to this subsection.

"(3) The Secretary shall determine allowable costs under this subsection and shall publish necessary and reasonable rules and regulations in this regard.

"(4) Any state program funded under the provisions of this subsection shall not be considered an approved program for the purposes of section 307 of this title."

(9) Section 305(l) of such Act (as redesignated by paragraph (8) (B) of this section) is amended by deleting "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

(10) Section 306(a) of such Act (16 U.S.C. 1455(a)) is amended by deleting "66 $\frac{2}{3}$ " and inserting in lieu thereof "80"; and by deleting the last sentence thereof.

(11) Section 306(c) (2) (B) of such Act (16 U.S.C. 1455(c) (2) (B)) is amended by adding at the end thereof the following flush sentences:

"No mechanism referred to in this paragraph for continuing consultation and coordination shall be found by the Secretary to be effective unless such mechanism includes, in addition to such other provisions as may be appropriate, provisions under which:

"(i) the management agency designated pursuant to paragraph (5) of this subsection is required, before implementing any decision which would supersede local zoning ordinances, made by it to carry out the management program, to send notice of such decision to any local government which has zoning jurisdiction within the area to which such decision may apply;

"(ii) any such local government may, within thirty days after the date on which such notice is received, request the management agency to hold a public hearing regarding such decisions;

"(iii) the management agency, upon receiving a request for a public hearing as provided for in clause (ii), is required to hold such public hearing not sooner than ninety days after the date on which notice of the decision is received by the local government; and

"(iv) if a public hearing on any such decision is timely requested by any local government, the management agency may not implement the decision until after the public hearing is concluded.

Funds which may be allocated to any local government pursuant to subsection (f) of this section may be used, in part, to defray expenses incurred by the local government in preparing for any public hearing referred to in the preceding sentence which is requested by it."

(12) Section 306(c) (8) of such Act (16 U.S.C. 1455(c) (8)) is amended by adding at the end thereof the following new sentence:

"In considering the national interest involved in the planning for and siting of such facilities which are energy facilities located within a state's coastal zone, the Secretary shall further find, pursuant to regulations adopted by him, that the state has given consideration to any applicable interstate energy plan or program which is promulgated by an interstate entity established pursuant to section 309 of this title."

(13) Section 306 of such Act (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(1) As a condition of a state's continued eligibility for grants pursuant to this section, the management program of such state shall, after the fiscal year ending in 1978, include, as an integral part thereof (1) a planning process for the protection of, and

access to, public beaches and other coastal areas, which is prepared pursuant to section 305(b)(7) of this title, and approved by the Secretary; (2) an energy facility planning process, which is developed pursuant to section 305(b)(8) of this title, and approved by the Secretary; and (3) a shoreline erosion planning process, which is developed pursuant to section 305(b)(9) of this title, and approved by the Secretary."

(14) Section 307(c) of such Act (16 U.S.C. 1456(c)) is amended by adding at the end thereof the following new paragraph:

"(4) In case of serious disagreement between any Federal agency and the state in the implementation of an approved state management program, the Secretary, in cooperation with the Executive Office of the President, shall seek to mediate the differences and such differences shall be resolved through public hearings conducted in the state or local area concerned."

(15) Sections 308 through 314 of such Act (16 U.S.C. 1457 through 1463) are redesignated as sections 311 through 317, respectively.

(16) Such Act is amended by inserting immediately after section 307 the following new sections:

"COASTAL ENERGY ACTIVITY IMPACT PROGRAM

"Sec. 308. (a) (1) The Secretary shall make a payment for each fiscal year to each coastal state in an amount which bears to the amount appropriated for that fiscal year pursuant to paragraph (6) of this subsection the same ratio as the number representing the average of the following proportions (computed with regard to such state) bears to 100—

"(A) the proportion which the outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government in that year bears to the total outer Continental Shelf acreage which is leased by the Federal Government in that year;

"(B) the proportion which the number of exploration and development wells adjacent to that state which are drilled in that year on outer Continental Shelf acreage leased by the Federal Government bears to the total number of exploration and development wells drilled in that year on outer Continental Shelf acreage leased by the Federal Government;

"(C) the proportion which the volume of oil and natural gas produced in that year from outer Continental Shelf acreage which is adjacent to such state and which is leased by the Federal Government bears to the total volume of oil and natural gas produced in that year from outer Continental Shelf lands under Federal lease in that year;

"(D) the proportion which the volume of oil and natural gas produced from outer Continental Shelf acreage leased by the Federal Government and first landed in such state in that year bears to the total volume of oil and natural gas produced from all outer Continental Shelf acreage leased by the Federal Government and first landed in the United States in that year;

"(E) the proportion which the number of individuals residing in such state in that year who are employed directly in outer Continental Shelf lessees and their contractors and subcontractors bears to the total number of individuals residing in all coastal states who are employed directly in outer Continental Shelf energy activities in that year by outer Continental Shelf lessees, and their contractors and subcontractors; and

"(F) the proportion which the onshore capital investment which is made during that year in such state and which is required to directly support outer Continental Shelf energy activities bears to the total of all such onshore capital investment made in all coastal states during that year."

"(2) For purposes of calculating the proportions set forth in paragraph (1) of this subsection, the outer Continental Shelf lands which are adjacent to such state shall be the portion of the outer Continental Shelf lying on that state's side of extended seaward boundaries determined as follows: (A) In the absence of several lateral boundaries, or any portion thereof, clearly defined or fixed by interstate compacts, agreements, or judicial decree (if entered into, agreed to, or issued before the effective date of this paragraph); the boundaries shall be that portion of the outer Continental Shelf which would lie on that state's side of lateral marine boundaries as determined by the application of the principles of the Convention on the Territorial Sea and the Contiguous Zone. (B) If seaward lateral boundaries have been clearly defined or fixed by interstate compacts, agreements, or judicial decrees (if entered into, agreed to, or issued before the effective date of this paragraph), such boundaries shall be extended on the basis of the principles of delimitation used to establish them.

"(3) The Secretary shall have the responsibility for the compilation, evaluation, and calculation of all relevant data required to determine the amount of the payments authorized by this subsection and shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, set forth the method by which collection and evaluation of such data shall be made. In compiling and evaluating such data, the Secretary may require the assistance of any relevant Federal or State agency. In calculating the proportions set forth in paragraph (1) of this subsection, payments made for any fiscal year shall be based on data from the immediately preceding fiscal year, and data from the transitional quarter beginning July 1, 1976, and ending September 30, 1976, shall be included in the data from the fiscal year ending June 30, 1976.

"(4) Each coastal state receiving payments under this subsection shall use the moneys for the following purposes and in the following order of priority:

"(A) The retirement of state and local bonds, if any, which are guaranteed under section 319 of this title which were issued for projects or programs designed to provide revenues which are to be used to provide public services and public facilities which are made necessary by outer Continental Shelf energy activity; except that, if the amount of such payments is insufficient to retire both state and local bonds, priority shall be given to retiring local bonds.

"(B) The study of, planning for, development of, and the carrying out of projects or programs which are designed to provide new or additional public facilities or public services required as a direct result of outer Continental Shelf energy activity.

"(C) The reduction or amelioration of any unavoidable loss of unique or unusually valuable ecological or recreational resources resulting from outer Continental Shelf activity.

"(5) It shall be the responsibility of the Secretary to determine annually if such coastal state has expended or committed funds in accordance with the purposes authorized herein by utilizing procedures pursuant to section 313 of this title. The United States shall be entitled to recover from any coastal state that portion of any payment received by such state under this subsection which—

"(A) is not expended by such state before the close of the fiscal year immediately following the fiscal year in which the payment was disbursed, or;

"(B) is expended or committed by such state for any purposes other than a purpose

set forth in paragraph (4) of this subsection.

"(6) For purposes of this subsection, there are hereby authorized to be appropriated funds not to exceed \$50,000,000 for the fiscal year ending September 30, 1977; \$50,000,000 for the fiscal year ending September 30, 1978; \$75,000,000 for the fiscal year ending September 30, 1979; \$100,000,000 for the fiscal year ending September 30, 1980; and \$125,000,000 for the fiscal year ending September 30, 1981.

"(7) It is the intent of Congress that each state receiving payments under this subsection shall, to the maximum extent practicable, allocate all or a portion of such payments to local governments thereof and that such allocation shall be on a basis which is proportional to the extent to which local governments require assistance for purposes as provided in paragraph (4) of this subsection. In addition, any coastal state may, for the purposes of carrying out the provisions of this subsection and with the approval of the Secretary, allocate all or a portion of any grant received under this subsection to (A) any areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, (B) any regional agency, or (C) any interstate agency. No provision in this subsection shall relieve any state of the responsibility for insuring that any funds allocated to any local government or other agency shall be applied in furtherance of the purposes of this subsection.

"(b) (1) The Secretary may make grants to any coastal state if he determines that such state's coastal zone is being, or is likely to be, impacted by the location, construction, expansion, or operation of energy facilities in, or which significantly affect its coastal zone. Such grants shall be for the purpose of enabling such coastal state to study and plan for the economic, social, and environmental consequences which are resulting or are likely to result in its coastal zone from such energy facilities. The amount of any such grant may equal up to 80 per centum of the cost of such study or plan, to the extent of available funds.

"(2) The Secretary may make grants to any coastal state if he is satisfied, pursuant to regulations and criteria to be promulgated according to subsection (c) of this section, that such state's coastal zone has suffered, or will suffer, net adverse impacts from any coastal energy activity. Such grants shall be used for, and may equal up to 80 per centum of the cost of carrying out projects, programs, or other purposes which are designed to reduce or ameliorate any net adverse impacts resulting from coastal energy activity.

"(c) Within one hundred and eighty days after the effective date of this section, the Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant eligibility under subsection (b) of this section. Such regulations shall—

"(1) include appropriate criteria for determining the amount of a grant and the general range of studying and planning activities for which grants will be provided under subsection (b) (1) of this section;

"(2) specify the means and criteria by which the Secretary shall determine whether a state's coastal zone has, or will suffer, net adverse impacts;

"(3) include criteria for calculating the amount of a grant under subsection (b) (2) of this section, which criteria shall include consideration of—

"(A) offsetting benefits to the state's coastal zone or a political subdivision thereof, including but not limited to increased revenues,

"(B) the state's overall efforts to reduce or ameliorate net adverse impacts, including but not limited to, the state's effort to insure that persons whose coastal energy activ-

ity is directly responsible for net adverse impacts in the state's coastal zone are required, to the maximum extent practicable, to reduce or ameliorate such net adverse impacts.

"(C) the state's consideration of alternative sites for the coastal energy activity which would minimize net adverse impacts; and

"(D) the availability of Federal funds pursuant to other statutes, regulations, and programs, and under subsection (a) of this section, which may be used in whole or in part to reduce or ameliorate net adverse impacts of coastal energy activity;

In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, which upon request, shall assist the Secretary in the formulation of the regulations under this subsection on a nonreimbursable basis; with representatives of appropriate state and local governments; with commercial, industrial, and environmental organizations; with public and private groups; and with any other appropriate organizations and persons with knowledge or concerns regarding adverse impacts and benefits that may affect the coastal zone.

"(d) All funds appropriated to carry out the purposes of subsection (b) of this section shall be deposited in a fund which shall be known as the Coastal Energy Activity Impact Fund. The fund shall be administered and used by the Secretary as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to the fund. Moneys in the fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest to the United States.

"(e) There are hereby authorized to be appropriated to the Coastal Energy Activity Impact Fund such sums not to exceed \$125,000,000 for the fiscal year ending September 30, 1977, and for each of the next four succeeding fiscal years, as may be necessary, which shall remain available until expended.

"(f) It is the intent of Congress that each state receiving any grant under paragraph (1) or (2) of subsection (b) of this section shall, to the maximum extent practicable, allocate all or a portion of such grant to any local government thereof which has suffered or may suffer net adverse impacts resulting from coastal energy activities and such allocation shall be on a basis which is proportional to the extent of such net adverse impact. In addition, any coastal state may, for the purpose of carrying out the provisions of subsection (b) of this section, with the approval of the Secretary, allocate all or a portion of any grant received to (1) any areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, (2) any regional agency, or (3) any interstate agency. No provision in subsection (b) of this section shall relieve a state of the responsibility for insuring that any funds so allocated to any local government or any other agency shall be applied in furtherance of the purposes of such subsection.

"(g) No coastal state is eligible to receive any payment under subsection (a) of this section, or any grant under subsection (b) of this section unless such state—

"(1) is receiving a program development grant under section 305 of this title or, is making satisfactory progress, as determined by the Secretary, toward the development of a coastal zone management program, or has such a program approved pursuant to section 306 of this title; and

"(2) has demonstrated to the satisfaction of, and has provided adequate assurance to the Secretary that the proceeds of any such payment or grant will be used in a manner consistent with the coastal zone man-

agement program being developed by it, or with its approved program, consistent with the goals and objectives of this title.

"INTERSTATE COORDINATION GRANTS TO STATES

"SEC. 309. (a) The states are encouraged to give high priority (1) to coordinating state coastal zone planning, policies, and programs in contiguous interstate areas, and (2) to studying, planning, and/or implementing unified coastal zone policies in such areas. The states may conduct such coordination, study, planning, and implementation through interstate agreement or compact. The Secretary is authorized to make annual grants to the coastal states, not to exceed 90 per centum of the cost of such coordination, study, planning, or implementation, if the Secretary finds that each coastal state receiving a grant under this section will use such grants for purposes consistent with the provisions of sections 305 and 306 of this title.

"(b) The consent of the Congress is hereby given to two or more states to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) developing and administering coordinated coastal zone planning, policies, and programs, pursuant to sections 305 and 306 of this title, and (2) establishing such agencies, joint or otherwise, as the states may deem desirable for making effective such agreements and compacts. Such agreements or compacts shall be binding and obligatory upon any state or party thereto without further approval by Congress.

"(c) Each executive instrumentality which is established by an interstate agreement or compact pursuant to this section is encouraged to establish a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, the Administrator of the Federal Energy Administration, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, whenever any such Federal-State consultation is requested by such an instrumentality.

"(d) Prior to establishment of an interstate agreement or compact pursuant to this section, the Secretary is authorized to make grants to a multistate instrumentality or to a group of states for the purpose of creating temporary ad hoc planning and coordinating entities to—

"(1) coordinate state coastal zone planning, policies, and programs in contiguous interstate areas;

"(2) study, plan, and/or implement unified coastal zone policies in such interstate areas; and

"(3) provide a vehicle for communication with Federal officials with regard to Federal activities affecting the coastal zone of such interstate areas.

The amount of such grants shall not exceed 90 per centum of the cost of creating and maintaining such an entity. The Federal officials specified in subsection (c) of this section, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, upon the request of the parties to such ad hoc planning and coordinating entities. This subsection shall expire at the close of the five-year period beginning on the effective date of this section.

"COASTAL RESEARCH AND TECHNICAL ASSISTANCE

"SEC. 310. (a) The Secretary may conduct a program of research, study, and training to support the development and implementa-

tion of state coastal zone management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government shall assist the Secretary, upon his written request, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and in the actual conduct of any such research, study, and training so long as such activity does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts and other arrangements with suitable individuals, business entities, and other institutions or organizations for such purposes. The Secretary shall make the results of research conducted pursuant to this section available to any interested person. The Secretary shall include, in the annual report prepared and submitted pursuant to this title, a summary and evaluation of the research, study, and training conducted under this section.

"(b) The Secretary is authorized to make up to an 80 per centum grant to any coastal state to assist such state in developing its own capability for carrying out short-term research, studies, and training required in support of coastal zone management.

"(c) (1) The Secretary is authorized to—
"(A) undertake a comprehensive review of all aspects of the shellfish industry including but not limited to the harvesting, processing, and transportation of shellfish;

"(B) evaluate the impact of Federal legislation affecting water quality on the shellfish industry;

"(C) examine and evaluate methods of preserving and upgrading areas which would be suitable for the harvesting of shellfish, including the improvement of water quality in areas not presently suitable for the production of wholesome shellfish and other seafood;

"(D) evaluate existing and pending bacteriological standards, pesticide standards, and toxic metal guidelines which may be utilized to determine the wholesomeness of shellfish, and

"(E) evaluate the effectiveness of the national shellfish sanitation program.

"(2) The Secretary shall submit a report to the Congress on the activities required to be undertaken by it under paragraph (1) together with such comments and recommendations as he may deem necessary, not later than June 30, 1977.

"(d) Notwithstanding any other provisions of law, no Federal agency shall promulgate any additional regulations affecting the harvesting, processing, or transportation of shellfish in interstate commerce, unless an emergency occurs as determined by the Secretary, before the submission to the Congress of the report required under subsection (c) (2).

(18) Section 313 of such Act (as redesignated by paragraph (18) of this Act) is amended by (A) inserting the words "or payments" after the word "grant" wherever the word "grant" appears; (B) inserting ", for up to three years after the termination of any grant or payment program under this title," after the word "access" in subsection (b) thereof; and (C) inserting the words "or paid" after "granted" in subsection (b) thereof.

(19) Section 315 of such Act (as redesignated by paragraph (16) of this Act) is amended by (A) inserting "AND BEACH ACCESS" immediately after "ESTUARINE SANCTUARIES" in the section heading thereof; (B) deleting the last sentence thereof; (C) inserting "(a)" immediately before "The Secretary" in the first sentence thereof; and (D)

inserting at the end thereof the following new subsection:

"(b) The Secretary, in accordance with rules and regulations promulgated by him, is authorized to make available to a coastal state grants of up to 50 per centum of the costs of acquisition of access to public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological and cultural value."

(20) Section 316(a) of such Act (as redesignated by paragraph (16) of this Act) is amended by (A) deleting "and" at the end of subdivision (8) thereof immediately after the semicolon; (B) redesignating subdivision (9) as subdivision (11); and (C) inserting after subdivision (8) the following two new subdivisions: "(9) a general description of the economic, environmental, and social impacts of energy activity affecting the coastal zone; (10) a description and evaluation of interstate and regional planning mechanisms developed by the coastal states; and"

(21) Section 315 of such Act (16 U.S.C. 1464) is redesignated as section 320 and amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 320. (a) There are authorized to be appropriated—

"(1) the sum of \$24,000,000 for the fiscal year ending September 30, 1977, and \$24,000,000 for each of the two succeeding fiscal years, for grants under section 305 of this title to remain available until expended;

"(2) such sums, not to exceed \$50,000,000 for the fiscal year ending September 30, 1977, and \$50,000,000 for each of the three succeeding fiscal years, as may be necessary, for grants under section 306 of this title, to remain available until expended;

"(3) such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years as may be necessary, for grants under section 309 of this title, to remain available until expended;

"(4) such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years, as may be necessary, for financial assistance under section 310(a) of this title, to remain available until expended;

"(5) such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years, as may be necessary, for financial assistance under section 310(b) of this title, to remain available until expended;

"(6) such sums, not to exceed \$6,000,000 for the fiscal year ending September 30, 1977, and \$6,000,000 for each of the three succeeding fiscal years, as may be necessary, for grants under section 315(a) of this title, to remain available until expended; and

"(7) such sums, not to exceed \$25,000,000 for the fiscal year ending September 30, 1977, and \$25,000,000 for each of the three succeeding fiscal years, as may be necessary, for grants under section 315(b) of this title, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed \$5,000,000 for the fiscal year ending September 30, 1977, and \$5,000,000 for each of the three succeeding fiscal years, as may be necessary, for administrative expenses incident to the administration of this title.

"(c) No Federal funds received by a state shall be used to pay the state's share of the costs of a program or project authorized under this title."

(22) Such Act is further amended by inserting immediately after section 317 (as redesignated by paragraph (16) of this Act) the following new sections:

"LIMITATIONS

"Sec. 318. Nothing in this title shall be construed to authorize or direct the Secretary

or any other Federal official to intercede in any state land or water use decision including, but not limited to the siting of energy facilities, as a prerequisite to such states eligibility for grants or bond guarantees under this title.

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES

"Sec. 319. (a) The Secretary is authorized, in accordance with such rules as he shall prescribe, to make commitments to guarantee and to guarantee the payments of interest on and the principal balance of bonds or other evidences of indebtedness issued by a coastal state or unit of general purpose local government for the purposes specified in subsection (b) of this section.

"(b) A bond or other evidence of indebtedness may be guaranteed under this section only if it is issued by a coastal state or unit of general purpose local government for the purpose of obtaining revenues which are to be used to provide public services and public facilities which are made necessary by outer Continental Shelf energy activities.

"(c) Bonds or other evidences of indebtedness guaranteed under this section shall be guaranteed on such terms and conditions as the Secretary shall prescribe, except that—

"(1) no guarantee shall be made unless the Secretary determines that the issuer of the evidence of indebtedness would not be able to borrow sufficient revenues on reasonable terms and conditions without the guarantee;

"(2) the guarantees shall provide for complete amortization of the indebtedness within a period not to exceed thirty years;

"(3) the aggregate principal amount of the obligations which may be guaranteed under this section on behalf of a coastal state or a unit of general purpose local government and outstanding at any one time may not exceed \$20,000,000;

"(4) the aggregate principal amount of all the obligations which may be guaranteed under this section and outstanding at any one time may not exceed \$200,000,000;

"(5) no guarantee shall be made unless the Secretary determines that the bonds or other evidences of indebtedness will—

"(A) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

"(B) bear interest at a rate satisfactory to the Secretary;

"(C) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

"(D) contain or be subject to provisions with respect to the protection of the security interest of the United States;

"(6) the approval of the Secretary of the Treasury shall be required with respect to any guarantee made under this section, except that the Secretary of the Treasury may waive this requirement with respect to the issuing of any such obligation when he determines that such issuing does not have a significant impact on the market for Federal Government and Federal Government-guaranteed securities;

"(7) the Secretary determines that there is reasonable assurance that the issuer of the evidence of indebtedness will be able to make the payments of the principal of and interest on such evidence of indebtedness; and

"(8) no guarantee shall be made after September 30, 1981.

"(d) (1) Prior to the time when the first bond or other evidence of indebtedness is guaranteed under this section, the Secretary shall publish in the Federal Register a list of the proposed terms and conditions under which bonds and other evidences of indebtedness will be guaranteed under this section. For at least thirty days following such pub-

lication, the Secretary shall receive, and give consideration to, comments from the public concerning such terms and conditions. Following this period, the Secretary shall publish in the Federal Register a final list of the conditions under which bonds and other evidences of indebtedness will be guaranteed under this section. The initial guarantee made under this section may not be conducted until thirty days after the final list of terms and conditions is published.

"(2) Prior to making any amendment to such final list of terms and conditions, the Secretary shall publish such amendment in the Federal Register and receive, and give consideration to, comments from the public for at least thirty days following such publication. Following this period, the Secretary shall publish in the Federal Register the final form of the amendment, and such amendment shall not become effective until thirty days after this publication.

"(e) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to principal, interest, and any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

"(f) The Secretary shall prescribe and collect a fee in connection with guarantees made under this section. This fee may not exceed the amount which the Secretary estimates to be necessary to cover the administrative costs of carrying out this section. Fees collected under this subsection shall be deposited in the revolving fund established under subsection (1).

"(g) With respect to any obligation guaranteed under this section, the interest payment paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(h) (1) Payments required to be made as a result of any guarantee made under this section shall be made by the Secretary from funds which may be appropriated to the revolving fund established by subsection (1) or from funds obtained from the Secretary of the Treasury and deposited in such revolving fund pursuant to subsection (1) (2).

"(2) If there is a default by a coastal state or unit of general purpose local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary under this section, any holder of such bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, after investigating the facts presented by the holder, shall pay to the holder the amount which is due him, unless the Secretary finds that there was no default by the coastal state or unit of general purpose local government or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the coastal state or unit of general purpose local government for which the payment was made for the amount of such payment plus interest at the prevailing current rate as determined by the Secretary. If any revenue becomes due to such coastal state or unit of general purpose local government under section 308 (a) of this title, the Secretary shall, in lieu of paying such coastal state or unit of general purpose local government such revenue, deposit such revenue in the revolving fund established under subsection (1) until the right of reimbursement has been satisfied.

"(3) The Attorney General shall, upon re-

quest of the Secretary, take such action as may be appropriate to enforce any right accruing to the United States as a result of the issuance of any guarantee under this section. Any sum recovered pursuant to this paragraph shall be paid into the revolving fund established by subsection (1).

"(1) The Secretary shall establish a revolving fund to provide for the timely payment of any liability incurred as a result of guarantees made under this section, for the payment of costs of administering this section, and for the payment of obligations issued to the Secretary of the Treasury under paragraph (2) of this subsection. This revolving fund shall be comprised of—

"(A) receipts from fees collected under this section;

"(B) recoveries under security, subrogation, and other rights;

"(C) reimbursements, interest income, and any other receipts obtained in connection with guarantees made under this section;

"(D) proceeds of the obligations issued to the Secretary of the Treasury pursuant to paragraph (2) of this subsection; and

"(E) such sums as may be appropriated to carry out the provisions of this section.

Funds in the revolving fund not currently needed for the purpose of this section shall be kept on deposit or invested in obligations of the United States or guaranteed thereby or in obligations, participation, or other instruments which are lawful investments for fiduciary, trust, or public funds.

"(2) The Secretary may, for the purpose of carrying out the functions of this section, issue obligations to the Secretary of the Treasury only to such extent or in such amounts as may be provided in appropriation Acts. The obligations issued under this paragraph shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury shall purchase any obligation so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any security issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder. Proceeds obtained by the Secretary from the issuance of obligations under this paragraph shall be deposited in the revolving fund established in paragraph (1).

"(3) There are authorized to be appropriated to the revolving fund such sums as may be necessary to carry out the provisions of this section.

"(4) Funds may be obligated for purposes stated in subsection (1) only to the extent provided in appropriation Acts.

"(j) No bond or other evidence of indebtedness shall be guaranteed under this section unless the issuer of the evidence of indebtedness and the person holding the note with respect to such evidence of indebtedness permit the General Accounting Office to audit, under rules prescribed by the Comptroller General of the United States, all financial transactions of such issuer and holder which relate to such evidence of indebtedness. The representatives of the General Accounting Office shall have access to all books, accounts, reports, files, and other records of such issuer and such holder insofar as any such record pertains to financial transactions relating to the evidence of indebtedness guaranteed under this section.

"(k) For purposes of this section, the term 'unit of general purpose local government' shall mean any city, county, town, township, parish, village, or other general purpose political subdivision of a coastal state, if such general purpose political subdivision possesses taxing powers and has responsibility for providing public facilities or public serv-

ices to the community, as determined by the Secretary.

"(1) Notwithstanding any other provision of this section, the authority to make guarantees or commitments to guarantee under this section shall be effective only to the extent provided in appropriation Acts enacted after the date of enactment of this section."

Sec. 3. (a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be a qualified individual who is, by reason of background and experience, especially qualified to direct the implementation and administration of this Act. Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration."

Sec. 4. Nothing in this Act shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act of 1972.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3981) was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 3981) just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 510) entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. PELL, Mr. MONDALE, Mr. HATHAWAY, Mr. DURKIN, Mr. SCHWEIKER, Mr. JAVITS, Mr. BEALL, Mr. TAFT, Mr. STAFFORD, and Mr. LAXALT to be the conferees on the part of the Senate.

PERSONAL EXPLANATION

Mr. BEVILL. Mr. Speaker, on rollcall No. 95 relating to the Equal Credit Opportunity Act on March 9, 1976, I was at the Senate Chamber and did not receive word of the call and missed the vote. Had I been present, I would have voted "aye."

MARITIME AUTHORIZATION FOR FISCAL YEAR 1977

Mrs. SULLIVAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11481) to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11481) with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlewoman from Missouri (Mrs. SULLIVAN) will be recognized for 30 minutes, and the gentleman from California (Mr. McCLOSKEY) will be recognized for 30 minutes.

The Chair now recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I rise in strong support of H.R. 11481.

Before I call on Mr. DOWNING to explain the provisions of the bill, permit me to make a few comments with respect to the U.S.-flag merchant marine.

Our great Nation is today the world's greatest trading nation. Our foreign trade has grown from about \$20 billion in 1960, to the current level of about \$200 billion. However, it would appear to be the Communist bloc nations whose ships are capturing an ever increasing amount of our foreign trade. Today, Communist merchant vessels represent about 15 percent of the world fleet, while the United States has about 4 percent. Since World War II, the Soviet Union has moved from 23d to 6th place in the world's fleets. In this connection, this past summer I visited the major ports of Northern Europe. In examining the shipping in these great ports, I discovered some 15 or more large modern cargo vessels under the Russian flag. To my surprise, I also discovered approximately the same number of vessels under the Red Chinese flag. In all this time, I did not run across one U.S.-flag vessel.

I am well aware that some of our great U.S.-flag containerships serve these ports, but in the 2-week period I was in-

A significant increase in funding for the senior service corps is absolutely essential. It seems to me, because unemployment is likely to continue at a high level for older workers—despite the recent improvement in the overall employment picture. In fact, a working paper soon to be released by the Committee on Aging, of which I am chairman, will point out that older workers are still in a recession. Their unemployment is increasing, while the overall jobless level for younger workers is declining.

OTHER AGING PROGRAMS

On other fronts, the Senate bill provides realistic appropriations for aging programs.

The National Institute on Aging is funded at a \$31.2 million level, almost \$5 million above the administration's budget request. This institute is responsible for conducting and supporting biomedical, social, and behavioral research and training relating to the aging process.

In addition, H.R. 14232 would continue and expand ACTION'S older American volunteer programs: Foster Grandparents, Senior Companions, and RSVP—the retired senior volunteer program. These programs have clearly demonstrated their value and worth for elderly participants and individuals being served.

Finally, the fiscal 1977 Labor-HEW Appropriations Act would extend the Senior Opportunities and Services program.

For these reasons, I reaffirm my support for the funding levels for programs serving aged and aging Americans.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1976—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of conference on S. 586, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CANNON). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facilities and resource development which affects the coastal zone, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 24, 1976 beginning at page H6686.)

Mr. HOLLINGS. Mr. President, I ask unanimous consent that my statement, a factsheet, and more particularly a colloquy between myself and the distinguished Senator from Louisiana, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above material is printed later in the RECORD at the point where the conference report is reconsidered.)

Mr. JOHNSTON. Mr. President—
Mr. MAGNUSON. Mr. President, I ask unanimous consent that my statement on the conference report be printed in the RECORD following the remarks of the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above statement is printed later in the RECORD at the point where the conference report is reconsidered.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER OF PROCEDURE

Mr. JOHNSTON. Mr. President—
The PRESIDING OFFICER. The Senator from Alabama has the floor under the unanimous-consent agreement.

Mr. JOHNSTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSTON. Has the conference report been agreed to?

The PRESIDING OFFICER. The conference report was agreed to.

Mr. JOHNSTON. Mr. President, I was asking to be heard on the matter.

Mr. HOLLINGS. Mr. President, I ask that my friend be heard.

The PRESIDING OFFICER. Does the Senator wish to reconsider the vote by which the conference report was agreed to?

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

The motion was agreed to.

Mr. ALLEN. Mr. President, I yielded only 3 minutes but I would like to ask unanimous consent that I yield 2 minutes to the distinguished Senator from Louisiana.

Mr. BROOKE. Mr. President, I object.

Mr. ALLEN. Mr. President, how much time did the Senator use?

The PRESIDING OFFICER. I think there is about 1 minute.

Mr. BROOKE. We only have until 2 o'clock on this bill. It is my intention to move to table the Senator's amendment.

Mr. HOLLINGS. We can save that. We do not have but 3 minutes. Yield him 2 minutes.

Mr. ALLEN. I would be delighted to. I ask unanimous consent that I may yield 3 minutes to the distinguished Senator from Louisiana without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Reserving the right to object, providing I be recognized after the Senator from Louisiana.

Mr. ALLEN. No, the Senator from Alabama has not given up the floor.

Mr. HOLLINGS. He yielded to us.

Mr. ALLEN. I yielded 3 minutes provided I not lose my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Reserving the right to object, I want the time before 2 o'clock to make the motion to table the Senator's amendment. If the Senator does not agree that I have the floor, I will have to object to this conference report at this time.

Mr. ALLEN. I will not give up the floor.

Mr. BROOKE. Then I object.

The PRESIDING OFFICER. Objection is heard.

The Chair will state that there is no reason that the conference report cannot be brought up after 2 o'clock. The time allotted for the conference report has expired and the question recurs on the Allen amendment to H.R. 14232. The Senator from Alabama has the floor.

Mr. JOHNSTON. Has the conference report been agreed to, Mr. President?

The PRESIDING OFFICER. The conference report was agreed to and subsequently the vote by which it was agreed to was reconsidered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1977

The Senate continued with the consideration of the bill (H.R. 14232) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes.

Mr. ALLEN. Mr. President, if the distinguished Senator from Massachusetts wishes to make a motion to table, I would be glad to yield. I would like to have the matter decided myself.

Mr. BROOKE. Mr. President, I move to table the amendment of the Senator from Alabama.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. HELMS). The Senate will be in order. The clerk will suspend until order is restored. The clerk is having difficulty hearing the responses of Senators. Senators will please take their seats.

The clerk may proceed.

The rollcall was resumed and concluded.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Nebraska (Mr. HRUSKA), are necessarily absent.

I further announce that the Senator

from New York (Mr. BUCKLEY), is absent due to illness.

The result was announced—yeas 58, nays 33, as follows:

[Rollcall Vote No. 357 Leg.]

YEAS—58

Abourezk	Hathaway	Nelson
Baker	Hollings	Packwood
Biden	Humphrey	Pastore
Brooke	Inouye	Pell
Byrd, Robert C.	Jackson	Percy
Case	Javits	Proxmire
Church	Johnston	Bandolph
Clark	Kennedy	Ribicoff
Culver	Leahy	Schweiker
Durkin	Magnuson	Scott, Hugh
Eagleton	Mansfield	Stafford
Fong	Mathias	Stevens
Ford	McGee	Stevenson
Glenn	McGovern	Symington
Gravel	McIntyre	Taft
Hart, Gary	Metcalf	Tunney
Hart, Philip A.	Mondale	Weicker
Hartke	Montoya	Williams
Haskell	Moss	
Hatfield	Muskie	

NAYS—33

Allen	Curtis	Nunn
Bartlett	Dole	Pearson
Beall	Domenici	Roth
Belimon	Fannin	Scott
Bentsen	Garn	William L.
Brock	Griffin	Sparkman
Bumpers	Hansen	Stone
Burdick	Helms	Talmadge
Byrd,	Laxalt	Thurmond
Harry F., Jr.	Long	Tower
Cannon	McClure	Young
Chiles	Morgan	

NOT VOTING—9

Bayh	Eastland	Huddleston
Buckley	Goldwater	McClellan
Cranston	Hruska	Stennis

So the motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. ALLEN. Regular order.

Mr. CURTIS. Mr. President, regular order.

Mr. BROOKE. Mr. President, I move to reconsider.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. ALLEN. I call for the regular order.

Several Senators addressed the Chair.

Mr. ALLEN. Regular order, Mr. President.

Mr. CURTIS. Regular order.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. ALLEN. Regular order.

DEPARTMENT OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS ACT, 1977

Mr. ROBERT C. BYRD. I send a cloture motion to the desk.

Mr. ALLEN. Regular order. Point of order.

I raise the point of order before it is read. It comes too late.

Mr. ROBERT C. BYRD. Mr. President, I sent a motion to the desk.

Mr. ALLEN. Point of order. Point of order as to the motion, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, the motion is at the desk.

Mr. ALLEN. It is past 2 o'clock and the unfinished business is to come down

at 2 o'clock. We are no longer properly on this bill. It is not the pending business. A cloture motion cannot be filed.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 14232, an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes.

Edward W. Brooke, Claiborne Pell, Warren G. Magnuson, William D. Hathaway, Harrison A. Williams, Jr., Daniel K. Inouye, Clifford P. Case, Jacob K. Javits, Richard S. Schweiker, Dick Clark, Adlai E. Stevenson, Abraham Ribicoff, Mike Gravel, Bob Packwood, Walter F. Mondale, Edmund S. Muskie, Thomas J. McIntyre, John Durkin, Mike Mansfield, Lowell P. Weicker, Jr.

Mr. CURTIS. Mr. President, I make the point of order against the motion as not an appropriate or relative part of the tax bill. The tax bill is now the pending business.

The PRESIDING OFFICER. The Chair will observe the tax bill has not been laid down. The Chair was in the process of having the clerk report the tax bill when the cloture motion was filed, properly filed. Therefore, the point of order is not sustained.

Mr. ALLEN. Mr. President, on the point of order, the Chair will recall that when the cloture motion was filed with respect to the antitrust legislation, the bill had not been stated. The bill had not been stated and yet the Chair ruled that the bill was properly before the Senate.

So if that is true, the tax bill was before the Senate because the time of 2 o'clock had arrived. It was no longer proper to consider any matter with respect to the HEW bill.

The PRESIDING OFFICER. The Chair is advised that that bill had been before the Senate, a motion to proceed to its consideration having been agreed to.

Mr. ALLEN. The Chair advised what?

THE TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the hour of 2 o'clock having arrived 14 minutes ago, the Senate will now resume consideration of the unfinished business, H.R. 10612, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

The Senate resumed the consideration of the bill.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1976—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of confer-

ence on S. 586, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CANNON). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 24, 1976, beginning at page H6686.)

Mr. HOLLINGS. Mr. President, the conference report on S. 586 represents the culmination of a total of 3 years of careful, painstaking work. The chief participants and architects are many: the Senate National Ocean Policy Study; the Commerce Committee, ably led by its chairman, WARREN G. MAGNUSON; and the House Merchant Marine and Fisheries Committee, especially its retiring chairman, LEONOR K. SULLIVAN, and Congressman JOHN M. MURPHY of New York. Congress was aided in its efforts by the very constructive participation of Secretary of Commerce, Elliot Richardson, and his staff and by some of the brightest, more positive staff of the Office of Management and Budget. Congress also received many perceptive comments on the bill from the general public. The final bill has both administration and bipartisan congressional support, and its development illustrates the Federal legislative process at its best.

S. 586 represents a major new plank in the evolving national energy policy being constructed by the 94th Congress. It will take its place alongside the Energy Policy and Conservation Act and energy research and development legislation, and will soon be followed, I expect, by pending legislation on energy conservation, natural gas, synthetic fuels, electric utility rate reform, Outer Continental Shelf oil and gas leasing, and automotive R. & D. One by one the various planks will all fall into place.

S. 586 differs from most of the other energy legislation in that it is not so obviously related to reducing the gap between domestic energy demand and domestic energy supply. However, in improving the Nation's coastal zone management and buttressing it to deal with the impacts of the current national objective of expanded domestic energy production, the bill will reduce social frictions and make much of such expanded energy production occur on a more orderly and rational basis. It will accomplish these goals, through the Federal-State coastal zone management framework, by minimizing the inequities, the public fiscal impacts, and the environmental impacts caused by all the energy

activity now going on, and projected to go on, in the Nation's fragile, but already heavily developed, coastal areas.

It is in the coastal areas that most of the U.S. oil and gas resources remain; it is in coastal areas that much of the energy resource transportation and refining take place; it is in these areas that electric power production is the most concentrated; and finally, it is in coastal areas that individual and industrial energy consumption is the heaviest.

The coastal energy impact program, established by the bill, is undoubtedly a landmark provision which will influence other impact legislation, energy-related or otherwise, in the years to come. The program is designed to be administered by the Department of Commerce's Office of Coastal Zone Management, in connection with the federally assisted State coastal zone management capability now being developed. The coastal energy impact program has been constructed to strike careful balances in several important respects.

First, the program provides financial assistance balanced between loans and bond guarantees to coastal State and local governments on the one hand, and outright grants on the other. Limited grants are provided for studying the consequences of new or expanded coastal energy facilities in order to prepare courses of actions for dealing with the anticipated fiscal and environmental impacts. Grants are also provided when clear inequities arise to coastal State and local governments from energy activity in which the coastal zone plays a special national role—OCS oil and gas activity and the coastal transportation of fossil energy resources. Such an inequity occurs if coastal energy activity causes unavoidable loss of valuable coastal environmental or recreational resources, and the coastal State involved has no remedy against persons causing such a loss.

Such an inequity also arises if the energy activity leads to population increases requiring costly new public facilities and services; but because of jurisdictional or other reasons, the activity does not provide sufficient offsetting tax revenues to the fiscally impacted coastal State or local governments. The primary assistance offered by the program, however, for financing public facilities and services made necessary by any coastal energy activity, are Federal loans and bond guarantees, not grants. Initial assistance for such facilities and services is in the form of credit rather than grants, because in many cases the adverse fiscal impacts experienced by a coastal State or local government will only be temporary and will be offset later on by increased tax revenues from the coastal energy activity involved.

The fact that coastal energy activity can be, in some cases, a source of significant tax revenues, but that coastal States can still be confronted by severe front-end financing problems because of such activity is supported both by experience and by studies—an important one being the Office of Technology Assessment's "Fiscal Effects on State and Local Government from Offshore Oil/Gas and

Port Development." Repaying the assistance for public facilities and services from later offsetting tax revenues will make the assistance again available for meeting new coastal State and local needs. "Recycling" the assistance through the program in this way means, therefore, that much more can be accomplished with the same amount of funds.

The approach taken by the program is essentially the same as the original approach of S. 586—loans for temporary adverse impacts and grants for net adverse impacts. I believe this approach to be the best way of solving the basic front-end financing and equity problems brought on by coastal energy activity, at the least cost of the Federal taxpayer.

Administratively, the program strikes a careful balance between being "automatic" and being "discretionary." Formulas will be used to allocate among the coastal States both the OCS formula grants, section 308(b), and the coastal energy activity loans and guarantees, section 308(d). In both cases, though, the proceeds or guarantees to which a State is entitled will not be disbursed or made until the State demonstrates to the Secretary that they will be used for the purposes described in the bill. Until such demonstration, the proceeds of the formula grants will stay in the State's "account" with the Secretary, and similarly for the coastal energy activity credit. Thus, while coastal States' entitlements to OCS grants and the credit will "automatically" be determined by formulas, the Secretary still will have the discretion he needs, before disbursement, to assure that the proceeds of such assistance will be expended for the proper purposes.

Third, the program strikes a balance between Federal financial assistance, on the one hand, and self-help on the other. The bulk of the assistance in the form of loans and guarantees and is limited to public facilities and public services, and the environmental grants are limited to unavoidable impacts—as defined in the bill—precisely so that coastal State and local governments will look first to the private energy industry to ameliorate fiscal impacts and to protect the environment. The incentives to do so will not only be maintained by the program, but enhanced because of the planning grants and improved State coastal zone management planning capability. The program will provide assistance when needed, however, and will assume the risk concerning repayment of loans and guarantees from future tax revenues.

Last, for equity reasons, the program covers a limited range of coastal energy impacts caused in the past, as well as future impacts. Grant money can be used for restoring valuable environmental and recreational resources first damaged prior to the bill's enactment, but only if no remedy exists against the persons causing such damage. If the program looked only to the future, it would be unfair to such States as Louisiana, off whose shores OCS activity has been going on for years—much of it prior to the heightened environmental consciousness of today.

The bill contains several other amendments, besides the coastal energy impact program, which are designed to further the effectiveness of coastal zone management. These include—

First, the establishment of additional requirements for State coastal zone management programs concerning planning for energy facility impacts, public access to public coastal areas, and shoreline erosion;

Second, a new program of financial assistance for coastal States which have already developed management programs which are in compliance with the requirements of section 305(b) but which do not yet qualify for approval and administrative grants under section 306;

Third, a new incentive for expediting determination of whether particular offshore energy activity is consistent with a coastal State's approved management program, on an overall plan basis rather than on an individual license/permit by license/permit basis;

Fourth, a new provision under which the Congress grants its assent to the formation of interstate compacts and to interstate agreements for the development and administration of coordinated coastal zone planning, policies, and programs and for the establishment of implementing instrumentalities or agencies, pursuant to which Federal financial assistance will be provided;

Fifth, a new provision for research and training to support coastal zone management programs;

Sixth, an authorization for new matching grants to enable coastal states to acquire access to public beaches and other public coastal areas of value and to preserve islands, to help meet the growing need for more recreational outlets in coastal areas; and

Seventh, authorization of appropriations for the next 4 years of the Nation's coastal zone management effort.

The bill, in addition—

First, creates the new Office of Associate Administrator for Coastal Zone Management within the National Oceanic and Atmospheric Administration who shall administer the provisions of the 1972 act, including amendments of this conference substitute;

Second, authorizes four special positions to the extent necessary for administration of the amendments made by this legislation; and

Third, directs the Secretary of Commerce to review all aspects of the mullet shellfish industry and to evaluate the impact on that industry of Federal law concerning water quality, and to report thereon to the Congress by April 30, 1977.

On Thursday, the conferees met for the final time and accepted an amendment to section 308(b)(4)(B)(i) which would insert the following after the word "necessary":

„ because of the unavailability of adequate financing under any other subsection."

This would mean that formula grants could indeed be used for so-called "bricks and mortar" for environmental problems, and for planning and bond repayment. But in the case of "bricks and mortar" projects for public facilities and

public services required by new or expanded OCS activity, the States and local governments would have to turn first to the loan and guarantee provisions, and if funds were unavailable, then they could tap their allocations in their accounts under the formula grant provision.

It would be my interpretation, moreover, that in those cases where there are insurmountable problems which would prevent States or local governments from utilizing the aid offered by the fund, then the Secretary should permit these governments to utilize the formula grant program for such purposes.

Concerning the provision of financial assistance for public services, section 308(e) (4) calls upon the Secretary to establish requirements, terms, and conditions on the loans and guarantees of subsection (d) "to assure that the proceeds thereof may not be used to provide public services for an unreasonable length of time." The intent here is that loans and guarantees are not to be used to continue financing public services or the operating costs of public facilities used by coastal energy activity, employees and related population once tax revenues start accruing to the impacted coastal State or local government from such employees, related population, and activity which are sufficient to pay for the services and the operating costs of the facilities.

The same restriction is intended to apply to the use of section 308(b) formula grants under section 308(b) (4) (B) for financing public services and the operation of public facilities. Proposed "projects and programs" for public services and the operation of facilities are obviously not "necessary" once the OCS activity, employees, and related population are providing adequate tax revenues to the impacted coastal State or local government for the services and operation of facilities which the employees and population use. Hence such projects and programs, when ordinary tax revenues will suffice, are not intended to be a proper purpose for the expenditure of the formula grants.

Mr. President, I ask unanimous consent that a factsheet with reference to major provisions of S. 586 be printed in the Record.

There being no objection, the factsheet was ordered to be printed in the Record, as follows:

MAJOR PROVISIONS OF S. 586

A. Coastal Energy Impact Program—New Section 308.

1. Annual formula grants to coastal states (Section 308(b)) (appropriations authorization—\$50M annually FY 77-84) (100% Federal).

Grants would be allotted among states based upon following proportions calculated for each previous fiscal year:

One-third based upon amount of OCS acreage leased adjacent to a coastal state to total OCS acreage leased;

One-sixth based upon volume of oil and natural gas produced adjacent to a coastal state to total volume produced on OCS;

One-sixth based upon volume of OCS oil and natural gas produced first landed in a state to all OCS oil and natural gas landed in coastal states;

One-third based upon number of individuals in a coastal state who obtain new OCS

related employment to total number of individuals who obtain new OCS related employment.

Formula grants may be used for the following purposes in order of priority:

a. Retirement of state and local bonds when insufficient tax revenues from coastal energy activity.

b. Study of, planning for, and development of projects and programs approved by Secretary (Commerce) designed to provide OCS related public facilities and services (available after states have utilized the provisions of Section 308(d)).

c. Prevent, reduce or ameliorate unavoidable loss of unique or valuable ecological or recreational resources resulting from OCS activity.

2. Planning grants to study and plan for economic, social, and environmental consequences resulting from activities associated with energy facilities. (Section 308(c)) (80% Federal.)

3. Loans and Federal bond guarantees to coastal states or local governments to assist in providing new or improved public facilities and services related to coastal energy activity (appropriations authorization—\$800M in revolving Coastal Energy Impact Fund with \$50M maximum authorized for planning grants and environmental grants (d) (4)). (Section 308(d) (1) and (2)).

4. Grants from Fund to coastal states or local governments if they are unable to meet obligations under a loan or guarantee because net increases in employment and population are not adequate to generate necessary tax revenues (Section 308(d) (3)).

5. Grants from Fund to coastal states if states' coastal zone suffers loss of valuable environmental or recreational resources and if such loss cannot be attributed to identifiable persons, or cannot be paid for through other Federal laws. (Section 308(d) (4)).

6. Secretary must apportion funds for loans, loan guarantees, grants for loan repayment and grants for unattributable environmental losses (all Section 308(d) items) based upon—

a. new coastal energy activity employment and population in a state;

b. standardized unit costs for public facilities and services required by the new population and employment.

7. Secretary must develop guidelines and procedures for reviewing application information submitted by states on loans and guarantees and for evaluating repayment schedules to determine whether tax revenues are sufficient to repay such obligations or whether grants are required (Section 308(e) (3)).

8. In order to be eligible for assistance under Section 308, coastal states must be receiving Section 305 or 306 grants or in the Secretary's view be developing a management program consistent with policies of Section 303.

B. New Requirements for State Coastal Zone Management Programs.

1. Amends Section 305(b) to add three new work elements requiring planning processes related to beach and public coastal area access, energy facility siting, and shoreline erosion.

2. Adds one additional year to make states eligible for four programs development grants and extends Section 305 authority to September 30, 1979.

3. Increases from 66% to 80% Federal funding level for grants made pursuant to Sections 305 and 306.

4. Adds a new subsection to Section 305 allowing the Secretary to make 80% grants to coastal states to allow completion of and initial implementation of state management programs. States must identify remaining deficiencies and establish a reasonable time schedule for their remedy.

5. Amends Section 306 to require coastal zone management agency to notify a local

government of any decision in conflict with local zoning actions, allows a local government 30-day comment period, and requires that no action may be taken during this period to conflict or interfere with a management program decision.

6. Amends Section 307 to require that any OCS activity described in an exploration, development, or production plan be certified by the person submitting the plan to the Secretary of the Interior that it is consistent with the approved state management program. The state must concur with such certification prior to any approval action by the Department of the Interior.

7. Adds a new subsection to Section 307 requiring public hearings to be held in the affected state or locality when serious disagreement arises between a Federal agency and a state with respect to the administration of a state's program.

C. Interstate Coordination Grants.

New Section 309 allows Secretary to make grants to states to coordinate, study plan and implement unified CZM programs. Grants may also be made to states to create and maintain interstate entities of coordinate CZM programs. (appropriations authorization—\$5M annually FY 77-80) (90% Federal)

D. Research and Technical Assistance

New Section 310 allows Secretary to conduct a program of research, study, and training to support state management programs. Secretary may make grants to states to carry out research, studies, and training required to support their programs. (appropriations authorization—\$10M annually—FY 77-80) (80% Federal).

E. Acquisition of Access to Public Beaches and other Public Coastal Areas

Section 315(1) allows Secretary to make grants to coastal states to acquire, develop and operate estuarine sanctuaries (appropriations authorization \$6M annually FY 77-80) (50% Federal)

New Section 315(2) allows Secretary to make grants to states to acquire lands for access to public coastal areas and for preservation of islands. (appropriations authorization—\$25M annually FY 77-80) (50% Federal).

F. Shellfish Industry Review

Requires Secretary to undertake a comprehensive review of all aspects of the shellfish industry and related regulations and standards and submit a report to Congress by April 30, 1977. EEW may not promulgate final shellfish regulations before June 30, 1977. 60 days prior to this date EEW in consultation with the Secretary must issue an assessment of the economic impact of and a cost-benefit analysis of the regulations.

G. Other Appropriations Authorizations

Section 305—\$20M annually FY 77-79
Section 306—\$50M annually FY 77-80
Administrative Expenses—\$5M annually FY 77-80

Mr. JOHNSTON. What is the meaning of the word "inavoidable" as used in section 308(b) (4) (C)?

Mr. HOLLINGS. The term "unavoidable" in the context of the loss of any valuable environmental or recreational resource resulting from coastal energy activity, refers to the losses generally attributable to or caused by "coastal energy activity." These losses would include cases where the loss could not be legally attributable to one or more persons—as defined in the act. It also covers the situation where the person or persons who cause the loss can be identified, but there cannot be any legal recovery from such persons, including, but not limited to, situations where there has been an historical waiver of liability

or the offending person or persons are unable to remedy the loss. It also includes situations where there has been such a comingling of activities that the loss is not attributable legally to an identifiable person or persons.

Mr. JOHNSTON. Is "valuable environmental or recreational resource" to be given its broadest possible interpretation, with a view toward protecting or restoring such resources?

Mr. HOLLINGS. It would be the view of the conferees that the Secretary apply such a broad definition to the term "loss" of such resources.

Mr. JOHNSTON. For the purposes of the allotment to States under the formula grant provision of section 308, is the production of crude or natural gas and landed quantities of crude or natural gas, to be that crude and natural gas produced from all federally leased acreage on the Outer Continental Shelf adjacent to a particular coastal State, regardless of the year in which the acreage was leased?

Mr. HOLLINGS. It was the intention of the conferees that, in terms of production elements of the formula, we meant that the production would be from all acreage under Federal lease adjacent to such State.

Mr. JOHNSTON. What does the term "new or expanded Outer Continental Shelf energy activity" mean in section 308(b)(4)(B)(i)?

Mr. HOLLINGS. That term refers not only to activity on newly leased acreage, but also to any new activity related to exploration, development, or production on an existing lease, including, but not limited to, new production facilities on an existing lease.

Mr. JOHNSTON. For purposes of the act, what is meant by the term "new employment" when applied to section 308(b)(2)(D)?

Mr. HOLLINGS. As reflected in the statement of managers, on page 32, the concept of "new employment" refers to "new workers." Some examples, in addition to that in the statement of managers, would include the following: First, a new worker on a new facility on either an old lease or a new lease, even though the new facility is in the same geographical area as the old facility; second, a new job with the same company, so long as that new job is on a different facility, even though there is no net increase in employment by that company or in that geographical area. We do not intend that each promotion be automatically considered a "new worker."

Mr. JOHNSTON. For purposes of section 308(d)(1) loans, does "new or improved public facilities" refer to those facilities needed to support ongoing coastal energy activity?

Mr. HOLLINGS. It is the intention of this provision that loan funds be available to provide facilities required as a result of ongoing activities, including OCS activities. This would include, for example, schools, hospitals, and renovations of same as necessary due to ongoing coastal energy activity.

Mr. JOHNSTON. In section 308(b)(4)(B)(d), what is meant by the term "un-

availability of adequate financing under any other subsection"?

Mr. HOLLINGS. I would refer my colleague to page 33 of the report of the managers on the part of the House and the Senate, paragraph 2. Moreover, if a State exhausts its line of credit under section 308(d), such that such State can then apply for its allotments under section 308(b) for construction of public facilities, can such State use the grant funds for the total cost of construction of a school, only 10 percent of the need for which is attributable to "new or expanded" OCS activities? It is the intent of the legislation that the State transfer to general purpose units of local government allocations from the section 308(b) funds. Once the local government has received such funds, the local government may spend the money on the entire cost of a project, even though only a small percentage of the need for the new facility is specifically attributed to new or expanded OCS activity.

Mr. JOHNSTON. What is the meaning of the term "expended or committed" with regard to section 308(b)(5)?

Mr. HOLLINGS. The concept of "expended or committed" gives the State 2 years from the date of receipt to make a binding administrative earmarking of the funds for a specific project.

Mr. President, I ask unanimous consent that an additional, brief description of the conference report on S. 586 be printed in the Record.

There being no objection the material was ordered to be printed in the Record, as follows:

S. 586: CONFERENCE REPORT

This bill provides assistance to coastal States and local communities to plan for energy impacts affecting the coastal zone. It also provides aid to build public facilities and to ameliorate adverse environmental impacts caused by certain energy facilities.

I. Energy facilities covered by planning: Planning grants (\$50 million) are available so that States and local governments can plan for all types of energy impacts affecting the coastal zone, including:

- (a) coal-fired, oil-fired, and nuclear power plants;
- (b) liquefied natural gas facilities and equipment;
- (c) Outer Continental Shelf (OCS) oil and gas facilities such as platform construction yards, crew and supply bases, port facilities, drilling equipment, production platforms, pipelines, and tank farms;
- (d) refineries;
- (e) deepwater ports;
- (f) uranium enrichment and nuclear fuel processing plants; and
- (g) coal mining, transportation, and gasification facilities.

II. Energy facilities covered by loans, grants and bond guarantees (\$1.2 billion).

(a) Funds are available for financing public facilities and services (schools, hospitals, etc.) required because of coastal energy activity, including:

- (1) OCS oil and gas activity, including platform construction yards, crew and supply bases, port facilities, drilling equipment, production platforms, pipelines, and tank farms, etc.;

- (2) coastal transportation of oil, natural gas, and coal, including deepwater ports, liquefied natural gas facilities, and docks for loading and unloading coal.

(b) Grants are available for financing the prevention and/or repair of unavoidable damage caused by such energy activity to valuable coastal environmental and recreational resources such as beaches, wetlands and fresh water supplies.

(c) OCS formula grants are available to coastal States adjacent to offshore oil operations to:

(1) retire State and local bonds which finance public facilities and services for new population when tax revenues are inadequate;

(2) plan for and provide new OCS-related public facilities and services when there are unavailable Federal loans and guarantees; and

(3) for preventing and repairing unavoidable damage to valuable coastal environmental recreational resources.

Mr. MAGNUSON. Mr. President, after several months of intense negotiations, House and Senate conferees have agreed on a conference report on S. 586, the Coastal Zone Management Act Amendments of 1976. I participated in that conference and concur in the report. I urge my colleagues to vote favorably on the report. Congratulations are in order for Senator ERNEST HOLLINGS, chairman of the National Ocean Policy, and Senator TED STEVENS, for their steady effort in obtaining agreement in conference with a veto threatened, flexibility was necessary. But the conference bill completely reflects the basics contained in both the Senate bill and the House amendments. We owe Senator HOLLINGS and Senator STEVENS our gratitude for bringing this legislation this far. I understand that the President's signature on S. 586 is very likely.

For those of us who have been deeply involved in the protection of our valuable ocean resources, the passage of S. 586 marks an important step. It demonstrates congressional awareness of, and rapid response to, the possible adverse effects of energy development on our most valuable resource—the coastal margin where land and water meet.

The history of Senate consideration of the problem of coastal impacts associated with offshore energy resource development goes back a number of years, to the early implementation of the Coastal Zone Management Act of 1972.

In the spring of 1974, the National Ocean Policy Study of the Senate Committee on Commerce conducted 6 days of public hearings on this issue, including OCS impacts. At the same time, NOPS, through the Office of Technology Assessment, was undertaking a major study of the question of national growth policy in the coastal zone as well as a study—which has only recently been turned over to Congress—of the onshore impacts of offshore energy production, including OCS, deepwater ports, and floating nuclear power facilities. In addition, the study has produced five major committee reports on the questions raised by this legislation, all of which point to the need to deal with onshore impacts in the method finally chosen by the conferees.

It will be recalled that in September 1974, the Committee on Interior and Insular Affairs reported to the floor for debate, S. 3221, amendments to the Outer

Continental Shelf Lands Act. On behalf of the Committee on Commerce, Senator HOLLINGS and I offered amendments to that bill because the so-called coastal State fund contained therein was inconsistent with the developing Coastal Zone Management Act program and could lead to establishment by the Secretary of the Interior of a competing and duplicative coastal zone program through the use of revenue-sharing grants authorized by that bill.

That bill was amended on September 18, 1974, to reflect in part the concern of the Committee on Commerce. We pointed out that much of the information being developed on coastal impacts was not yet available at the time of the debate, but that the basic amendments to the OCS act in that bill (S. 3221) were a step in the right direction.

I wish to point out at this time that Senator JACKSON, the chairman of the Interior Committee, stated at that time, Page S16927, that:

The Committee believes that the Federal Government should assist the States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with OCS oil and gas development.

An agreement was made with the Interior Committee that the Secretary of Commerce would have discretion to draft regulations and make determinations as to whether a State is eligible for a grant pursuant to the fund created in that bill (S. 3221).

Even under that bill, Mr. President, Senator JACKSON agreed that the grants were not "automatic," but that the Secretary of Commerce would have jurisdiction and responsibility to draw up regulations which will determine eligibility.

S. 3221 passed the Senate, but went no further in the 93d Congress. Subsequently, as further research and studies by the national ocean policy study, the Office of Technology Assessment, the Library of Congress, the States, and others showed the need to approach the issue of impact assistance with far greater sophistication. That is why on February 5, 1975, Senator HOLLINGS and I introduced S. 586, providing a balanced approach to providing Federal financial aid to the States to deal with energy-related problems which need: First, studying, planning for, managing, controlling, and ameliorating economic, environmental, and social consequences likely to result from the development, production, or siting—of energy resources; and second, constructing public facilities and providing public services made necessary by such development, production, or siting and activities related thereto.

This was not a revenue sharing approach, but an attempt to provide a system of assisting States and local governments to deal with real impacts caused by major energy facilities and to assist those States which require assistance.

On February 3, 1975, Senator JACKSON introduced S. 521 on behalf of himself, Mr. JOHNSTON, and others, a bill which was essentially the same as S. 3221, but with some changes. The modification in

the "coastal State fund" were consistent with the changes made in the floor debate September 18, 1975. However, the passage of time had produced new information and a different thrust to the impact aid proposal, and this change was included in S. 586.

On July 16, 1975, S. 586 was debated and passed on the floor of the Senate. And now, after a long and difficult conference, the differences between the House and the Senate versions of the bill have been worked out.

The most important aspect of this bill is that it will ease the perennial problem of "boom-towns" associated with natural resource development. As we tap ocean resources from greater energy supplies, rapid industrial build-ups along the shoreline are likely. When new populations descend on previously undeveloped areas, tremendous pressure for schools, sewer lines, fire protection, and the like result. Without adequate financial assistance, these basic public facilities and services cannot be built. The, after the boom is over, much of the new population may pull out, long before bonds are paid off. This huge financial burden then may fall on the remaining population which simply cannot shoulder it. If we are to develop these resources and at the same time to protect our coastal areas from environmental damage, national assistance is needed. This is the purpose of S. 586.

Mr. STEVENS. Mr. President, I wish to concur with my colleague from Washington.

Last Thursday evening, the House/Senate conference committee for S. 586, the Coastal Zone Management Act Amendments of 1976, filed their report in the House and Senate respectively. This legislation provides a \$1,200,000,000 impact assistance program to coastal States who will suffer impacts from coastal energy activities, including Outer Continental Shelf oil and gas development.

The filing of this legislation and the statement of managers by the conference committee represents the end product of 2 years worth of work. I wish to commend the staffs of both the House and the Senate for their fine performance in the drafting of this bill. They have been engaged in a 4-month marathon to finish the bill before this summer's conventions.

I particularly wish to thank John Hussey, Jerry Sauer, Bud Walsh, Lynn Sutcliffe, Bob Joost, and Gerry Kovach of the Commerce Committee staff, and Steve Perles of my own staff for the excellent job they have done in the drafting of this legislation.

The Coastal Zone Management Act amendments, as presently drafted, is an outstanding piece of legislation. The quality of this bill reflects the high degree of cooperation exercised by the House, the Senate, and the Executive Department. The fact that we have a \$1,200,000,000 impact aid program which is supported by the administration is testimony to the high degree of cooperation between the legislative and executive branches in the preparation of this bill.

The impact assistance provisions consist of \$800 million in loans and \$400 million in formula grants. The purpose of

the loan program is to provide front-end assistance to municipalities who will be facing impacts from coastal energy facilities. It is expected that in most cases the tax revenues from the energy facilities and surrounding activities will be sufficient to repay the loans and guarantees.

Should tax revenues be insufficient for that purpose, the indebtedness will be automatically forgiven. The formula grants must be applied first to retire local, then State bonds. Remaining formula grant funds may be used either to meet environmental needs or for capital construction programs where it is anticipated that the tax revenues will not be sufficient to pay off the cost of the facilities. Included in the \$400 million formula grant package is \$50 million for planning purposes.

I wish to point out that the indebtedness which States and municipalities can incur under this program is Federal indebtedness. We have gone to great lengths to insure that States and municipalities will not have to pledge their full faith and credit or receive these loans and guarantees. Nothing need be pledged by a State or municipality to receive this assistance except future tax revenues to be derived as a result of the energy activity.

The term "solely" in the conference substitute means solely in the sense of exclusively. No other provision of Federal law and no provision of any State or local law shall, to the extent of Federal constitutional authority, govern the making of any loan under this paragraph. It is the intent of the conferees to remove any impediments which may prohibit, inhibit, or impede a State or unit of general purpose local government which satisfies the prerequisite, terms, conditions, and requirements of this act and regulations under this act—from borrowing under subsection (d).

This legislation is of critical importance to my home State, Alaska. The first Outer Continental Shelf oil and gas lease sale recently took place in the northern Gulf of Alaska. By the time the authorizations in this legislation have concluded in 1986 Alaska will have more acreage under lease than any other State in the Union. Without the financial assistance provided for by this bill, the State of Alaska will not be able to amass the front-end capital needed to construct facilities for coping with the on-shore impact of Outer Continental Shelf oil and gas development.

The State of Alaska will receive substantial amounts of loan or bond guarantee assistance to be repaid by the State and its municipalities with tax revenues earned by taxing oil companies' on-shore support facilities. I am pleased that the automatic forgiveness provisions of this legislation will provide the citizens of the State of Alaska with peace of mind, knowing that should the anticipated tax revenues fail to accrue, the Federal Government will automatically forgive the loan indebtedness which my State will soon incur.

The State of Alaska will also be eligible for formula grants. These funds will be used to retire bond indebtedness, meet

the State's critical environmental needs, and construct public facilities when the anticipated tax revenues will not meet the cost of construction.

Mr. President, this legislation is a great step forward for the State of Alaska and for the Nation. It is the only means by which States and municipalities will be able to bear the burden of impacts created by Outer Continental Shelf oil and gas development and other coastal energy facilities activities. After this legislation is signed into law, States and municipalities will need no longer fear the financial strain resulting from Outer Continental Shelf oil and gas development impacts. The combination of loans and grants established by this legislation is a fair and equitable means by which the taxpayers of the United States can assist State and local governments impacted by Outer Continental Shelf oil and gas activity and other coastal energy activities which are necessary to achieve energy independence. I would urge each of my colleagues to approve this conference report.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, after discussing the matter with the distinguished Senator from Louisiana (Mr. JOHNSTON) and the distinguished Senator from South Carolina (Mr. HOLLINGS) and also with the chairman of the Committee on Interior and Insular Affairs, that the conference report be limited to 25 minutes, 20 minutes to be allocated to the Senator from Louisiana (Mr. JOHNSTON) and 5 minutes to the Senator from South Carolina (Mr. HOLLINGS).

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana is entitled to be heard. Senators who are conversing will please go to the cloakroom.

Mr. JOHNSTON. Mr. President, I would hope that the Senator from California would remain for this colloquy, since he was on the conference committee.

Mr. President, to say that I am disappointed, that I am upset, that I am chagrined by this conference report would be a great understatement. I am upset and concerned. First of all, I am upset with the administration for specifically, designedly, with malice aforethought, and intentionally requiring that provisions be taken out of this coastal zone management bill which would have specifically helped my State of Louisiana and any other State that has ongoing offshore production. Second, I am upset and concerned and disappointed with the conference committee and, specifically, with the Senate Committee on Commerce, which in my view failed to live up to what I regarded as a very clear and explicit understanding.

Mr. President, this legislation has a fairly long history. It involves some 3½ years of work by me. It involves the feeling of people in my State, rightly or wrongly, that they have been short-changed, both by the Supreme Court

and by Congress, in the treatment of Outer Continental Shelf revenues and production. We may be wrong about that. We may be parochial in that feeling, but we have felt it, and we have felt it intensely for a long time.

Accordingly, Mr. President, we began to work 3½ years ago to try to correct what we regard as a very unjust situation; to try to get some share of revenues from the Outer Continental Shelf to aid in the impact which the Outer Continental Shelf development has had on Louisiana.

The Federal Government has impact aid funds for virtually everything. If a military base is put in an area, the Government will give impact aid because of the lost taxes to that area. Areas get impact aid for timber cutting by the Federal Government on Federal lands. Areas get impact aid for extracting any kind of mineral from any federally owned lands. Louisiana thought he should get some modicum of that same treatment.

So the Interior Committee had hearings. Louisiana justified its cause, and we passed a bill affording favorable treatment three times on the floor of the Senate. The last time we passed it, we had what I thought was an agreement that the impact aid funds would be attached to the coastal zone management bill. We thought the agreement was that those funds would survive the conference. There is no need to go into all the provisions of that agreement between the Senate Commerce and Interior Committees. I could read the provisions or put them in the Record.

Suffice it to say that in my judgment, those provisions are explicit. They constitute more than a gentleman's agreement. They constitute a specific agreement, spread on the records of the Senate.

Relationships between Senators, I suppose, is a matter of concern not for the Senate as a whole or as an institution but, rather, for those Senators involved. But relationships between committees, when spread on the CONGRESSIONAL RECORD, are matters that the Senate should be concerned about. I am deeply concerned and I am deeply disappointed by the action of the conference committee, because I think the Interior Committee has been done in.

To be sure, Mr. President, the ultimate cause of this is the administration. The same administration which, after many conversations, led me to believe, through Secretary Morton, that they had lots of sympathy for the States which were upholding their part of the Nation's needs by allowing drilling for oil and gas off their shores and suffering the impacts that activity brings. The administration indicated that we, at least should get some kind of reasonable impact aid. I was led to believe that they suggested the automatic impact grant concept.

I do not charge that there was a specific breach of a specific promise, but at least this was my understanding of their intentions.

I can understand the spot that the conferees were in. They were told—and it was repeated to me today by the Deputy Under Secretary of Commerce—

that if they allowed these provisions to survive in this bill, the President would veto it. I believe that veto would have been overridden easily. This bill was passed in the Senate by a vote of 75 to 15 and in the House by a vote of 370 to 13. I am confident that the automatic impact grant provisions would have survived a Presidential veto. In any event, the conferees felt the necessity of expunging from this bill those provisions which helped the State of Louisiana.

How does the conference report do that? It does it by adding two requirements: that the "new or improved public facilities and public services" to be funded by automatic grants are required as a direct result of "new or expanded" Outer Continental Shelf activities, which completely ignores anything that has gone on in the past or is presently ongoing. That is No. 1. Second, the conference report requires that there be no loan money available under other sections of the bill.

Mr. President, the State of Louisiana does not wish to borrow money from the Federal Government under the conditions herein imposed. In the first place, Louisiana does not get any better interest rate under this bill. We get the same interest rate that we would if we borrow the money from the Federal Government as we do if we go out on the bond market and borrow the money. The only difference in the two source of loans is that we get the benefit of all these Federal regulations and the benefit of the restrictions on the use of the money if we borrow from the Federal Government.

What they are telling us, in a great feeling of magnanimity in this bill, is that we cannot be given the grant money which is set aside for us until we have borrowed money that we can get anyway under the same bill. In my view, Louisiana is not going to borrow the money.

Why were the loan provisions put in the conference report? To benefit other States which are just getting involved in OCS activity. Indeed, Alaska will do very well under this bill, because in areas where there is no city, where there is not an existing infrastructure, the right to borrow money from the Government in order to create a new town is a very valuable right.

This move is not true in areas that already have existing cities, existing infrastructures, and existing drilling.

Mr. President, I realize that once a conference report comes to the floor of the Senate, it cannot be beaten; that one cannot make a motion to amend it. There is not much one can do, other than to do as I am, to express my severe disappointment; to put the Senate on notice that there will be another day; that we will come back and try again, at which time I am sure we will be met with the statement, "All that has been agreed to; all that has been settled," as indeed I thought it was back in 1975. We will try again. I do not know what kind of luck we will have.

I know better than to try to make a motion now to do anything. The rules do not provide for amendment of a conference report. To try to beat this con-

ference report on the floor of the Senate would be a nonproductive venture. But at least I have said what I think should be said.

I do not think the people of my State are going to forget this administration for what they have done to this bill, if indeed the administration gets the chance to put themselves up for consideration in my State. I say that with some degree of confidence. I say that as someone who is not going to let the administration's deeds be forgotten. I do not think they would be forgotten anyway, because the people of my State are well aware of the administration's activities.

Mr. President, I think I have said enough. I just want my disappointment in and my opposition to this measure to be recorded.

Mr. HANSEN. Mr. President, will the distinguished Senator from Louisiana yield to me for a couple of minutes?

Mr. JOHNSTON. I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I can empathize, as not everyone in this Chamber can, with the distinguished Senator from Louisiana. It was the language in the bills to which he has referred that encouraged me to adopt the same identical language which finally was passed by the action of the Senate in adopting the amendments to a bill that came back as S. 391.

I know what it means to have great developments taking place that are given encouragement by the Federal Government and to have people come in and suddenly descend upon a city or a town and bring with them immediate demands for all kinds of extra services.

We have gone through that experience in several instances in my State of Wyoming—in Rock Springs, in Green River, in Gillette. We are going through it now in the city of Douglas, Wyo., east of Casper. We know what it means in Hanna, Wyo.

It is not easy when you find the population of a town doubling or tripling in just a few years. It is always difficult, because invariably the people come before any of the increased valuation which eventually may appear on the tax rolls is able to make any contribution at all to minimize or mitigate the impact of these social and economic problems that invariably follow the presence of many new people in town.

I understand full well what the Senator from Louisiana is saying. I want to make just one point, though, that I did not know that the White House or an Under Secretary of Commerce carried as much clout with a Democratically controlled Congress as my good friend from South Carolina and others would have us believe was the case. I am surprised that they would not have gone ahead and said, let the President veto it if he wants to. He would have had the support, I think, of a number of Republicans in trying to do what we think is right for the country. So I am not going to come down on my analysis of who is to blame by saying that we are going to point the finger at the White House and say they

are to blame. That is not where I put the blame.

I think that the conferees had a clear signal from the Senate of the United States. The need was there, a good case was made. There can be no controverting at all the substantiation of the facts that were presented under the skillful chairmanship of my good friend from Louisiana when hearings were held on this subject. As I say, I sympathize with him and I emphasize with him because things turned out as they did.

We heard the same statement made about the mineral royalty bill on S. 391. I do not know yet what the President may do. All I can say is that I have great concern for the problems that will be visited upon coastal States following the installation of offshore installations which will bring many new people in town, with no better way of coping with those problems than we presently have.

I do regret, in this case, that the conferees did not stand firm, did not give the White House a chance to look at all of the facts when they were before them, and come down on that issue without being frightened, as apparently they were, by an Under Secretary of Commerce who spread the word that the President is going to veto the bill. That, to me, does not really quite all add up to putting the amount of blame on the administration that others may believe that it does.

Mr. JACKSON. Will the Senator yield 2 minutes?

Mr. JOHNSTON. Yes, I shall yield to my colleague.

Mr. JACKSON. Mr. President, I shall be brief and to the point. I support the conference report on S. 586, the Coastal Zone Management Act Amendments of 1976. It contains many good provisions which will greatly improve coastal zone management programs.

However, I am disappointed that the conference report weakens the provisions for automatic grants to coastal States that were contained in the Senate-passed version of S. 586.

Senators will recall that section 308(k) of the Senate bill provided for annual distribution of automatic grants based on a formula set out in the subsection. The language was the result of negotiations between the Committee on Interior and Insular Affairs and the Committee on Commerce in an attempt to meld the Outer Continental Shelf oil and gas leasing bill (S. 521) with the coastal zone management bill (S. 586). The Outer Continental Shelf development activity and disposition of the revenue therefrom falls under the Interior Committee's jurisdiction.

Our agreement, approved by the Senate in both S. 521 and S. 586, did not condition automatic grants on the availability of loans or loan guarantees. The Interior Committee felt strongly that all States impacted by OCS oil and gas production should be entitled to automatic grants. We did not want these grants to be subject to administrative discretion as long as the States spent the money to reduce or ameliorate the adverse impacts of OCS oil and gas production.

I understand that the Senate conferees believed it necessary to weaken this provision in order to reach an agreement with the administration. I appreciate their desire to have the bill enacted and strongly support it. However, I believe that the grant provisions should be improved in future legislation to assure that all States are treated fairly. I know that the Senator from Louisiana (Mr. JOHNSTON) is concerned about this provision. I will work with him and all other concerned Senators to improve the automatic grant provision.

I think this matter has been laid before the Senate very properly and very effectively. The facts are that the Senate bill was passed by an overwhelming majority and the House bill, which passed by an overwhelming majority, did cover the special problem outlined by the distinguished Senator from Louisiana. I may say that the distinguished junior Senator from Louisiana was most diligent in the committee. We started out with an impacted aid fund program which, obviously, did not cover all situations, and it was his amendments that broadened the base which the Senate later approved and which the House approved.

I have done some checking on this, and I think it is quite clear that the problem confronting the conferees was that the administration indicated that they were going to veto the bill. Both Houses had, in effect, adopted the Johnston proposal, both the House and the Senate. And the conferees, House and Senate, came to the conclusion that they had to modify it. I think that is unfortunate, but that was a judgment decision that they made.

I say to the Senate and to my colleague from Louisiana that the Senate Committee on Interior and Insular Affairs will pursue this matter with diligence, that it is a matter that we are greatly concerned about, because it does affect the Outer Continental Shelf, and the revenues from that shelf, as such, come within the jurisdiction of the Committee on Interior and Insular Affairs. I want to assure the Senator that I will do all I can to assist him in this regard and there is legislation pending at the present time. I want to work with the distinguished Senator from the Committee on Commerce (Mr. HOLLINGS) so that we can get back to where we were in the first place.

It is very clear what the understanding was. I just do not want a recurrence of the kind of action here from the executive branch which led to both sides, having agreed on a formula that was substantially the same, revising that in light of the representations made by the executive branch of the Government that there is going to be a veto.

I assure the Senator that I shall do all that I can. The Senator knows that we have done that before, but we will really follow up on this to see that we do equity, so to speak, to the situation that is involved here.

Mr. JOHNSTON. I thank the Senator from Washington. I appreciate his sup-

port, his knowledge and work, and his willingness to do equity in this matter.

The PRESIDING OFFICER. The Senator from South Carolina is once again recognized.

Mr. HOLLINGS. May I have, by unanimous consent, my 5 minutes now?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Louisiana and myself have been working over the years. The fact is that I commenced this some 6 years ago with the hearings, covering a 3-year period which led to enactment of the Coastal Zone Management Act of 1972, of course allowing for planning and development grants to set up the coastal zone area management program in the States. When we started on the offshore impact issue, I introduced S. 426 prior to the introduction of S. 521, which contained an impact fund, and also introduced the amendment to the Coastal Zone Act, S. 586, which is presently under consideration. There had been a give and take. We have been meeting with the Committee on Interior, and I do agree that the record of last July 16 upon the passage of this bill in the Senate is the best representation of our agreement. The distinguished Senator and I exchanged letters relative to that record. I have two letters, one dated June 26, 1976, from the Senator from Louisiana to me, and one dated June 28 from myself to the Senator from Louisiana. I ask unanimous consent to have those letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE:

Washington, D.C., June 26, 1976.

HON. ERNEST F. HOLLINGS,

U.S. Senate,

Washington, D.C.

DEAR FRITZ: This memo is submitted in hopes of securing your reconsideration of the restrictions on the use of the formula impact fund grants of the Coastal Zone Management bill. I believe that fairness, together with our previous agreements, requires it.

I. BACKGROUND

In January 1973, I sought membership on the Interior Committee because it has jurisdiction over OCS legislation. My state has long perceived the actions of the Supreme Court and Congress with respect to OCS revenues to be an injustice to Louisiana. I made it a prime campaign issue in my race for the Senate.

I and others introduced legislation in the 93rd Congress dealing with offshore revenue sharing. Extensive hearings were held. In 1974, the Committee reported and the full Senate passed S. 3221, amending the OCS Lands Act. On September 18, 1974, by a vote of 64 to 23, the Senate approved this legislation. You will recall that, at the time this legislation was coming up for floor action, extensive negotiations were had between you, your staff and me. In S. 3221, as reported, the granting agency was the Department of Interior. However, by way of compromise, we agreed to allow the Department of Commerce to be the granting agency. With this and certain other compromises, you and your Committee supported the bill. (See Attachment A)

This legislation was generous to Louisiana, granting it approximately \$100 million per year in the early years of the program and much more in the later years of the program.

The grants were automatic and virtually unlimited in the uses to which they could be applied. Clearly, under this legislation, the grants could be used for impacts attributable to ongoing OCS production. Furthermore, funding was automatic as a dedication from OCS revenues and did not require annual appropriations for funding. The House took no action on this legislation, which passed late in the 93rd Congress.

When the Coastal Zone Management Act Amendments were in your Committee, we similarly had long and extensive negotiations on the impact fund provisions of your Committee's bill (S. 586) and of my Committee's bill (S. 521). You will recall that Interior Committee members met with you and other Commerce Committee members complaining about the raid on the jurisdiction of the Interior Committee. These concerns were later incorporated in a memo signed by each Interior Committee member.

The final result was, of course, S. 586, the Coastal Zone Management Act Amendments of 1975.

Under this Compromise Act, as finally adopted by the Senate, Louisiana had yielded considerably:

(1) Impact funding to Louisiana was reduced from approximately \$100 million per year (more in later years) to approximately \$45 million per year; and

(2) Funding of the impact grant fund was no longer automatic, but rather required annual appropriation.

However, in the spirit of compromise and harmony, we accepted the amendment. The extensive negotiations over a period of months, the extensive concessions on the part of the Interior Committee with respect to jurisdiction, and the extensive concessions on the part of Louisiana (the main OCS producing state) provided the background of the explicit compromise agreement which is reflected in the *Congressional Record* of July 15, 1975 at S 12815.

II. AGREEMENT

The verbal agreements involved in all of these negotiations ripened into the amendment submitted jointly by Senator Jackson and me on behalf of the Interior Committee and Senator Magnuson and you on behalf of the Commerce Committee. (See attached exhibit B) The amendment, of course, provided for a \$100 million automatic grant fund with a state's allocation to be strictly in accordance with the amount of oil and gas produced adjacent to the state or landed in that state. The Secretary of Commerce was mandated to make these grants:

"(k) The Secretary shall, in addition to any financial assistance provided to . . . coastal states pursuant to any other subsection of this section . . . distribute grants annually in accordance with the provisions of this subsection."

The purpose for which the monies could be used was very broad. It included the ability to spend money to reduce "adverse impacts" from ongoing OCS production:

"(k) . . . The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under section 316 of this Act."

Pursuant to Subsection (e), a state was required to refund to the Federal treasury

any unexpended funds, but neither machinery for monitoring of state expenditures was provided nor was a time limit for state expenditures provided.

We believe the language as reflected in the *Congressional Record* involving our colloquy is clear and unmistakable. (See attached exhibit C)

III. CONFERENCE REPORT

Even prior to Thursday's meeting, the Conference Committee had very substantially eroded both the concept of and funding of the impact grant fund—at least insofar as Louisiana was concerned. A comparison of the 1975 text with the "pre-Thursday text" shows the extent to which Louisiana had lost.

Specifically:

(1) Under the 1975 legislation, a state's share was determined by oil produced adjacent to or landed in a coastal state. Under the "pre-Thursday text," that share was to be only $\frac{1}{2}$ determined by production and landing. The other $\frac{1}{2}$ was to be measured by acreage "newly leased" and the number of individuals who obtained "new employment" as a result of "new or expanded outer continental shelf activity."

(2) The uses to which this money could be applied had been greatly circumscribed in the "pre-Thursday text." But, a state could still use the money to provide "new or improved public facilities and public services which are required as a direct result of outer continental shelf activity." The amendment further stipulated that the Secretary could not disapprove plans relating to highways and secondary roads, docks, navigation aids, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care.

As you know, the latter "must approve" category was designed to salvage what use Louisiana had left of the formula impact grant funds.

The change in the formula, with its two-thirds emphasis on new and expanded production and new OCS jobs, would virtually write Louisiana out of much of the funds. There are already over 10,000 holes in the Gulf and billions of dollars of federal production in the OCS off the coast of Louisiana. This production has already peaked and is dropping. The impact of dropping economic activity and its accompanying decrease in employment is a much more severe impact than that from expansion—particularly in a state which is 41st in per capita income.

The final "Catch 22", of course, occurred in the Thursday meeting. The sole effect of this meeting was to write Louisiana the rest of the way out of the formula impact grants. It did so by requiring that the grants be:

"necessary, because of the unavailability of our adequate financing under any other subsection, to provide new or improved public facilities and public services which are required as a direct result of new or expanded outer continental shelf activity."

The "automatic formula grants" are no longer "automatic," as provided in our earlier compromise, and the funds can no longer be used for broad OCS related impacts, as in our earlier compromise, but apparently must only be used for impacts attributable to "new or expanded OCS activity."

Financing is, in fact, provided under other subsections of this bill for each use described in the grant section, except the retirement ledgerdeman gives a state a grant only if it cannot borrow the money, while at the same time providing that a state can borrow the money from the federal government. Apparently the formula grant funds can only be used, particularly for public facilities and public services, when a state has already exhausted the loans made available by the federal government.

The loan provisions of this Act are virtually useless to Louisiana. These provisions are designed for a state whose energy production in the OCS is just beginning—such as Alaska or some of the East Coast states. The judgment of whether an adverse impact is wholly or partially attributable to "new and expanded" OCS activity as opposed to ongoing OCS activity off the coast of Louisiana is so subjective that Louisiana is left to the whim and fancy of the Secretary of Commerce. No other state is faced with such a melding of ongoing and "new or expanded" OCS activity.

IV. CONCLUSION

The law is not, of course, without its ambiguity. Indeed, there are several provisions which a sympathetic Secretary could stretch to help Louisiana. (For example {Section 7}. {Section 308} (b) (4) (c).)

In sum, however, we regard the Conference Report as an unmitigated disaster for Louisiana and a very sad end to almost four years of work crowned by victories and compromises on the Senate floor. Rather than provide a program which offers certain relief to Louisiana, this legislation, due to the fact that both extensive ongoing and "new and expanded" activity exist on the OCS off the coast of Louisiana, provides Louisiana relief based solely on the subjective decision of an appointed Secretary of Commerce. The state which has carried the burden of the only extensive OCS development deserves better than that.

I hope and trust you will reconsider and return the report to the Conference Committee where the offending language can be expunged.

Sincerely,

J. BENNETT JOHNSTON,
U.S. Senator.

U.S. SENATE,

Washington, D.C., June 28, 1976.

HON. J. BENNETT JOHNSTON,
Russell Office Building,
Washington, D.C.

DEAR BENNETT: I am relieved to receive your letter of the record and "our previous agreements" on S. 586. S. 586 passed the Senate on July 16, 1975 by a vote of 73-16. It was passed after thorough debate on the floor which reflected the negotiations between the Interior and Commerce Committees and more specifically between yourself and other members relative to whether or not the impact fund and automatic grants provided under the bill could be used as revenue-sharing for past impacts or facilities not related to an adverse impact caused by OCS activity. Since the bill's passage, you have from time to time referred to "revenue-sharing" inferring as you now do in your letter that the formula grant fund was totally automatic and could be used as revenue-sharing. I knew we had faced this squarely in debate and so resting your case on the Senate record relieves us both of any misunderstanding. I agree—the record reflects "our previous agreements." Most importantly, the conference report is in lock-step with the Senate record, in lock-step with what you agreed to.

I. For Adverse Impact, Not Revenue-Sharing.

At S12816:

"Mr. HOLLINGS. I know that the principal negotiations today have been carried on by the Senator from Alaska and the Senator from Louisiana. As I understand it, under the amendment of the Senator from Louisiana, we have joined under the costal impact fund rather than the revenue sharing fund originally proposed in S. 521. Is that correct?"

Mr. JOHNSTON. It was not really a revenue sharing fund. It was an impact fund.

Mr. HOLLINGS. All right, an impact fund. This agreement would supplant the fund in S. 521 . . ."

Emphasizing that the automatic grants did not constitute revenue sharing, Senator Stevens on S12812 stated:

"Let me emphasize that this is not a revenue sharing bill. We have no provisions in here pertaining to revenue sharing. . . . Again, I emphasize these are not revenue sharing proposals."

And on S12813, Senator Stevens stated:

"It should be noted that since the automatic grants must be spent on impact-related projects and the surplus returned to the Federal Treasury, the automatic grants are not revenue sharing."

II. Automatic Grant Fund for Future Adverse Impacts, Not Past.

On S12817, Senator Jackson stated:

"While I am opposed to any sharing of federal revenues from Outer Continental Shelf activity, with the states, I have consistently supported the concept of federal impact aid to those states suffering adverse impacts from Federal decisions to develop OCS oil and gas. . . . The Interior Committee bill also contains an automatic impact aid provision based on a formula which is specifically designed to provide funds to coastal states in so-called frontier areas—those areas where there has been no Outer Continental Shelf oil and gas development in the past. I supported this approach."

"And Senator Johnston on S12815 refers to:

". . . for projects designed to provide new and additional public facilities and public services."

Senator Johnston continuing further stated:

"It misses the mark by far in terms of alleviating the impact on the adjacent coastal States . . ."

Perhaps the Louisiana situation of 10,000 holes and production dropping was what you had in mind but nowhere in the entire record can you find any intent or reference to aid "dropping economic activity." On the contrary, the intent is manifest throughout the record that there was no idea of compensating for an already-established offshore development with the same drill, the same pipeline, the same storage tank, no additional people and no additional adverse impact. A bill to reward this would have had no chance of passage in the United States Senate.

III. Formula Grant Fund for Real and Reasonable Impact—Not Absolute.

At S12816 Senator Johnston stated:

"It is not a bribe at all . . . there is a real and reasonable impact."

Senator Humphrey at S12814:

"S. 586, however, is not a give-away program. Coastal states must demonstrate adverse impacts to receive assistance."

Senator Hollings at S12811:

". . . these automatic grants must be used to ameliorate adverse impacts of energy resources development or related energy facilities . . . it is not simply a grant program"

Quoting from the bill itself presented by Senator Johnston on S12815:

"1. Any funds provided to any state under this section not expended in accordance with the purposes authorized therein should be returned to the Treasury by such state."

IV. Clear Understanding that Automatic Grants Must First be Applied to Paying Off Loans.

Senator Stevens at S12813:

"The automatic grants, . . . are used by the state and local governments to retire the Federally guaranteed bonds."

Senator Johnston at S12815:

"The bill also provides, Mr. President, that when a state is eligible for this money that

the money should be paid first to retire the locally issued bonds previously approved by the Secretary of Commerce."

V. Approval of the Secretary of Commerce Clearly Sought and Clearly Understood.

Senator Stevens on S12813 states:

"Let me emphasize that this is really a discretionary concept; because, under the provisions of this bill this money would revert to the Treasury if it is not used to meet impacts that have been approved under the plan or used to repay bonds guaranteed by the Secretary of Commerce. I think the Secretary of Commerce will have a great deal of discretion in administering this concept."

Senator Johnston provided for a fund approved by the Secretary of Commerce in S. 521 and many times in debate and prior to the vote on S12829 stated:

"But the uses are also spelled out and must be related to these impacts subject to the Secretary of Commerce. The uses are in three categories in this priority:

"First, to pay off bonds previously approved by the Secretary of Commerce. . . .

"Second, to pay off similar bonds under Section 308 previously approved by the Secretary of Commerce."

You state in your letter, ". . . the retirement ledgerdeman gives a state a grant only if it cannot borrow money" and referring to the language inserted by the conferees, ". . . because of the unavailability of our adequate financing under any other subsection," "the automatic formula grants are no longer automatic." It is obvious from the record that rather than ledgerdeman, the language of the bill is clear and the added language by the conferees only emphasizes what we stated last July time and again that the grants were not automatic to begin with, that they had to retire loans for adverse impacts and any left over had to go back to the Federal Treasury. There is one exception. One that you proposed in your original bill, S. 521, and one which was adhered to by the conferees and that is grants for environmental impact.

Now let me refer to your language, "The change in the formula, with its two-thirds emphasis on new and expanded production and new OCS jobs, would virtually write Louisiana out of much of the funds." Totally false. First, as is stated above, the almost total emphasis in the Senate last year other than environmental, was on new and expanded production. The criteria of new OCS jobs was added by the House in Committee prior to reporting the bill to the House on October 8, 1975. It was not added by the conferees but rather supported by the House when it passed the bill including the Louisiana delegation and supported by all of us on the conference. It was never in issue because it only emphasized the original Senate intent. Moreover, rather than writing Louisiana out of funds, it is interesting to note the survey made by the Department of Commerce and OMB for Louisiana's share under the conference report. They project that of the total \$400 million over the eight year period, Louisiana will receive \$188 million. One state receiving almost half of a Federal fund cannot be referred to as an "unmitigated disaster." I only wish such a "disaster" would be visited on South Carolina.

Finally, let me say that I am sorry for any misunderstanding. I try to avoid differences with colleagues and it is particularly regrettable when it involves good friends. I have made a sincere endeavor to reconcile what you now pay for in accordance with the record. When you refer in the background section of your letter to your race for the Senate, I am only constrained to remind that your race came on the tail end of a three year endeavor by me and others for a coastal zone management act. We were supported by the State Ports Authority, by

the Council of State Governments, the Association of Counties, the Municipal Association and many officials and citizens of Louisiana. We finally succeeded in the summer of 1972 and prior to your election this bill was signed into law in October of 1972, giving Commerce original jurisdiction of coastal zone development. We have maintained this with our friends from Interior and, of course, I reject your idea of "raiding" for what the law already provides; for the jurisdiction already determined by the Congress. To ask me to go back now to conference would be totally unfair and would totally violate "our previous agreements," those made between you and me and those made by me with the Senate. The truth is that after a year's work with four months in conference, we have finally got an excellent bill which the Administration will accept. We have provided an orderly way for the state to receive front-end money to prepare for the net adverse impact of OCS activity. We can't at this late date and shouldn't turn this into a revenue-sharing measure. I quote Senator Jackson, Chairman of the Interior Committee, at S12817:

"Once actual production takes place, automatic aid will become available to repay loans or retire the bonds. I am pleased that the compromise requires that the automatic grants must be expended for the purpose of reducing or ameliorating adverse impacts. This requirement should eliminate any possibility that any state will receive a windfall."

Sincerely,

ERNEST F. HOLLINGS.

Mr. HOLLINGS. Mr. President, while I understand the concerns stated here, I hope the colloquy between myself and the Senator from Louisiana about certain interpretations of the conference report has cleared some of that up. I cannot yield to the idea that the conferees did not live up to the intent of the Senate in the agreements made between Interior and the Committee on Commerce. The fact of the matter is that when it comes to the Secretary of Commerce approving grants, I quote Senator JOHNSTON at page S12815, July 16, 1975, as saying:

The bill also provides that when a State is eligible for this money that the money should be paid, first, to retire locally issued bonds previously approved by the Secretary of Commerce . . .

I have no better, firmer language about funds being used first for the payment of bonds.

Our distinguished friend, the Senator from Washington, as chairman of the Subcommittee on Interior, at that time in the colloquy, stated:

Once actual production takes place, automatic aid will become available to repay loans or retire the bonds. I am pleased that the compromise requires that the automatic grants must be expended for the purpose of reducing or ameliorating adverse impacts. This requirement should eliminate any possibility that any state will receive a windfall.

There is a section in the 1975 RECORD about the wide discretion of the Secretary of Commerce and the authority to promulgate rules and regulations. Necessarily, the Secretary of Commerce had discretion—under the bill of the Senator from Louisiana and the Interior bill, S. 521. The Secretary of Commerce has the same discretion under S. 586 with respect to grants for public facilities development.

But the discretion that had to be used was broad and it was referred to by my distinguished friend, the Senator from Alaska, at S12813 of July of last year where he said:

Let me emphasize that. This is really a discretionary concept; because, under the provisions of this bill, this money would revert to the Treasury, if it is not used to meet impacts that have been approved under the plan or used to repay bonds guaranteed by the Secretary of Commerce. I think the Secretary of Commerce will have a great

deal of discretion in administering this concept.

With that concern in mind, yes, the Secretary, Secretary Richardson, and his staff worked closely with the conferees.

I ask unanimous consent, due to the lack of time, to print in the RECORD a staff estimate of the allocation of funds under the formula grant subsection.

There being no objection, the staff estimate was ordered to be printed in the RECORD, as follows:

FORMULA OCS GRANTS BY REGION

[Dollars in millions¹]

	Atlantic	Pacific	Alaska	Gulf	Total
1977	\$5.3	\$3.9	\$3.4	\$37.4	\$50
1978	8.4	9.6	10.4	21.6	50
1979	8.4	3.7	14.5	23.4	50
1980	6.8	7.4	14.3	21.5	50
1981	9.7	3.9	19.0	17.4	50
1982	7.2	5.7	16.3	20.8	50
1983	6.6	2.9	8.8	31.7	50
1984	3.8	5.9	25.6	14.7	50
	56.2	43.0	112.3	188.5	400

¹ Above figures are estimates only, based upon the best available data pertaining to lease schedules, projected production and employment. Sources: Department of the Interior, Federal Energy Administration, and Office of Management and Budget. Analysis by House and Senate conferees' staff.

Mr. HOLLINGS. Under our joint staff's estimate, and the OMB figures of the \$400 million grant fund, \$188 million, almost half of the grant fund that we now have in dispute and discussion, could be eligible to be granted under certain conditions to the State of Louisiana.

So I think that while we did not write the bill to look out for a particular State, if we look at the result, someone could accuse us of that. I hate to be in a position of being accused of not being aware or attentive or rather in disregard of the concerns of the people of Louisiana and their particular needs.

I understand that the Senator from Louisiana differs somewhat with that view. But I only point that out and submit it for the RECORD.

I yield now to the Senator from Alaska.

Mr. STEVENS. Mr. President, I join with the Senator from South Carolina, and believe that we have not deviated from the Senate instructions to the conferees. I differ with my friend from Louisiana in terms of our interpretation of the bill.

I share the feelings of the Senator from South Carolina that Louisiana will receive almost half of the formula grant funds. Furthermore, these grant funds could be used immediately for items such as environmental control, correction of salt water intrusion and other things which, I think, would be of great benefit to the State of Louisiana. Senator HOLLINGS points out that my State will also have some assistance, and that is intended because we are a new Outer Continental Shelf oil and natural gas development area.

Seventy percent of the Outer Continental Shelf of the United States is located off Alaska. Within the time frame of this legislation Alaska will have almost

the same proportion of Outer Continental Shelf oil and natural gas activity as Louisiana, yet we cannot look forward to the kind of funds from this bill that the State of Louisiana can because of the fact that Louisiana already has the production and landings. Furthermore almost 20 percent of the area that is to be leased between now and 1983 will be in the Gulf of Mexico, primarily in the Louisiana area.

In terms of employment, sizable employment is expected off of Louisiana the next 2 or 3 years because of the 5.2 million acres leased since 1972 which are only in the exploration stage, and which are just now reaching the development stage.

I think the financial assistance program we have in this bill is well-balanced geographically. Having been the one who started the concept of this kind of non-revenue-sharing loan and grant tie-in for Outer Continental Shelf funds. I believe the conference report should be agreed to.

Mr. KENNEDY. Mr. President, the conference report on the Coastal Zone Management Act Amendments which is before the Senate today establishes a \$1.6 billion assistance program for coastal States to assist in the amelioration of the impacts which will result from the proposed acceleration of offshore leasing. It also recognizes the need of coastal States for assistance in planning to absorb those impact. It is the result of 3 years of study, hearings, and investigations. It takes into account the views of local and State officials, concerned public interest groups, and representatives of business and industry—all of whom presented testimony during the development of the legislation.

My own Subcommittee on Administrative Practice and Procedure participated actively in this process. It was just 2

years ago that my subcommittee, together with the National Ocean Policy Study, held field hearings in Boston to solicit the views of concerned New Englanders on what legislative and administrative actions were necessary to assure full protection of the public interest, both in the procedures leading up to a final decision on whether offshore leasing should go forward and in insuring adequate protection of the interests of New England if exploration and development is undertaken on Georges Bank.

Those hearings made clear the deep concern which exists in all sectors of the New England economy over the adequacy of petroleum supplies and the price we are paying for oil. New England has led the Nation in conservation. Our State officials have been in the forefront of efforts to bring about lower prices and to remove the burden which results from our dependence on high-priced foreign oil imports.

Nevertheless, those hearings also made clear just how pervasive the concern is—among business and industry, among fishing interests, among tourist and recreation interests and among citizens groups—that they have not been brought into the formulation of Federal energy policy. A suspicious and distrustful attitude had developed between our regional, State, and local groups and the Federal Government. It threatened to stand in the way of the necessary cooperative effort we must make to develop national energy policies which are fair and equitable to all regions.

One critical portion of the Federal energy policy is the decisionmaking process involving our offshore oil and gas reserves. If offshore oil and gas will help reduce energy costs, it can be developed without jeopardizing our environment, if it can be brought in without destroying our tourist and fishing industries, if it can be carried out without distorting our future coastal development, I believe we will be able to win the support of the people of New England for a well-planned offshore leasing program.

At present, however, there is little incentive for coastal States like New England to offer their support to such a program. The oil that becomes available will sell at premium prices, not subject to price controls. In Massachusetts, where many of our communities are operating on a marginal tax base, we cannot afford the schools, hospitals, and other facilities which will be required during an intensive effort to bring offshore areas into production. And with an unemployment rate now close to 8 percent in Massachusetts, we cannot afford a cycle of boom and bust economies, where communities may gain jobs for a short period, only to be plunged back into high unemployment once the rigs are in place and the demand for labor returns to predevelopment levels.

We know that large amounts of land will be needed if we are to construct refineries, petrochemical plants and other related facilities—but lacking information on the extent of deposits on Georges Bank we cannot make even the roughest estimate of the extent of our potential need for such facilities. The

possibility exists of having 17 percent of the prime industrial land in Rhode Island and eastern Massachusetts utilized in the full development of offshore oil and gas. A commitment of this amount of land, with its consequent environmental impacts, will have significant ramifications for the area and should not be undertaken without sufficient study and policy consideration. We do not know whether any of the oil which may be found on Georges Bank will be transported into New England—a crucial factor in determining how onshore development should proceed. We do not know the net impact of the needed increase in services which will be required of municipalities, which may outweigh the benefits of any increase in employment and tax revenues. We do not know what shifts in population may occur and the increased services which may be required to meet changing populations. We do not know how cities will be able to respond to development activity which may occur.

Our fishing industry, although it has been on the narrow edge of survival for many years, is still a \$50 million enterprise, and too valuable to be pushed aside without more accurate information on what the long-term effects of offshore development will be on commercial fishing stocks and the access of fishermen to those stocks. We have a recreation industry that supplies 75,000 primary jobs and over 100,000 for secondary employment. The keystone to this industry is the ocean—especially along Cape Cod, the closest landfall to the proposed area of petroleum development in New England.

All of these issues are particularly critical to Massachusetts and New England, following the issuance by the Interior Department last January of preliminary list of 206 tracts to be leased on Georges Bank—tracts covering 1 million acres. Included in this preliminary list are tracts within 50 miles of the Massachusetts coast, as well as tracts covering high intensity fishing areas. I have expressed my opposition to the inclusion of these particular tracts on the list of those proposed to be leased between State, local, and Federal officials to resolve these and other issues which are of paramount importance to our State.

The conference report the Coastal Zone Management Act amendments we have before us today will be a major step in assigning high priority to the resolution of problems surrounding the offshore leasing process and its impact on the coastal zone. It creates a Coastal Energy Impact Fund to provide \$800 million and \$400 million in formula grants to coastal States to help them plan for and provide public facilities such as roads, schools, and hospitals and a variety of other public services which will result if energy facilities are located with coastal regions. It is aimed directly at solving the environmental problems brought about by rapid increases in population which can result from development of such facilities.

The legislation provides aid to States in two forms. The larger portion, the Coastal Impact Fund, sets an \$800 million authorization for Federal loans,

which would be repaid by grants when necessary. The funds will be allocated to State and units of local government for assistance to cover a wide variety of needs related to coastal energy activity. A second form of assistance, totaling \$400 million, would be grants authorized on a formula related to the exploration, development, and production of oil and gas in frontier areas of the Outer Continental Shelf, such as Georges Bank. Aid would be granted on the basis of acreage leased, the volume of oil and gas produced and landed, and the number of new jobholders in OCS employment.

Mr. President, I want to take this opportunity to extend my special thanks to Senator HOLLINGS, chairman of the Senate National Ocean Policy Study, for his dedicated efforts in developing this legislation and in leading the effort to obtain congressional approval of a final version of the bill. I have had the opportunity to work closely with Senator HOLLINGS over the last 3 years on issues relating to the management of our coastal and ocean resources. His leadership has been a key factor in enabling the Congress to complete action on this bill, and to present to the President a measure which represents a sound balance between our need to identify existing petroleum resources, to protect the environment and to plan for the onshore impact of offshore oil and gas exploration and development.

I urge my colleagues to give their full support to the conference report.

Mr. TUNNEY. Mr. President, I strongly urge my colleagues to approve the conference report on the Coastal Zone Management Act Amendments of 1976. This legislation embodies a comprehensive program of Federal aid to assist State and local governments to anticipate and minimize the onshore impact of offshore energy resource development. It is essential that these amendments be incorporated into the law so that the Nation can aggressively pursue energy self-sufficiency in a manner that will preserve the quality of the natural environment and promote efficient allocation of scarce resources.

As you know, the Senate passed the Coastal Zone Amendments (S. 586) on July 16, 1976, by a vote of 73 to 15. This tally represented the Senate's firm commitment to the provisions incorporated in S. 586. As a conferee, I am satisfied that this conference report is an acceptable compromise that preserves the important elements of S. 586. Furthermore, the conference report represents legislation that the administration should be willing to sign into law.

My own State of California advocates prompt positive action on the conference report. California will play a prominent role in the Nation's plans to recover, refine, and distribute offshore energy resources. Consequently, heavy demands will be placed upon the fragile environment of California's coastal region. These pressures for expeditious industrial development are likely to conflict with alternative uses of the State's coastal resources. The bill which has been reported from conference will help all coastal States, including California, to

anticipate and adequately plan for the various onshore impacts of offshore oil and gas production.

I am pleased that my fellow conferees agreed to language that will assist States to enhance public access to beaches. This issue is particularly important in California where an innovative effort is being made to increase the accessibility of coastal-related recreational activities to the public.

At the same time, I had hoped that Federal consistency requirements would be more explicitly extended to include lease sales on the Outer Continental Shelf. The conference report has compromised on this issue due to the threat of a Presidential veto of the entire bill.

All things considered, the conference report on the Coastal Zone Management Act Amendments of 1976 is timely and vital legislation. I urge my colleagues to vote to approve the conference report.

Mr. HOLLINGS. Mr. President, I move that we agree to the conference report.

The PRESIDING OFFICER (Mr. LAXALT). The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HOLLINGS. Mr. President, I understand a motion to reconsider is out of order in that we had one such reconsideration.

The PRESIDING OFFICER. The motion has already been made. That is correct.

(The following proceedings occurred during the consideration of the coastal zone conference report and are printed at this point in the Record by unanimous consent.)

ORDER FOR VOTE ON MOTION TO TABLE HATHAWAY AMENDMENT NO LATER THAN 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to table the Hathaway amendment on intangible drilling costs occur at no later than 4:30 p.m. today.

Mr. HANSEN. Reserving the right to object, would the Senator explain that to me?

I have no objection.

I just wanted to say that when the distinguished assistant majority leader made the unanimous-consent request and came over and assured me it had been cleared with Senator Tower, I point out that that was 40 minutes ago.

Mr. ROBERT C. BYRD. Mr. President, I modify the request to change the hour of 4:30 p.m. to 5 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HORSE PROTECTION ACT AMENDMENTS OF 1976

Mr. TUNNEY. Mr. President, I send to the desk a concurrent resolution, (S. Con. Res. 128) and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 128) directing the Secretary of the Senate to make corrections in the enrollment of S. 811.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. TUNNEY. Mr. President, the concurrent resolution is necessary to correct a minor error which was made in the engrossment of the amendments of the House S. 811, the Horse Protection Act Amendments of 1976.

Under the amended section 2, an extraneous "and" was included under the definition of "state".

In addition, under the amended findings section of the statute, the word "either" somehow became "neither", when describing the reach of the statute to cover both horses in interstate or foreign commerce or substantially effecting such commerce.

Mr. President, the concurrent resolution is merely to correct what are clearly errors and should present no one with any difficulty.

The concurrent resolution (S. Con. Res. 128) was considered and agreed to as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (S. 811), to revise and extend the Horse Protection Act of 1970, the Secretary of the Senate shall make the following corrections:

(1) In the section 2(4) of the Horse Protection Act of 1970, as added by section 3 of the bill, strike out "and Guam" and insert in lieu thereof "Guam".

(2) In the section 3(4) of the Horse Protection Act of 1970, as added by section 4 of the bill, strike out "neither" and insert in lieu thereof "either".

(This concludes the proceedings that occurred during the consideration of the coastal zone conference report.)

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

The PRESIDING OFFICER. The question recurs on committee amendment No. 12 to which the amendment of the Senator from Maine is now pending, being amendment No. 1923.

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1976—CONFERENCE REPORT

Mr. INOUE. Mr. President, I submit a report of the committee of conference on H.R. 12203 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12203) making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to

the consideration of the conference report.

(The conference report is printed in the Record of April 2, 1976, beginning at page H2810.)

Mr. INOUE. Mr. President, I submit the Conference Report on H.R. 12203, an act making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and ask for its immediate consideration.

Mr. President, I am pleased to report that, after protracted delay, the Senate can now take final action on the fiscal year 1976 and transition quarter appropriation bill for foreign assistance and related programs.

For the second year in a row the Appropriations Committee has been denied the opportunity to present a timely appropriations bill for foreign assistance. This year we were delayed by the failure of the administration to submit its full program for committee review at an early date. In point of fact, Mr. President, the administration did not submit a major element of this bill—the program for security supporting assistance—until we were more than one-third of the way into fiscal year 1976.

In addition to the delayed presentation of the administration's program, the tardy enactment of authorizing legislation has served to once again frustrate the Appropriations Committee's desire to act on this bill prior to the beginning of the fiscal year.

Because of these delays, Mr. President, the Appropriations Committee was unable to bring a bill to the floor of the Senate until March 23, 1976 even though we had completed our hearings on 10th of July 1975.

On the 25th of March of this year conferees appointed by the Senate went into conference with the House. As is well known, the committee on conference could not reach agreement on the funding of certain programs relating to assistance to Israel and other countries.

I am now pleased to report that the House has modified its position and has agreed to provide additional transition quarter funding for the foreign military credit sales program and the security supporting assistance program. I believe that the amounts provided by the House represent a reasonable compromise and should be accepted by the Senate.

For security supporting assistance the House has provided transition quarter funding of \$269,700,000 with the proviso that, of this amount, \$75,000,000 shall be allocated to Israel, \$100,000,000 shall be allocated to Egypt, \$60,000,000 shall be allocated to Jordan, and \$15,000,000 shall be allocated to Syria.

For foreign military credit sales—FMS—the House has provided transition quarter funding of \$140,000,000. This amount will support a considerably larger sales program, because the program utilizes both direct and guaranteed credits. The House has included the proviso that of the amount set as the total aggregate credit sale ceiling during the transition quarter, "not less than \$200,000,000 shall be allocated to Israel."

see proceedings of the House of June 24, 1976.)

Mr. MURPHY of New York (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Delaware (Mr. DU PONT) will be recognized for 30 minutes.

Mr. MURPHY of New York. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, it is with pleasure that I bring before the House today the report of the committee of conference on S. 586, the Coastal Zone Management Act Amendments of 1976.

What we bring to you today is a carefully worked-out measure that, by and large, holds to the position of the House adopted by a 370 to 14 vote on March 11. Since that vote, the members of the conference committee and staff have worked continuously to perfect a measure which not only balances the bills adopted by both the House and Senate, but also incorporates some of the suggestions made by Representatives of the administration.

This three-way discussion made the process of perfecting this measure more time-consuming than usual. We all felt it worthwhile, however, to bring to you a measure today which we can say is a true product of Congressional initiative and, at the same time, one which will be acted on favorably by the White House. We have had assurances on this latter point, Mr. Speaker, based on the accommodations which the conferees were willing to make towards the viewpoint of the representatives from the Department of Commerce and the Office of Management and Budget.

We took time because of the critical importance of this legislation. We must expand our domestic supply of oil and gas, which effectively means we must tap new offshore fields around the continental United States. At the same time—and this is something we should not lose sight of—we must see to it that the coastal zone management program succeeds.

At stake in this program is whether or not we as a nation are going to protect our coasts for future generations or whether we are going to let future development in the coasts take place in a haphazard and damaging fashion.

The coastal zone program is a pioneering effort to bring about a system of rational management of a resource of incalculable value—the coastal lands and waters of this Nation. A successful coastal zone program will be good for business. It will allow companies to know where they can locate plants and businesses in the coast. A successful coastal zone program will protect the public interest. It will mean especially valuable coastal areas will be set aside for limited

or no development, as appropriate. Local communities will remain in basic control over the use of property within their jurisdiction, but consideration will be given to broader regional and State interests as well. If this program succeeds it will be of immense value to present and future generations.

I want us to keep in mind what we are doing with this legislation. We are, as the conference report states:

To improve coastal zone management in the United States, and for other purposes.

We provide numerous improvements to the coastal zone program. My colleagues will detail some of these for you. Basically, we are extending the life of this vital program, adding a new interim phase between the time a State prepares its coastal program and the time it is ready to put it into operation, coastal planning and increasing the Federal matching share and funding levels, among other things.

The major new element, of course, is the coastal energy impact program. The total authorized for this new feature of coastal management is \$1.2 billion over 10 years, in the form of loans, grants and bond guarantees. You will also hear in detail from others about the various components of this impact program.

Let me state two essential principles guiding us in the development of the energy impact program. One, we see it as responsive to the legitimate complaints and suggestions from coastal States and communities faced with the responsibility for producing needed new energy. Some coastal areas will be able to absorb a major new industry such as that associated with offshore oil and gas production; others, particularly rural areas, will not. It is to aid these latter areas particularly that we have designed a balanced package of assistance. In doing so we will take a long step toward enabling this country to improve its posture with regard to self-sufficiency in energy.

The second major point is this. We are united in our belief that a coastal energy impact program must be administered by and in the context of the coastal zone management program. To have administration of the impact program separate from that of the coastal zone office in the National Oceanic and Atmospheric Administration would endanger the coastal zone program and violate the aim of Congress in this regard. What we anticipate is a separate administrative apparatus within the coastal zone offices here in Washington and in the various States. It would be folly for Congress to make it a requirement that a State participate in coastal zone management in order to be eligible for energy impact assistance and to then turn around and see the programs administered in different offices.

The clear intent of Congress in S. 586 is to improve the ability of the State coastal zone management efforts to meet today's challenges represented by the need to use additional areas of the coasts for our energy needs. We in no way intend to see our real and great energy needs displace or supplant coastal zone management. Quite the contrary. We intend to fit our short-term energy needs

into the context of long-range coastal zone management programs, thereby assuring preservation and sound development of this Nation's coastal areas. I urge the support of my colleagues on this important legislation.

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MURPHY of New York asked and was given permission to revise and extend his remarks.)

Mr. MURPHY of New York. Mr. Speaker, before us today is one of the most significant pieces of legislation which the House has—or will consider—in the 94th Congress. The Coastal Zone Management Act Amendments of 1976 was overwhelmingly supported by this body when it was considered after coming from the Merchant Marine and Fisheries Committee. On March 11, we approved the bill by a 370 to 14 margin.

After nearly 4 months of work in conference with the Senate, I am pleased to be able to report to the House that we have fashioned a bill which maintains the integrity of the House position on practically all of the issues.

S. 586 was unanimously approved by the Senate yesterday. Today, I urge your support for this bill so that we may get a Presidential signature as soon as possible and thus allow the Department of Commerce's National Oceanic and Atmospheric Administration to begin the important work of implementation. The Office of Management and Budget and the Department of Commerce have indicated their intentions to recommend to the President that he sign this legislation.

The bill which is before you now will greatly assist in expediting the exploration and development of our Nation's offshore oil and gas resources. It will do this by providing coastal States with a strengthened coastal zone management program and the necessary financial assistance to plan for and ameliorate any adverse impacts which occur as a result of energy activity in or affecting their coastal areas.

The basic premise on which this legislation was developed is that energy development and environmental protection are not mutually exclusive categories.

Rather, through strong planning efforts and sound principles of management, this Nation can, and will, achieve greater production of domestic sources of energy while, at the same time, protect the valuable environmental resources which are also vital to our well-being.

This takes a delicate balance between the pursuit of energy independence and the protection of ecological resources. It is such a balance which the Congress sought in 1972 when it passed the basic Coastal Zone Management Act. Although not funded until well into 1973, this voluntary federally assisted, State-administered program enjoys full participation among all eligible States. Right now, 29 of the 30 coastal States are engaged in developing the structure of their coastal management programs. One State—Washington—has just re-

cently obtained approval from the Secretary of Commerce for its program and will be receiving Federal funds to administer its coastal management effort.

Built upon the excellent work being carried out by the States, we have fashioned a bill to update the basic act and further strengthen the balance which we are all seeking.

It should be noted that the 1972 program was enacted before the full thrust of our energy crisis became evident. Clearly, obtaining a greater degree of energy self-sufficiency is a recognized national objective of the highest importance and priority.

Yet recent statistics indicate that we continue to move away from that self-sufficiency. For example, for the week ending June 11, 1976, we imported 6.23 million barrels of crude oil per day. This is the highest level of such imports ever.

This trend must be reversed. Continued susceptibility to political blackmail from foreign oil-producing nations, rising levels of inflation caused by the high cost of energy, and a serious distortion of our balance of payments are just some of the consequences of our heavy dependence on the foreign energy market.

As chairman of the House Ad Hoc Select Committee on the Outer Continental Shelf—OCS—I have become acutely aware of the potential importance of this Nation's offshore oil and gas reserves. Of all domestic oil and gas produced, some 17 percent now comes from the Continental Shelf. However, the prospects are that the U.S. Continental Shelf can be the largest domestic source of oil and gas between now and the 1990's.

At the same time, I have also become aware of the concerns of the coastal States about the onshore impact of this offshore development. Our OCS committee heard testimony from approximately one-third of the Governors of the coastal States of this country.

Not one wanted to stop our offshore efforts to develop these important resources. Yet they all noted their apprehension about the population explosion caused by this energy activity, the necessity for planning, and for new public facilities and services, and the need for Federal aid to assist in balancing our environmental values and energy needs.

The bill which has come out of our conference committee goes a long way in meeting these requests of the coastal States. Built upon their coastal management work already underway, the States will be eligible to receive financial assistance, through loans, bond guarantees, and grants, to address themselves to the impacts on their fragile coastal areas.

The coastal energy impact program, which is the heart of this legislation, contains a total authorization of \$1.2 billion over a 10-year period; \$800 million of this is in the form of loans and Federal guarantees of State and local bonds. Except for those cases in which the State or local government, through no fault of its own, cannot pay for the public facilities or public services required or the environmental costs incurred, the Federal Government will be paid back for

its investment. What we have structured is a program in which needed front-end capital is made available to States affected by energy activity—but a program which is also fiscally responsible.

This impact program involves more than providing for OCS exploration and development pressures on the coastal zone. Any energy activity, which by its very nature and technical requirements, must be carried out along the coast, is also included. In other words, activities involving the transportation, storage, or conversion of liquefied natural gas, and the transportation of oil, natural gas and coal, are within the program. For example, the impacts from the operation of a deepwater port would be eligible for impact assistance, as well as the increased demands on the Great Lakes States for the transportation of coal.

Although the coastal energy impact program in this legislation has received the most attention, I would like to note that the bill also makes a number of significant and strengthening changes in the basic coastal zone management act. Existing authorizations are increased and extended, matching funds for assuring access to public beaches are provided, interstate coordination and coastal management research and training are funded, local governments are provided further protections, the Federal share of development and administrative grants is increased from 66½ percent to 80 percent, and a new interim period allowing the States to move more smoothly from planning to administration is established.

Consequently, this legislation does not only address the energy problem. It also reinforces and strengthens the basic program, while, at the same time, provides protection for the enormous energy-related pressures which are occurring, and will continue to occur, along our Nation's coasts.

Finally, I would like to note that this Congress has been criticized for not doing enough in the field of energy. S. 586 is, in part, an answer to those criticisms. When this bill is signed into law, our OCS activity will be expedited by a new spirit of cooperation between the Federal Government and the States. Congress has shown, through the development of this legislation, that it can be responsive to both the energy and environmental needs of this Nation. And, I can assure you, that we will continue to be responsible in other energy-related areas also.

I would like to take this opportunity to thank my colleagues on the Merchant Marine and Fisheries Committee—and those who participated in our conference committee—for their diligence and interest in this significant legislation. In particular, I would like to thank our chairman, LEE SULLIVAN, who will be leaving the Congress at the end of this session. All of us on the Merchant Marine and Fisheries Committee will miss her legislative leadership and experience, and Congress will not be the same without her.

I want to take a moment to pay special tribute to the efforts of a number of persons who have over the months

labored to make this legislation possible. Mr. DU PONT has very ably represented the minority side during the subcommittee deliberations and later before the full Merchant Marine and Fisheries Committee and during our conference discussions with the Senate. Our colleagues from Louisiana who have worked on this bill, Messrs. BREAUX and TREEN, deserve a word of thanks for their willingness to cooperate on this bill even though its final provisions do not contain everything they would like for their State.

We have been ably assisted in our work by competent staff. I want to thank the members of the staff of the full Merchant Marine and Fisheries Committee and the staff of the Oceanography Subcommittee. In particular, I would congratulate Dr. Thomas Kitsos and Wayne Smith for their hard work during the last year and a half.

A word of thanks also to our colleagues in the Senate for their perseverance. Senators FRITZ HOLLINGS and TED STEVENS have given outstanding support to the coastal zone program. I would also call attention to the contributions of Commerce Committee staff member John Hussey on this legislation as he is about to leave Capitol Hill for the private sector.

And finally, I would like to publicly thank Secretary of Commerce Richardson, his assistant Frank Hodsall, and Ms. Joellen Murphy—no relation—of the Office of Management and Budget for their cooperation in putting together a bill which Congress can be proud of and which the President will sign. Secretary Richardson has taken a strong personal interest in this bill which has helped bring us to this point today.

I urge my colleagues to support the Coastal Zone Management Act Amendments of 1976.

Mr. DU PONT. Mr. Speaker, I yield myself such time as I may consume.

(Mr. DU PONT asked and was given permission to revise and extend his remarks.)

Mr. DU PONT. Mr. Chairman, the conference report before us today on the Coastal Zone Management Act Amendments of 1976 represents the culmination of many months of effort by many Members of this House, and the final product is one for which we can all be justly proud and supportive.

The heart of this bill is in section 308, the coastal energy impact program. This program would authorize \$1.2 billion over a period of 10 years to financially assist those coastal States which are or will be bearing the burdens of energy activity. If our Nation is to achieve the goal of energy self-sufficiency, we must obtain the full cooperation of all of the coastal States. Fortunately, despite the fact that the States must bear one-third of the cost, the existing Coastal Zone Management Act of 1972 has been well accepted—all 30 coastal States have chosen to participate in the program. Therefore, we have a perfect vehicle—if amended—to ameliorate the added burdens placed upon coastal States as project independence is achieving fruition.

S. 586, the Coastal Zone Management Act Amendments of 1976, constitutes an

amalgamation of principles adhered to by both Houses of Congress and the administration. Adopting the fully accepted CZMA of 1972 to provide for energy development, it demonstrates to our coastal States a responsible Government commitment to protect the coastal zone—A Federal-State partnership made possible by matching grants which will seal the mutual understanding required to expedite energy production and development.

There are two major elements in the impact program adopted by the conference committee—a formula grant section and a loan and bond guarantee section. The formula grants would be allocated to the coastal states based on a carefully constructed set of criteria which are closely related to Outer Continental Shelf energy activity. This means that the affected coastal States would, in fact, receive funds on an annual basis and the only Secretarial discretion would occur after the funds were committed or expended. At that point, the respective State must show that it had expended or committed the funds received for one of the purposes as set forth in the bill. This particular section of the legislation is consistent with the basic principles advocated by myself and the other House conferees.

Unfortunately, just hours before the conference report was to be filed, a change was made in the formula grants section by a 4 to 3 vote of the House conferees. This change, had the effect of inserting a major discretionary element into an otherwise straightforward and uncomplicated grant provision.

I feel that we have, in effect, robbed the coastal States of the one previously attractive feature which they overwhelmingly supported. Prior to the change, the States could have expended the funds received if they had a demonstrated need for public facilities and services which were required as a result of OCS development. Now they can only spend these funds if the Secretary first determines that other loan or guarantee options are not available to them. The loan and guarantee provisions in this bill are full of all sorts of terms and conditions to be established by the Secretary of Commerce in order to establish eligibility standards for State applicants. By tying the formula grants to the loan section, we have effectively turned the automatic grants into a discretionary pot—to be administered by the Secretary at his pleasure. This is a much different approach from that which the Committee on Merchant Marine and Fisheries adopted, and I am sorely disappointed with those House conferees who decided to withdraw their support for our originally agreed upon concept. If this bill becomes law, I will be closely watching the administration of this energy impact program within the Commerce Depart-

ment. The promulgation of the rules and regulations which are now necessary to properly complement this program could make-or-break the impact assistance scheme which has been devised. I have been assured by Secretary Richardson that this program will be administered in a manner which will adequately assist the affected coastal States. This impact program can work if the Secretary does not promulgate overly restrictive rules and regulations—and I am hopeful that this will be the case.

Even though I have reservations concerning the total impact program, I feel that the conference substitute is worthy of support. We have amended the original Coastal Zone Management Act to assist States in the development and implementation of their respective coastal management programs, and we have done so in a comprehensive and responsible manner.

Most of the coastal States are well on their way in the initial development process and the additional elements included in this bill will provide the necessary boost to encourage and assist these States in their efforts.

I believe that this bill represents a very significant and important action by this Congress. There has been much rhetoric during this past session concerning the best ways to deal with our Nation's ongoing energy crisis, but nothing much has been done to tackle the problems head on. With the passage of this bill, this Congress will make a major commitment toward our national goal of energy self-sufficiency. I urge the passage of the conference report.

Before closing, Mr. Speaker, I would like to make one comment about some debates that occurred on the Senate floor yesterday concerning the provisions of this act because I think it is important to correct a misstatement that was made by the Senator from South Carolina (Mr. HOLLINGS) about his interpretation of the bill.

I have written a letter to Secretary Richardson hoping to call to his attention this misunderstanding.

Mr. Speaker, I ask unanimous consent to insert the letter in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

The letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 30, 1976.

HON. ELLIOT RICHARDSON
Secretary of Commerce, The Commerce Department, Commerce Building, Washington, D.C.

DEAR MR. SECRETARY: The Coastal Zone Management Act (S. 586) Conference Report will be before the House this afternoon. I am, of course, in support of the legislation but want to clarify, for the purpose of legislative history, a serious misstatement of the bill's

intent which appeared in the Senate discussion yesterday.

On page S10931 of the June 29, 1976 CONGRESSIONAL RECORD, Senator HOLLINGS, referring to the automatic formula grants of section 308(B) stated:

"Proceeds or guarantees to which a state is entitled will not be disbursed or made until the state demonstrates to the Secretary that they will be used for the purpose described in the bill. Until such demonstration, the proceeds of the formula grants will stay in the states account with the Secretary. . . .
"Thus, the Secretary still will have the discretion he needs before disbursement to assure that the process of such assistance will be expended for the proper purposes."

Neither the legislation nor the conference report says any such thing. The Secretary only has discretion to require, under section 308(B) (5):

"Before disbursing the proceeds of any grant under this sub-section to any Coastal state, the Secretary shall require such state to provide adequate assurances of being able to return to the United States any amounts/ not expended for purposes listed in section 308(B) (4)."

This should make it very clear that the states are entitled to their grants upon such assurances and that the Secretary has no discretion beyond requiring certification by the state. Indeed, in section 308(B) (5) the language of the act is written in the past tense: "(5) the Secretary, in a timely manner, shall determine that each Coastal state has expended or committed . . . grants which such state has received. . . ."

At an appropriate time in this afternoon's debate, I will insert this letter into the RECORD so that there can be no doubt that the Secretary does not have the discretion to make determinations on grant eligibility beyond those set forth in section 308(B) (4).

Sincerely,

PIERRE S. DU PONT,
Member of Congress.

Mr. DU PONT. Mr. Speaker, what the gentleman from South Carolina said on the floor of the other body yesterday, referring to the automatic grants, and this appears at page S10931 of the CONGRESSIONAL RECORD of June 29, 1976, was as follows:

Proceeds or guarantees to which a state is entitled will not be dispersed or made until the state demonstrates to the Secretary that they will be used for the purpose described in the bill. Until such demonstration, the proceeds of the formula grants will stay in the states account with the Secretary.

Mr. Speaker, that is not what the bill says at all. There is no discretion in the Secretary to withhold approval or retain any proceeds in the State's account. The only discretion of the Secretary occurs in section 308(b) (5) of the bill. In that section of the bill the language reads as follows:

The Secretary, in a timely manner, shall determine that each coastal state has expended or committed, and may determine that such state will expand or commit, grants which such state has received.

Mr. Speaker, I think it is important, as a matter of legislative history to establish very clearly that the Secretary does not have the right to impose additional

conditions prior to the approval of automatically granted funds, except for the condition that the States must certify that they are going to be used for proper purposes. As soon as that certification is made, that is the end of it as far as the Secretary is concerned.

Mr. Speaker, I wanted to take this time to make it very clear that I thought that there might be some question as to the interpretation of this section and wanted the foregoing to appear in the legislative history so that everyone would understand exactly what the bill says.

Mr. Speaker, in conclusion, I strongly support the passage of the conference report. I believe we have a good bill and a bill that will help the coastal States in their efforts to protect their coastal zones.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. BREAUX).

(Mr. BREAUX asked and was given permission to revise and extend his remarks.)

Mr. BREAUX. Mr. Speaker and my colleagues, I take this time to try and elaborate on some of the happenings in the conference committee that we held on the coastal zone management bill.

Many Members might not realize exactly how important this legislation is. It is extremely important. It is landmark legislation as far as this Congress is concerned. For the first time this Congress is recognizing the fact that coastal States who are involved with offshore oil and gas developments are entitled to consideration from the Federal Government in aiding them in trying to satisfy some of the troubles that are occurring in their areas.

I was in very strong support of this bill when it left the House and I also agreed with the general concept and philosophy that was contained in the Senate bill.

I know that everyone sitting here this afternoon is absolutely spellbound to know why I was the only member of the conference committee that did not sign the conference report, and just because everyone is really wondering why, I am going to tell the Members why.

Basically the program provided for \$400 million in grants that were going to be allocated to the various coastal States for projects that we listed in this committee bill. The money was going to be based on a formula which the committee came up with which basically states that it depends on how much offshore activity is occurring off the coast of a State.

Based on that activity the \$400 million was to be allocated out to the various States.

That was fine, and that was what I understand our conference with the Senate had agreed upon. I guess we learn something new in this body every day because after I had signed the confer-

ence report originally with the understanding that we were going to have a grant program in the bill, which was going to be voted on by this House, I find that, lo and behold, we have an extra conference session which was after we had already signed the original conference report. Of course, I dutifully walked over to the second conference after the first conference and was told by one of the Members of the other body:

Well, we needed one more phrase in the conference report, which really is not going to mess up anything.

But we had assurance that if the little phrase was added, the bill would be signed—at least, they would recommend that it be signed—by the President. Of course, the little phrase that was added in at the eleventh hour, in my opinion, effectively guts the whole grant program that we have worked on for about a year in the House and in the Senate.

The House conferees by a close 4 to 3 vote agreed to accept the language that the Senate said was so necessary, and the Senate said that they had unanimously agreed that this was going to be added after the conference was over, so I thought that the only way that I could register my objection to what had happened was by not signing the conference report.

I do say that the bill is better than anything we have had before. I say that, I guess, because we never have had anything before, so it is better than nothing. But I am deeply disappointed that the conferees decided the way to do it was to have a conference after the conference and add all of this additional language, which we voted through so quickly in about a 15-minute conference over here on the House side. I really think we have done severe damage to the concept of grants and the way it should be handled.

One of the other points I want to make, and I will ask this question of the chairman of the committee and the chairman of the conference, the gentleman from New York (Mr. MURPHY) is that it was my understanding that the concept of the bill that left the House and the Senate was that under the formula, States would be allocated a certain amount of money based on a set formula contained in the bill, and that that money would revert back to the general and that if the States did not use it after the fiscal year was over, then that money would revert back to the general treasury. In reading the CONGRESSIONAL RECORD, as we all did last night, I know everyone noticed the fact that the chairman of the Senate conferees said that it really would not work like that. His language and statement on the conference reported on the Senate side yesterday basically said that the money would not be disbursed to the States un-

til the State had demonstrated to the Secretary that it would be used for the purposes described in the bill. In my opinion that is yet another addition to what our understanding was originally, that being that the money would be allocated and then if not used, would be returned back to the general treasury. I would like to ask the chairman, what is his interpretation?

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The gentleman states the case very accurately. As the committee proceeded through its deliberations, and we had wanted to have grant money not only for environmental impacts but also grant money for planning, we did retain those grants.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MURPHY of New York. Mr. Speaker, I yield 2 additional minutes to the gentleman from Louisiana.

If the gentleman will yield, however, where the very expensive mortar and brick requirement came, we felt that we would have to go to the area of guaranteed loans, and that is what the conference committee finally did agree to reluctantly, of course. I think this conflict is similar to the conflict that we have taken on with our education and health programs, and that is to guarantee loans. But, as far as the States are concerned, after the calculations are made, based on the four OCS criteria, the grants are to be disbursed to the States which are affected by OCS activity, of course, Louisiana being the major State at the present time. These grants are to be used for the purposes set forth in the statute. If the Secretary determines that the grants are not used for these purposes, such grants will revert to the treasury.

Mr. BREAUX. I thank the gentleman for his interpretation which, in my opinion, clearly indicates that the money, as the gentleman from Delaware brought up, is allocated and actually given to the States, and then if not used by the States, and only then, it does revert back to the general treasury.

The last question I need to ask is that the automatic grants can now be used for amelioration of environmental and ecological losses under subsection (c) of section 308.

My interpretation, and I would like to ask the chairman if it is also his interpretation, is that the section is to be given broad interpretation as far as what it can be used for and that we also can take into consideration damages to the environment that have occurred in the past as well as damages that can be

occurring in the future. Is that the chairman's interpretation?

Mr. MURPHY of New York. Yes. The answer is basically yes, but if we could broaden it a little bit for the gentleman, the bill is designed to provide assistance with respect to unavoidable environmental losses caused by prior coastal energy activities.

We know there has been environmental damage to the States such as Louisiana, as we know from our hearings, and so on, but the term "unavoidable loss" is defined in the bill as a loss, the costs of prevention, reduction or amelioration of which cannot be directly or indirectly attributed to or assessed against, an identifiable person and cannot be paid for with other Federal funds. This is in accord with the generally accepted principle that the polluter pays. Funds are provided in the bill for cases which cannot be dealt with under existing Federal programs.

Examples of the above might include: Erosion of coastal canals; salt water intrusions into fresh water bodies; loss of wetlands; loss of recreational lands; erosion of shorelines, and sedimentation or "runoff" losses.

Mr. BREAUX. I thank the chairman. I would just conclude by saying I do intend to vote for the conference report with the assurances of the full committee chairman and myself as subcommittee chairman that our committee is going to be extremely watchful and diligent in our efforts at seeing that the Coastal Zone Management Act is going to be carried out with the intention of the Congress being of paramount interest and we are going to follow up on it.

Mr. DU PONT. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. RUPPE).

(Mr. RUPPE asked and was given permission to revise and extend his remarks.)

Mr. RUPPE, Mr. Speaker, congressional passage of the Coastal Zone Management Act of 1972, represented the first positive step to preserve and protect our national coastline. The conference report we have before us today is intended to improve and strengthen the provisions of the original act, while permitting that area to be fully and properly utilized. The 1972 act has been well accepted by our coastal States—without exception, every one of those states has opted to participate in the voluntary programs made possible through this act.

When Congress passed the original act, we had not yet experienced an energy crisis. The 1973 oil embargo forced a recognition that an alteration in our national energy policy was mandatory. In an effort to implement a more valid energy policy, we could not but realize there would be an increased demand for the oil and gas resources which are avail-

able beneath our offshore areas. Individual coastal states are ill-equipped to cope with inherent impacts as we pursue offshore leasing programs, deepwater ports, and additional energy facilities. We cannot hope to secure a policy of energy self-sufficiency without these offshore deposits, and we surely cannot expect to retain them without smooth cooperation between the Federal Government, and State and local governments.

The coastal energy impact program, which may consist of loans, guarantees, and grants to State and local governments for new or improved facilities, contained in section 308 of the conference report assures that such cooperation will be achieved in a flexible and responsible manner.

The conference report also addresses a problem of serious concern to my State, namely that of shoreline erosion. This erosion problem is not limited to the Great Lakes States, or even the remaining coastal States, but has become national in nature. Close to one-quarter of our Nation's shoreline is eroding, some of it extremely seriously. A large portion of that critical erosion occurs along the Great Lakes coastline. As there is more development per mile of shore along the Great Lakes than exists in remaining coastal areas, the amount of potential and actual damage to life, public safety, property, and wildlife habitats is proportionately greater. Estimates of annual shoreline erosion damage vary, but \$300 million would be an acceptable figure.

To remedy this problem, the conference report requires coastal States to institute a planning process to assess the effects of shoreline erosion, and to evaluate methods of control, and restoration of areas stricken by such erosion, whether the damage is natural, or induced by man. Knowing full well the grave implications if this erosion is permitted to continue unchecked, and having heard much additional testimony on the subject, I was pleased to introduce this provision into the House-passed bill, H.R. 3981, and am greatly satisfied that the necessity for such a measure was recognized by the conferees.

However, there is a provision in the legislation that I do not support. I am speaking about that provision which calls for the development of a State planning process for the protection of and access to public beaches and other public areas of identified value. Also, I must reiterate my opposition to the provisions that provide for grants to assist States in acquiring access to public beaches and other public coastal areas. I am of the opinion that the Federal Government should not as a matter of policy impose what would be tantamount to a Federal mandate to acquire public accessways across private lands.

Except for the reservation expressed

above, I support the conference report, commend my colleagues for their work, and urge adoption by the House.

Mr. DU PONT. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. TREEN).

(Mr. TREEN asked and was given permission to revise and extend his remarks.)

Mr. TREEN. Mr. Speaker, I understand many would like me to accomplish this in less than 5 minutes and I will endeavor to do so.

First of all, I do want to compliment the chairman of the committee and the ranking member for the diligence and patience that they have exhibited throughout this long effort on a piece of legislation which is landmark legislation.

I particularly want to thank the gentleman from Delaware (Mr. DU PONT), and Wayne Smith of our staff for his almost daily assistance to me and others on this bill.

Mr. Speaker, I share the disappointment of my colleague, the gentleman from Louisiana (Mr. BREAUX) at the last minute change in the bill by the conference. I was opposed to that and voted against it; however, I did sign the conference report and I do support the bill, because I do think that on balance it is a major step forward in solving problems in an area that has been crying out for assistance for a long time.

I would like, Mr. Speaker, to ask the chairman of the subcommittee, the gentleman from New York (Mr. MURPHY), if he would respond to one inquiry that I have with respect to the language we inserted in the final decision of our conference. We decided to condition use of 308(b) funds for public services and public facilities on the unavailability of funds under any other subsection of this act. Could we describe it as our intention that the Secretary make grant funds available for provision of public facilities and public services for those States which cannot demonstrate, to the satisfaction of the Secretary, that expanded energy activity will create additional revenue at present rates of taxation to make repayment of section 308(d) loans possible from the increased revenues generated by taxes now imposed?

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield, grant funds which have been received can be expended by the States for public facilities and services when the Secretary determines that ordinary tax revenues generated by the new or expanded OCS energy activity would not permit full amortization of loans or guaranteed loans.

Mr. TREEN. Mr. Speaker, I thank the gentleman from New York for responding.

Mr. DU PONT. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska (Mr. YOUNG).

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong support of this conference report and I compliment the two gentlemen that worked very hard on it. It is the first time that Congress has recognized the importance of the coastal States in providing energy for this Nation.

There is some reservation on my part about the amounts of the grants and the rates with reference to the private sector. It is in the bill, but regardless of that, I support the strong work of the House conferees on this bill.

Mr. MURPHY of New York. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HUGHES).

(Mr. HUGHES asked and was given permission to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, I rise in strong support of the conference report on S. 586, the Coastal Zone Management Act Amendments of 1976. I would like to commend the chairman, my colleague from New York, for his work, both in the House and also in the conference.

I am somewhat disappointed that the grant funds were not more than came out of the conference; but I look upon the overall conference report as a step in the right direction.

As my colleagues know, the administration's accelerated leasing program will soon bring OCS energy operations to many areas of the Nation which have never before had to cope with the problems of offshore oil and gas development. An offshore lease sale has been scheduled for August off the coast of my congressional district, in southern New Jersey, which includes approximately 90 miles of Atlantic coastline.

In my home area of south Jersey, we have a well developed tourist economy, based primarily upon our ocean and coastal resources. Many millions of visitors come to south Jersey each year to enjoy our sandy beaches, clean waters, and beautiful surroundings.

Needless to say, our recreational and environmental resources are very valuable to us. Tourism in New Jersey is a multibillion-dollar industry, much of which is generated in the southern part of the State. Many thousands of our residents depend upon the tourist trade for their employment and livelihood.

The programs included in S. 586 will help preserve and protect our coastal areas from the pressures brought on by new industrial development and the influx of new population if oil and gas are discovered off our shores. It will help assure the proper planning so that we can avoid haphazard and destructive development. It will also help coastal communities cope with the increased financial pressures which will accompany oil and gas operations.

The program contemplated by S. 586 would authorize a total of \$400 million between fiscal 1977 and 1984 for grants to coastal States. These funds would be allocated automatically to States on the basis of OCS acreage leased, the volume of oil and gas produced or landed, and the number of new energy related employees entering the State.

These automatic grant payments could be used by the States to retire bonds issued in connection with energy facilities related to offshore operations, the planning and development of public facilities, and the prevention or amelioration of unavoidable losses brought about by offshore energy activities.

A second part of the program would authorize \$800 million for loans and Federal bond guarantees to coastal States or local governments to assist in providing new or improved public facilities and services related to coastal energy activities. If the net increases in employment and population in a State are not sufficient to generate necessary tax revenues to cover the costs of such projects, the loans or guarantees could be converted into grants.

The conferees on S. 586 have done a good job considering the circumstances. They have been under considerable pressure from the administration to abandon the grant provisions of this important legislation entirely. The legislation recommended by the conferees represents a compromise in that it contains \$400 million for grants as contained in the original House-passed version of this legislation, but the \$800 million for discretionary grants has now been converted into a program of loans and guarantees.

It is my earnest hope that, in implementing this new program, the Secretary will proceed expeditiously to develop the necessary guidelines and allocate funds so that our coastal States can be in a position to take advantage of the program.

It is very disturbing to me that the press has reported recently that the President is considering vetoing this legislation. All things considered, this administration in its leasing policies has followed a course of complete disregard for the needs of our coastal areas. Their needs are rarely considered and their voices are rarely heard at the Department of the Interior where important OCS decisions are made.

Under the doctrine of Maine against United States, it is now clear that the Federal Government owns our Nation's lands beyond the 3-mile limit. Accordingly, it has been the Federal treasury which has been the prime beneficiary of revenues received from offshore leasing bids and royalties.

But it is the coastal areas, such as New Jersey, Delaware, Maryland, New England, Alaska and the West and Gulf Coast States which are going to be bearing the burdens of OCS development. These are the States and communities

which will have to cope with new industrial development and withstand the pressures which might lead to the despoilation of our valuable coastal lands and resources. It is the coastal states which will have to expend public funds for new facilities to meet the needs of new industry and population.

It seems only fair and equitable under the circumstances that the coastal areas should share, in some measure, the revenues which will be derived as a result of offshore leasing and development.

The coastal zone management amendments represents a way to channel a very small portion of those Federal funds to the coastal states so that they can protect their coastal areas from harmful development. I might point out that the total funds provided, approximately \$1.2 billion over a period of 8 years, are only a small fraction of the funds which will be received in this year alone from OCS bonus bids. The budget indicates that approximately \$6 billion is expected in offshore revenues in fiscal 1977 alone.

I urge my colleagues to give their strong support to this important legislation.

Mr. BAUMAN. Mr. Speaker, the coming weekend of national celebration promises to signify a great reaffirmation of the liberty and security of one group of Americans in particular. I am speaking of the many citizens working in our country's shellfish industry, citizens who hope as I do that the House will quickly give final passage to the conference report to accompany S. 586, the Coastal Zone Management Act amendments.

Section 16 of this bill includes the substance on my original bill, H.R. 7153, now called the Bauman amendment. Adopted by the full Merchant Marine Committee and voted upon affirmatively by the full House, the amendment requires that a full evaluation and report be submitted to Congress not later than April 30, 1977, evaluating the impact of Federal water quality laws and proposed regulations upon the shellfish industry. Proposed Federal regulations which were to be promulgated by the FDA would have driven the many shellfish processors and watermen into bankruptcy. It has been estimated by the President's Council on Wage and Price Stability that had these FDA regulations gone into effect, they would have cost the shellfish industry almost one fourth of their annual product value. This not only pretended increased prices for consumers of oysters and clams, but it would have meant that the many families dependent on the shellfish industry as a way of life and a means of support would henceforth be included in our national unemployment figures.

Section 16 of the bill before us however, places a de facto moratorium on such severe Federal regulatory procedure. It specifically prevents the Secretary of HEW and his agents from promulgating any Federal regulations

with respect to the national shellfish safety program and related areas prior to June 30, 1977. At such time as any future regulations would be promulgated, a 60-day public notice would be given, and HEW would be required to publish these regulations including an estimate of the probable cost of such regulations relative to any benefits to be anticipated for the general public.

I want to particularly commend my colleagues responsible for my amendment's inclusion in this bill, especially the House conferees for supporting a provision which makes liberty and security concrete realities for the shellfish producers and their families who are directly benefited by the moratorium provision. Naturally, I am enthusiastic in support of the final passage of this important measure. There are many important parts of this bill but for the people of Maryland dependent upon shellfish for their livelihood, section 16 is most important.

Mr. MURPHY of New York. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. McFALL). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DU PONT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 14, not voting 27, as follows:

[Roll No. 494]

YEAS—391

Abdnor
 Abzug
 Adams
 Addabbo
 Alexander
 Allen
 Anderson, Calif.
 Anderson, Ill.
 Andrews, N.C.
 Andrews, N. Dak.
 Annunzio
 Archer
 Armstrong
 Ashbrook
 Ashley
 Aspin
 AuCoin
 Badillo
 Bafalis
 Baldus
 Baucus
 Bauman
 Beard, R.I.
 Beard, Tenn.
 Bedell
 Bell
 Bennett
 Bergland
 Bevill
 Biaggi

Bier
 Bingham
 Blanchard
 Blouin
 Boggs
 Boland
 Bolling
 Bonker
 Bowen
 Brademas
 Breaux
 Breckinridge
 Brinkley
 Brodhead
 Broomfield
 Brown, Calif.
 Brown, Mich.
 Brown, Ohio
 Broyhill
 Buchanan
 Burgener
 Burke, Calif.
 Burke, Fla.
 Burke, Mass.
 Burlinson, Tex.
 Burton, John
 Burton, Phillip
 Butler
 Byron
 Carney
 Carr
 Carter

Cederberg
 Chappell
 Chisholm
 Ciancy
 Clausen
 Don H.
 Clawson, Del.
 Clay
 Cleveland
 Cochran
 Cohen
 Collins, Ill.
 Conable
 Conlan
 Conte
 Corman
 Cornell
 Cotter
 Coughlin
 D'Amours
 Daniel, Dan
 Daniel, R. W.
 Daniels, N.J.
 Danielson
 Davis
 de la Garza
 Delaney
 Dellums
 Derrick
 Derwinski
 Devine
 Diggs

Dingell
 Dodd
 Downey, N.Y.
 Downing, Va.
 Drinan
 Duncan, Oreg.
 Duncan, Tenn.
 du Pont
 Early
 Eckhardt
 Edgar
 Edwards, Ala.
 Edwards, Calif.
 Ellberg
 Emery
 English
 Erlenborn
 Eshleman
 Evans, Colo.
 Fary
 Fascell
 Fenwick
 Findley
 Fish
 Fisher
 Flithian
 Flood
 Florio
 Flowers
 Foyt
 Foley
 Ford, Mich.
 Ford, Tenn.
 Forsyth
 Fountain
 Fraser
 Frenzel
 Frey
 Fuqua
 Gaydos
 Giaimo
 Gibbons
 Gilman
 Ginn
 Goldwater
 Gonzalez
 Goodling
 Gradison
 Grassley
 Gude
 Guyer
 Hagedorn
 Haley
 Hall, Ill.
 Hall, Tex.
 Hamilton
 Hammer
 Schmidt
 Hanley
 Hannaford
 Harkin
 Harrington
 Harsha
 Hawkins
 Hayes, Ind.
 Heckler, W. Va.
 Heckler, Mass.
 Hefner
 Hicks
 Hightower
 Hillis
 Holland
 Holt
 Holtzman
 Horton
 Howard
 Howe
 Hubbard
 Hughes
 Hungate
 Hutchinson
 Hyde
 Ichord
 Jacobs
 Jarman
 Jeffords
 Jenrette
 Johnson, Calif.
 Johnson, Colo.
 Johnson, Pa.
 Jones, N.C.
 Jones, Okla.
 Jones, Tenn.
 Jordan
 Kasten
 Kastenmeier

Kazen
 Kelly
 Kemp
 Keys
 Kindness
 Koch
 Krebs
 Krueger
 LaFalce
 Lagomarsino
 Landrum
 Latta
 Leggett
 Lehman
 Lent
 Levitas
 Lloyd, Calif.
 Lloyd, Tenn.
 Long, La.
 Long, Md.
 Lott
 Lujan
 Lundine
 McClary
 McCloskey
 McCollister
 McCormack
 McEwen
 McFall
 McHugh
 McKay
 McKinney
 Madden
 Madigan
 Maguire
 Mahon
 Mann
 Martin
 Mathis
 Matsunaga
 Mazzoli
 Meeds
 Meicher
 Metcalfe
 Meyner
 Mezvinsky
 Michel
 Mikva
 Millard
 Miller, Calif.
 Miller, Ohio
 Mills
 Minish
 Mink
 Mitchell, Md.
 Mitchell, N.Y.
 Moakley
 Moffett
 Mollohan
 Montgomery
 Moore
 Moorhead, Calif.
 Moorhead, Pa.
 Morgan
 Mosher
 Moss
 Mottl
 Murphy, Ill.
 Murphy, N.Y.
 Murtha
 Myers, Ind.
 Natcher
 Neal
 Nedzi
 Nichols
 Nix
 Nolan
 Nowak
 Oberstar
 Obey
 O'Brien
 O'Hara
 O'Neill
 Ottinger
 Patten, N.J.
 Patterson, Calif.
 Pattison, N.Y.
 Pepper
 Perkins
 Pettis
 Pickle
 Pike
 Poage
 Pressler

Winn
 Wirth
 Wolf
 Wright

Weldon, Tex.
 Winn
 Wirth
 Wolf
 Wright

Wydler
 Wylie
 Yates
 Yatron
 Young, Alaska

Young, Fla.
 Young, Ga.
 Young, Tex.
 Zablocki
 Zeferetti

NAYS—14

Ambro
 Burlison, Mo.
 Collins, Tex.
 Crane
 Evans, Ind.

Hansen
 Ketchum
 McDonald
 Myers, Pa.
 Paul

Roberts
 Rousselot
 Steiger, Ariz.
 Symms

NOT VOTING—27

Brooks
 Conyers
 Dent
 Dickinson
 Esch
 Evins, Tenn.
 Green
 Harris
 Hays, Ohio

Hébert
 Heinz
 Helstoski
 Henderson
 Hinshaw
 Jones, Ala.
 Karth
 Litton
 McDade

Mineta
 Passman
 Peyser
 Riegle
 Stephens
 Stuckey
 Sullivan
 Symington
 Teague

The Clerk announced the following pairs:

- Mr. Brooks with Mr. Hays of Ohio.
- Mr. Dent with Mr. Karth.
- Mr. Helstoski with Mr. Peyser.
- Mr. Conyers with Mr. Green.
- Mr. Mineta with Mr. Esch.
- Mr. Riegle with Mr. Heinz.
- Mr. Henderson with Mr. McDade.
- Mr. Evins of Tennessee with Mr. Dickinson.
- Mr. Stuckey with Mr. Teague.
- Mr. Symington with Mrs. Sullivan.
- Mr. Harris with Mr. Stephens.
- Mr. Passman with Mr. Litton.
- Mr. Hébert with Mr. Jones of Alabama.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 14114. An act to increase the temporary debt limit, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3168) entitled "An act to authorize fiscal year 1977 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, and for other purposes."

The message also announced that the Senate had passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act.

DIRECTING THE SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN ENROLLMENT OF S. 586

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 668) directing the Secretary of the Senate to make corrections in the enrollment of the Senate bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 668

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 586), to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes, the Secretary of the Senate shall make the following corrections:

In proposed section 308 of the Coastal Zone Management Act of 1972 (as contained in section 7 of the bill) —

(1) strike out "subsection (c) (3)," in subsection (d) (3) thereof and insert "subsection (e) (3)"; and

(2) strike out "; or" at the end of subsection (1) (2) (A) thereof and insert "; and".

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 586, just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 14239, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1977

Mr. SLACK. Mr. Speaker, I call up the conference report on the bill (H.R.

14239) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 28, 1976.)

Mr. SLACK (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia (Mr. SLACK) is recognized for 30 minutes.

Mr. SLACK. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SLACK asked and was given permission to revise and extend his remarks.)

Mr. SLACK. Mr. Speaker, the bill (H.R. 14239) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes, as agreed to by the conferees, contains a total of \$6,680,314,453 in new budget authority for fiscal year 1977. It also contains \$388,000,000 for liquidation of contract authority, which is a reduction of \$15,721,000 from the budget request.

Mr. Speaker, the total amount included in the bill is \$139,186,453 more than the total amount originally passed by the House. I would like to mention the major elements of this increase. For the Law Enforcement Assistance Administration, the conferees agreed on \$753,000,000, an increase of \$15,000,000 over the House amount. The amount included in the conference agreement for the Economic Development Assistance Administration is \$360,000,000 which is \$60,000,000 over the House amount. For the Regional Action Planning Commissions the conferees recommend \$63,500,000, an increase of \$21,300,000 over the amount originally approved by the House. The amount included for the Legal Services Administration is \$125,000,000, an increase of \$15,000,000 over the House amount.

I would like to point out, Mr. Speaker, that the total amount in the bill, as

agreed to by the conferees, is \$199,833,000 less than the total amount provided in the Senate version of the bill.

Mr. Speaker, I feel it appropriate at this time, during consideration of the conference report on the bill providing appropriations for the Department of State, to join those who have expressed sorrow over the tragic and senseless slayings of Ambassador Francis E. Meloy, Jr., Economic Counselor Robert W. Waring, and the Ambassador's driver, Zohair Moghrebi, in Beirut, Lebanon, on June 16.

While faced with living in constant danger, these men served the United States in the finest tradition. Their case was peace and they died for it.

I was not privileged to know these gentlemen personally, Mr. Speaker. However, as chairman and as a member of the subcommittee for a number of years, I have come to know many members of the Foreign Service and I extend to them our deepest sympathy on the deaths of their colleagues, who served with the distinction, dedication, and courage which we expect and know of the men and women of the Foreign Service.

Mr. Speaker, the bill as agreed to by the conferees includes an appropriation of \$53,385,000 for the Board for International Broadcasting, which supervises Radio Liberty and Radio Free Europe. Both the House and the Senate recognize that the Board has made substantial efforts during the past 2 years to effect cost savings and achieve budgetary stability.

However, future stability may largely depend on negotiations beginning very soon in Madrid concerning the renewal of the Radio Liberty lease on transmitter facilities in Spain. These transmitters have, since 1959, furnished four-fifths of the power for these important broadcasts to the Soviet Union. The Board estimates that replacement of these facilities at an alternate site would cost more than \$20 million. I am pleased to learn that the administration firmly supports the Board's efforts to obtain a long-term renewal of the Spanish lease, which is clearly in the national interest of the United States.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a table showing the conference action, by agency and item, compared with fiscal year 1976, the budget estimates for fiscal year 1977, the House bill, and the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The table referred to follows: