

PROVIDING ADDITIONAL FUNDS FOR THE AD HOC SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF FOR THE EXPENSES ASSOCIATED WITH THE COMPLETION OF THE LEGISLATIVE PROCESS ON H.R. 6218, A BILL TO ESTABLISH A POLICY FOR THE MANAGEMENT OF OIL AND NATURAL GAS IN THE OUTER CONTINENTAL SHELF, TO AMEND THE OUTER CONTINENTAL SHELF LANDS ACT, AND FOR OTHER PURPOSES

August 9, 1976.—Referred to the House Calendar and ordered to be printed

Mr. THOMPSON, from the Committee on House Administration, submitted the following

REPORT

[To accompany H. Res. 1414]

The Committee on House Administration, to whom was referred the resolution (H. Res. 1414), having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

By voice vote on August 4, 1976, a quorum being present, the Committee adopted a motion to report House Resolution 1414 favorably.

House Resolution 1414 provides supplemental funds in the amount of \$89,000 to support the investigations and studies of the Ad Hoc Select Committee on Outer Continental Shelf for the remainder of the 94th Congress. The following summary is a brief statement of the operations of the committee during the 94th Congress.

STATEMENT OF HON. JOHN M. MURPHY, CHAIRMAN AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

I have submitted to the Subcommittee on Accounts copies of all of the documents produced by the Ad Hoc Select Committee On Outer Continental Shelf, and a copy of the report justifying a request for supplemental funds.

The committee has a substantial record of achievement since its establishment on April 22, 1975, and its beginning hearings on June 7, since which time it took 8,000 pages of testimony in 14 cities from over 300 witnesses, in addition to numerous field trips, briefings, onsite visits by committee members, and the like. The committee held its first mark-up session on December 16, 1975 and considered 194 amendments, reporting the bill on April 13, 1976.

Following unavoidable delays, the bill was reported to the Rules Committee and debate was begun on the floor of the House on June 4, 1976. Because of the legislative jam in the House and the need to pass appropriations bills, only two additional perfunctory floor sessions were held on June 11, and 14. Finally, more than 3 months after our committee markup ended, we completed floor consideration of H.R. 6218. On July 21, 1976, after 10 hours of debate and consideration of some 75 amendments, this important bill was passed by the House by a 247 to 140 margin.

We now face the prospect of a long and arduous conference committee with the Senate. The differences between the House and Senate OCS bills are substantial. Statements made recently on the Senate floor by the manager of the Senate bill indicate the other body also anticipates an extended conference. It is highly improvable that the bill can be sent to the President after a Senate-House conference prior to the Republican Convention. More likely than not, the full legislative process will extend into early autumn. Beyond this, of course, is the strong possibility that we will face the task of trying to override a Presidential veto.

I would like to point out that the substantial accomplishments of this committee have occurred thus far with a minimum of outside staff plus extended efforts by existing staff of the three committees which make up the Ad Hoc Committee. Let me address myself to the budgetary implications of this aspect of our work.

Briefly, my original request to the Administration Committee last year was for \$353,000. This request was reduced to \$150,000, and at the beginning of 1976, another \$150,000 was authorized to continue the work of the committee. While the assistance from the standing committees has been excellent, it has not been anywhere near the quantity of personnel originally promised. It was, therefore, necessary to hire outside specialists on Federal leasing arrangements, OCS impact on State and local governments, the protection of the environment, and those with expertise in related areas. As a result, the committee funds will be totally expended by the middle of August.

In moving into the Conference Committee phase of our work, it is my judgment that this is the most critical time for the House to have available the expert staff that we have so painstakingly assembled. (My recent experience with similar controversial legislation—the coastal zone management amendments—proved to me the need for possibly the best staff you can muster at this point of the legislative process. In addition, unlike other situations where you can rely on staffs from both the subcommittee and the full committee, in this particular case, the ad hoc staff is all there is.)

For us to go into the final stages of the conference without the manpower we will need would be a serious mistake. Consequently, I am requesting an additional \$89,000 to carry the select committee through the entire legislative process.

I can assure the committee that the budget request I am submitting is the minimum, but necessary amount, to retain the expertise to enable the House to complete the legislation that will determine the methods by which we will bring onshore perhaps as much as 600 billion barrels of OCS oil. My original estimate was that this committee would need \$353,000 to do the job that it had to do. If this

request is granted, the total will be \$389,000, which is fairly close to my anticipated needs when you take into account the several months of unavoidable delays.

I think this is a very small price to pay to retrieve what is perhaps the United States largest remaining source of domestic oil and gas.

U.S. HOUSE OF REPRESENTATIVES,
AD HOC SELECT COMMITTEE ON
OUTER CONTINENTAL SHELF,
Washington, D.C., July 20, 1976.

HON. FRANK THOMPSON, JR.,
*Chairman, Committee on House Administration,
The Capitol, Washington, D.C.*

DEAR MR. CHAIRMAN: AS Chairman of the Ad Hoc Select Committee on Outer Continental Shelf, I am writing to transmit to the Committee on House Administration the following items: (1) the Budget Statement of the Ad Hoc Select Committee on Outer Continental Shelf justifying anticipated expenditures of the Committee, and (2) a report of the activities of the Ad Hoc Select Committee on Outer Continental Shelf since April 22, 1975 and a justification for requested supplemental funding.

As the OCS Committee funds will be exhausted on July 31, 1976, I respectfully request that a hearing of the Subcommittee on Accounts be held on H. Res. 1414 at the earliest convenience of the Chairman so that the Full Committee on House Administration may consider the attached request for supplemental funding.

With kind regards, I remain
Sincerely,

JOHN M. MURPHY, *Chairman.*

REPORT OF THE ACTIVITIES OF THE AD HOC SELECT COMMITTEE
ON OUTER CONTINENTAL SHELF

Background and activities

The Ad Hoc Select Committee on Outer Continental Shelf was established on April 22, 1975, pursuant to House Resolution 412. Its membership was drawn from the Merchant Marine and Fisheries, Interior and Insular Affairs, and Judiciary Committees. The Select Committee was established to consider and report to the House on H.R. 6218, a bill "to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to protect the marine and coastal environment, to amend the Outer Continental Shelf Lands Act, and for other purposes." House Resolution 412 directed the Select Committee to transmit its findings and report to the House by January 31, 1976. House Resolution 977 extended the time of reporting to March 31, 1976; House Resolution 1121 further extended it to May 4, 1976.

H.R. 6218 is a comprehensive version of the Outer Continental Shelf Lands Act of 1953. Briefly, the bill, as passed by the House on July 21:

Requires the Secretary of the Interior to establish a national program for the leasing of the outer continental shelf for the development of its oil and gas resources;

Provides alternative economic arrangements for the leasing of the shelf and requires the Secretary to experiment with the new arrangements;

Requires the Secretary to prepare an exploration date designed to determine the location, extent, and characteristics of our offshore oil and gas resources;

Mandates that the lessees of outer continental shelf lands submit development and production plans for the approval of the Secretary of the Interior and establish a mechanism for Secretarial consideration and review;

Imposes special requirements on the Secretary with regard to the preparation of environmental impact statements and would permit the views of state governments, local communities, and the public to be integrated into the review process.

In addition to the above, H.R. 6218 requires the Administrator of the National Oceanic and Atmospheric Administration to conduct baseline and monitoring studies of the human, coastal, and marine environment affected by offshore operations. It also requires the Secretary of the Interior to promulgate safety regulations for offshore operations. The regulations are to be developed by the Administrator of the Environmental Protection Agency, the Administrator of the National Oceanic and Atmospheric Administration, the Secretary of the department in which the Coast Guard is operating, and the Secretary of the department in which the Occupational Safety and Health Administration is operating. The National Academy of Engineering is to conduct a study of the adequacy of existing safety regulations and of the technology, equipment and techniques for operations in the outer continental shelf. Finally, H.R. 6218 creates an Offshore Oil Pollution Compensation Fund as a nonprofit corporate entity within the department in which the Coast Guard is operating.

As illustrated by the enclosed report, H.R. 6218 is a long, detailed and thoughtful piece of legislation. It required a year for the Select Committee to complete its work on the bill. There were eight months of investigative work involving staff studies, visits to oil drilling sites, briefings and hearings. The Select Committee heard more than 300 witnesses and compiled a hearing record totalling more than 8,000 pages. The investigative phase was followed by a mark-up period of four months, in which the Select Committee considered 194 amendments. Mark-up of the bill was completed on April 13, 1976, and it was filed with the House on May 4. General floor debate on the legislation occurred on June 4. On July 21, after ten hours of debate and the consideration of some 75 amendments, H.R. 6218 was passed by the House by a 247 to 140 margin.

The Senate-passed bill—S. 521—also provides a new regime for the management of the energy resources of the outer continental shelf. However, the differences between H.R. 6218 and S. 521 are substantial and must be resolved in a Senate/House conference. In view of the number and complexity of the issues relating to the development of oil and gas resources of the shelf, the conference will clearly be long and arduous. Statements made last week on the Senate floor by the manager of the Senate bill indicate the other body also anticipates an extended conference. Therefore, this process will probably extend into early autumn. Beyond the conference, there will be the work of securing

ing final passage of the bill as recommended by the conference and of securing the signature of a President who thus far has shown considerable hostility to the view that the archaic provisions of the Outer Continental Shelf Lands Act of 1953 must be amended so that the Act may be brought into the modern world. Having announced its intention of vetoing the bill, there will be the additional work of overriding the Administration's efforts to sustain the veto. And once the bill has been signed into law, there will be some necessary follow-up work.

Over the past fifteen months, the Select Committee has developed a small, highly-skilled professional staff. This staff is expert in the best sense of the word. It has acquired a deep understanding of the complex issues posed by a federal program for the management of the energy resources of the outer continental shelf and has provided invaluable assistance and advice to the Select Committee. This assistance and advice will be equally needed for the work of the conference and for the work following it. For this reason, it is vital that funds be authorized so that the professional staff may be retained intact for the rest of the year.

It should also be noted that some Members of the House have come to the view that the Select Committee should be continued by the next Congress in some form to provide a focus for oversight of the federal program for the management of the outer continental shelf and for resource development of the continental slope beyond the shelf. That area of development will raise a whole new set of problems which will require additional study and legislation. There are differences of opinion on the merits of this proposal; and even among the proponents, there are differences of view on the form and jurisdiction of the Select Committee if it is continued. It is premature at this point for the House to consider and resolve these differences. But it is important that the professional staff of the Select Committee be retained until the House can express its will on the subject. Once disbanded, it would be most difficult and probably impossible to reassemble the present staff, and a new staff will lack its expertise and understanding. If the present staff is retained for the necessary reasons outlined above, and the House decides to continue the Select Committee in one form or another, there will be no loss of momentum in this vital area.

In conclusion, the importance of the work of the Select Committee to the Nation should once again be explicated. When the Committee began its work more than a year ago, the United States was importing approximately 35 percent of its crude oil. That level has risen steadily, and our imports of foreign crude oil now exceed 40 percent of our total domestic consumption. The potential threat to our national economy and to our national security is obvious. The oil and gas resources of the outer continental shelf are enormous, and it is vital that we develop these resources as rapidly as modern technology and considerations of safety will permit. In so doing, however, we also want to ensure that the federal government receives a fair return for the lease of public lands, that the coastal states receive assistance so that they may deal with the onshore impact of offshore activities, and that the marine and coastal environment is adequately protected. All of these are important goals, and the Select Committee has made, and can continue to make, a significant contribution to the task of achieving them.

For these reasons, therefore, as Chairman of the Committee, I

hereby request a supplemental authorization in the amount of \$89,000 for the period commencing September 1, 1976 and ending December 31, 1976. The funds previously authorized will expire on July 31. A budget outlining the staff and administrative costs and containing a detailed breakdown of the expenditures is attached.

PROJECTED BUDGET (AUG. 1, 1976 THROUGH DEC. 31, 1976)

	Monthly average	Total for 5-month period
Payroll.....	\$16,046.25	\$80,231.29
Travel.....		
Duplication.....	600.00	3,000.00
Periodicals.....		
Telephone and telegraph.....	500.00	2,500.00
Stationery.....	350.00	1,750.00
Miscellaneous.....	50.00	250.00
Total.....		87,731.29

PROJECTED EXPENDITURES OF THE OCS COMMITTEE (H. RES. 1021)

	Salaries	Expenses	Credits	Expenses	Total
July.....	\$16,757.01			\$1,500	\$18,257.01
Total unexpended authorization as of June 31, 1976.....					32,025.72
Approximate expenditures, July 1976.....					18,257.01
Total unexpended authorization as of July 31, 1976.....					13,768.71
August.....	4,731.29			1,500	6,231.29
From H. Res. 1021.....	(13,768.71)				(13,768.71)
	(18,500.00)				(20,000.00)
September.....	18,700.00			1,500	20,200.00
October.....	19,000.00			1,500	20,500.00
November.....	19,000.00			1,500	20,500.00
December.....	18,800.00			1,500	20,300.00
Total.....	80,231.29			7,500	87,731.29

¹ Approximate expenditures—Aug. 1, 1976 through Dec. 31, 1976.

PRESENT SALARY EXPENDITURES—JULY 1976—(AUGUST 1976)

Title	Number of people	Gross monthly salary
Staff director.....	1	\$366.85
Administrative assistant.....	1	687.50
Majority counsel.....	1	500.00
Minority counsel.....	1	512.50
Chief clerk.....	1	833.83
Special counsel.....		
Economic counsel.....		
Leasing specialist.....		
OCS impact specialist.....		
Engineering and safety specialist.....		
Editor.....	1	431.84
Professional staff member.....	3	5,166.66
Research assistant.....	2	1,850.00
Clerk.....	2	1,100.00
Secretary.....	4	3,758.33

Note: As illustrated by the above chart, the necessity for specialists and experts has decreased, yet clerical and professional staff are still required to continue the legislative operations of the committee.

PROJECTED SALARY, EXPENDITURES—SEPTEMBER 1976—DECEMBER 1976

Title	Number of people	Gross monthly salary
Staff director.....	1	\$366.85
Administrative assistant.....	1	687.50
Majority counsel.....	1	525.00
Minority counsel.....	1	538.11
Legislative counsel.....	1	2,500.00
Chief clerk.....	1	1,050.00
Special counsel.....		
Economic counsel.....		
Leasing specialist.....		
OCS impact specialist.....		
Engineering and safety specialist.....		
Editor.....	1	453.40
Professional staff member.....	2	3,675.00
Research assistant.....	2	1,942.50
Clerk.....	2	1,452.50
Secretary.....	4	4,077.43

Note: As illustrated by the above chart, the necessity for specialists and experts has decreased, yet clerical and professional staff are still required to continue the legislative operations of the committee.

*House of Representatives Ad Hoc Select Committee On Outer Continental Shelf,
Fund Balance Statement*

Total authorization pursuant to:

H. Res. 427, 94th Cong.....	\$150,000.00
H. Res. 1021, 94th Cong.....	150,000.00

Less expense payments:

June.....	12,447.77
July.....	19,418.17
August.....	36,721.31
September.....	28,348.30
October.....	22,662.75
November.....	19,786.31
December.....	19,056.91
January.....	20,248.46
February.....	18,042.06
March.....	20,279.15
April.....	20,663.53
May.....	17,645.52
June.....	17,654.03

Total.....	267,973.47
Unexpended authorization June 30, 1976.....	32,025.72

