CONFERENCE REPORT ON S. 395, ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 256 and ask for its immediate consideration.

The clerk read the resolution, as follows:

H. RES. 256

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Administration and to authorize the export of Alaska North Slope crude oil, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. GOODLATTE). The gentleman from Colorado [Mr. MCINNIS] is recognized for 1 hour.

Mr. MCINNIS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume.

During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 256 is a simple resolution. The rule simply makes it in order to consider the conference report to accompany the bill S. 395 which authorizes and directs the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil. All points of order against the conference report and against its consideration shall be waived. This resolution was reported out of the Committee on Rules by an unanimous voice vote.

The purpose of the underlying legislation, S. 395, is to lift the ban on the export of crude oil produced on Alaska's North Slope and to provide for the sale of the assets of the Alaska Power Administration. Additionally, the conference report contains a targeted royalty relief provision which, according to the Secretary of Energy Hazel O'Leary, will ''lead to and expansion of domestic energy resources, enhance national security, and reduce the deficit''. This legislation has broad bipartisan support, including the support of the Clinton administration. By lifting the ban on exports we will create thousands of new jobs in this decade, and we will generate millions in receipts to the Federal Government.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the rule. This rule, as the gentleman from Colorado has explained, waives points of order against the consideration of the conference report on S. 395, a bill to lift the ban on exports of Alaskan oil and to privatize the Alaska Power Administration.

Mr. Speaker, this conference report also contains a provision which was not in the House-passed version of this legislation. This provision exempts oil and gas companies drilling under Federal oil and gas leases in deep waters offshore in the Gulf of Mexico, from paying royalties to the Federal Government. The inclusion of this provision is controversial in light of the instructions to conferees adopted by the House last July. That motion, offered by the gentleman from California [Mr. MILLER], instructed conferees to insist on the House position on this issue. The House bill, of course, deleted these provisions.

The conferees have, however, wisely included these provisions in the bill. Mr. Speaker, these exemptions will encourage exploration and drilling which will in turn increase the amount of available crude oil to U.S. markets. Mr. Speaker, increasing energy production in something our government should encourage and the provisions in this conference report do just that. I would encourage my colleagues to support the conference report and to oppose the Miller motion to recommit this conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. MCINNIS. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman from Colorado for yielding time to me, and I rise in support of the rule and in support of the bill.

Mr. Speaker, I am pleased to support this effort.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. STUDDS].

(Mr. STUDDS asked and was given permission to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, I rise in support of this rule and of the substance of the conference report, although I shall support the efforts of the gentleman from California [Mr. MILLER] to strike an extraneous and controversial provision. This legislation is important because it is vital to preserving the independent tanker fleet and the cadre of skilled men and women who proudly sail today under our flag.

Mr. Speaker, I rise in support of the rule and the conference report on S. 395, legislation that authorizes exports of Alaskan oil carried in American-flag vessels. This bill will help enhance our national security by spurring energy production and by helping to preserve our domestic merchant marine. I urge my colleagues to vote in favor of the rule and to overwhelmingly support this legislation, as you did when it was on the floor in July.

According to recent press reports, a number of foreign governments continue to complain that the U.S.-flag requirement somehow violates our international obligations. As my colleagues may know, the U.S. Trade Representative has assured Congress that the bill does not violate our GATT obligations. To my knowledge, none of these governments complained when Congress enacted a comparable provision as part of the United States-Canada Free-Trade Agreement. In any event, for the benefit of those who persist in arguing without foundation that the bill poses a problem, let me lay out the case here.

This legislation is important because it is vital to preserving the independent tanker fleet and the cadre of skilled men and women who proudly sail today under the American flag. There can be little doubt that our Government has a compelling interest in preserving a fleet essential to national security, especially one transporting an important natural resource.

Specifically, section 201 of the conference report requires that, other than in specified exceptional circumstances, Alaskan crude exports must be transported by a vessel documented under the laws of the United States and owned by a U.S. citizen. As my colleagues know, current law already requires Alaskan oil to move to the lower 48, Hawaii, and Canada on so-called Jones Act vessels. When Congress authorized construction of the Trans-Alaska Pipeline system, it established export restrictions that had the effect of ensuring that North Slope crude would move to the lower 48 and Hawaii on U.S.-built, U.S.-owned, and U.S.-crewed vessels. Although the export restrictions have changed over time, there has been no change with respect to the requirement to use Jones Act vessels.

In 1988, when Congress passed legislation to implement the United States-Canada Free-Trade Agreement, it agreed to allow up to 50,000 barrels per day of ANS crude to be exported for consumption in Canada, subject to the explicit requirement that "any ocean transportation of such oil shall be by vessels documented under [46 U.S.C.] section 12106." By insisting that exports to Canada move on Jones Act tankers—even though not required by the specific terms of the agreement—Congress established the principle that exports must move on U.S.-flag vessels.

Consider also that in negotiating the North American Free-Trade Agreement, the Mexican Government reserved to itself the "transportation . . . [of] crude oil." The U.S. Government specifically agreed to this reservation in adopting article 602(3) of NAFTA. Additionally, in two major areas of commercial movements in foreign trade, the U.S. Government has long enforced preference for American vessels. Since 1934, the U.S. Export-Import Bank has reserved for American carriers 100 percent of all cargo the export of which it finances under various programs. The Cargo Preference Act of 1954 also reserves certain government-financed cargo to "privately owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates."

There are plenty of other examples of cargo reservation world wide. Our Government has entered into bilateral treaties with Latin American countries that preserve "government controlled" cargoes for national lines. These intergovernmental agreements are supported by pooling agreements among the lines that effectively divide all cargo—not merely controlled cargo—on the UNCTAD 40–40–20

basis, with the 20 percent being accorded to such third-flag lines as are admitted to the pools. Similarly, the French Government reserves for French-flag vessels substantial cargoes. The act of March 30, 1928, for example, requires that, unless waived, two-thirds of France's crude oil needs be carried on French-flag vessels.

Mr. Speaker, it is quite clear that longstanding precedent supports the U.S.-flag requirement in this bill.

Now let me address specific U.S. international obligations and explain why the legislation does not violate the GATS "Standstill Agreement," the General Agreement on Tariffs and Trade, or other of our international obligations.

GATS Standstill Agreement.—At the conclusion of the Uruguay Round of multilateral trade negotiations, the United States and other countries for the first time agreed to cover services, as embodied in the General Agreement on Trade in Services [GATS]. Maritime services were effectively excluded, however, because no commitments of any kind were made by the United States. Although a U.S. offer had been briefly tabled, it was withdrawn. Thus, the U.S. Government did not in any way restrain or limit its authority to maintain or promote an American-flag fleet.

The only commitment made by the U.S. Government was to continue negotiations until June 1996, with a view to determining whether to make any binding commitments at that time. The "Ministerial Decision on Negotiations on Maritime Transport Services" imposed this "standstill" commitment or "peace clause" for the period during which the negotiations would occur: "[I]t is understood that participants shall not apply any measure affecting trade in maritime transport services except in response to measures applied by other countries and with a view to maintaining freedom of provision of maritime transport services, nor in such a manner as would improve their negotiating position and leverage." Some foreign governments are now arguing that the enactment of the proposed legislation would violate this commitment. They are incorrect.

In a letter to me at the time, the U.S. Trade Representative stated that the "peace clause" is:

> Strictly a political commitment by the Parties to the negotiations not to take measures to "improve their negotiation position or leverage." In a worst case scenario, if one of the Parties to this negotiation were to conclude that the United States had taken a measure that contravenes the peace clause, their only remedy would be to leave the negotiating table.
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> Let me assure you that there is nothing in the negotiations that would interfere with maritime reform legislation. . . . Discussion of promotional programs, including government subsidies, would, by no stretch of the imagination, be viewed as undermining these negotiations.

This understanding was confirmed by the Presidential Advisory Committee on Trade Policy and Negotiations. In filing its report at the conclusion of the Uruguay Round negotiations, the Committee said: "[A]ll existing maritime promotional and support laws, programs and policies continue in full force and effect. The United States also may enact or adopt such new measures as it wishes including pending legislation to revitalize the maritime industry."

GATT.—The General Agreement on Tariffs and Trade covers goods, not services. Under longstanding precedent, vessels in international commerce are not themselves "products" or "goods" subject to GATT. For purposes of GATT, the relevant "product" is ANS crude, which would be transported on American-flag vessels. Requiring that this product be carried on these vessels, as currently required under the implementing legislation for the United States-Canada Free-Trade Agreement, does not conflict with GATT.

Article XI of GATT proscribes "prohibitions or restrictions other than duties, taxes or other charges whether made effective through quotas, import or export licenses or other measures" by a contracting party "on the importation of any product" or "on the exportation . . . of any product." These requirements apply to "products," which do not include vessels in transit between nations. Moreover, these requirements are limited to "products" and not to their transportation. This is made clear by the exceptions listed in ¶2, such as (a) measures to prevent or relieve "critical shortages of food stuffs or other [essential] products" and (b) restrictions to facilitate "classification, grading or marketing of commodities." Such exceptional restrictions are to be accompanied by public notice "of the total quantity or value of the product permitted to be imported." Thus, the transportation requirements of the committee print are not "prohibitions or restrictions other than duties" on goods proscribed under article XI.

Article III, the national treatment article, forbids internal taxes or other charges or regulations, affecting, inter alia, the transportation of goods, that discriminate in favor of domestic production. Requiring U.S.-flag vessels for the carriage of certain cargoes in international trade is not an internal regulation of transportation that discriminates against foreign goods. As I said earlier, vessels are not considered goods. Moreover, by operation of the Jones Act, foreign-flag vessels may not today carry ANS crude oil to the lower 48 or Hawaii. Having no claim to carry this crude today, foreign governments can not claim under article III that they somehow will be denied opportunities tomorrow as a result of a change in current law.

Article V, the freedom of transit article, requires that member nations permit goods, and also vessels, of other member nations "freedom of transit through the territory of each contracting party" of traffic in transit between third countries. The proposed bill, however, is not an inhibition of such movement of foreign goods or vessels within the United States. Article V thus does not apply.

GATT Grandfather Clause.—GATT 1994 contains an explicit exemption for the Jones Act. Annex 1A to the agreement establishing the World Trade Organization contains an exception relating specifically to national flag preferences for shipping "between points in national waters" enacted before a member became a contracting party to GATT 1947. The exception becomes inoperative if "such legislation is subsequently modified to decrease its conformity with Part II of the GATT 1994."

On its face, however, the proposed bill would not operate in commercial applications "between points in national waters," since it concerns the foreign trade. The proposed legislation would not amend the Jones Act and thus does not jeopardize the grandfathering of the Jones Act by Annex 1A. The conformity of the bill with international obligations of the United States does not depend on this exception, but on the terms of those obligations themselves. As I indicated earlier, the proposed bill does not conflict with articles III, V or XI of GATT.

OECD Code.—The OECD's Code of Liberalisation of Current Invisible Operations generally requires OECD member countries to liberalize trade in services, with certain specified exceptions. Note 1 to annex A, in defining invisible operations in the maritime sector, states in its first sentence that the purpose of the provision is "to give residents of one Member State the unrestricted opportunity to avail themselves of, and pay for, all services in connection with international maritime transport which are offered by residents of any other Member States." The second sentence of the Note lists "legislative provisions in favour of the national flag * * *" as among measures that might hamper the enjoyment of those rights. The Note concludes, however, unambiguously: "The second sentence of this Note does not apply to the United States." Whatever its applicability to the law of other nations, it would not apply with respect to the proposed legislation, which cannot therefore be contrary to it.

Thus, while some OECD members have subscribed to equating national flag requirements with disapproved "invisible operations," it is clear that the United States has not.

FCN Treaties.—Some foreign governments have raised questions about the propriety of flag reservation in light of various treaties of Friendship, Commerce and Navigation. The treaty clause invoked is this: "Vessels of either party shall be accorded national treatment and most-favored-nation treatment by the other party with respect to the right to carry all products that may be carried by vessel to or from the territories of such other party. * * *" Whatever this clause may appear to convey literally, its application in practice has allowed numerous national flag preferences identical with or otherwise indistinguishable in principle from the proposed measure.

As I indicated earlier, the most prominent instance is embodied in the United States-Canada Free-Trade Agreement. But there are many other examples. In the 1960's and 1970's, for example, the United States concluded with the former Soviet Union agreements for the sale of grain that, initially, reserved all carriage to American ships so far as available, and later not less than 30 percent. Against protests filed by a number of maritime powers having either national-treatment or most-favored-nation treaties, the United States responded in congressional testimony that, although the fact that the Soviet Union as a government was the purchaser did not alter the character of the transaction as purely commercial, "[t]he shipping arrangement worked out for the Russian wheat sale is a form of cargo preference involving a unique bilateral agreement between the U.S. and U.S.S.R. establishing a new trade where none existed before." This is the same reason the Department of State has advanced in defending preferences for government-financed cargo. So far as this may be considered a controlling factor, it is certainly applicable here, because the bill is clearly "establishing a new trade where none existed before."

In 1973, the President, by proclamation, instituted a system of licensing fees on imports of oil excess to prescribed quotas. Subsequently, however, the President in effect exempted products refined in American Samoa, Guam, the Virgin Islands or a foreign trade zone, if transported to the mainland on American-flag vessels. Like the present bill, the fee waiver was said not to reflect "a general administration position on reducing licensing fees when U.S.-flag ships are used". Although the stated purpose was to equalize refinery costs as between territories not subject to the Jones Act and the mainland, the administration suggested in congressional testimony that "a positive incentive has been provided by the administration for the construction and use of additional U.S.-flag tankers." In recent testimony before the Resources Committee on which I sit, the Deputy Secretary of Energy similarly emphasized the importance of the U.S.-flag requirement of the pending legislation in preserving U.S.-flag tankers and the skilled mariners who operate them.

In summary, Mr. Speaker, the U.S.-flag requirement of this bill is supported by ample domestic and foreign precedent, does not represent an extension of cargo preference into a new area, and does not violate our international obligations. There is no reasonable basis for a challenge to the legislation before the World Trade Organization or in other international forums.

I urge my colleagues to join me in supporting this legislation, which is so vital to preserving a fleet essential to national defense.

Mr. McINNIS. Mr. Speaker, I yield 3 minutes and 56 seconds to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the United States is now importing 50 percent of our energy needs.

The Department of Energy projects 60 percent import level by 2010.

The United States has lost 450,000 jobs in the oil and gas industry.

The temporary royalty relief in S. 395 will enable the private sector to risk its own funds to find and produce domestic oil and gas to enhance national energy security and create jobs.

CBO scored the deep water Gulf of Mexico royalty provisions as a revenue gain of $100 million over 5 years. The Minerals Management Service estimates even greater revenue gains.

The administration's Sustainable Energy Strategy stated:

> The Administration supports targeted royalty relief to encourage the production of domestic oil and natural gas resources in deep water in the Gulf of Mexico. This step will help unlock the estimated 15 billion barrels of oil-equivalent in the deepwater Gulf of Mexico, providing new energy supplies for the future, spurring the development of new technologies, and supporting thousands of jobs in the gas and oil industry and affiliated industries.

A letter from Hazel O'leary stated, "The royalty relief provisions in S. 395 as adopted by the conference committee is a targeted deepwater royalty relief provision that the Administration supports."

The letter concludes, "The ability to lower costs of domestic production in the central and western Gulf of Mexico by providing appropriate fiscal incentives will lead to an expansion of domestic energy resources, enhance national security, and reduce the deficit. Therefore, the Administration supports the deepwater royalty relief provision of S. 395."

The language in the conference report was changed in two important ways: First, it clarifies that the royalty incentives are applicable only to the western and central Gulf of Mexico west of the Alabama/Florida border. Second, the legislation has been amended to make it clear that it will not affect an OSC area that is under a pre-leasing, leasing, or development moratorium, including any moratorium applicable to the eastern planning area of the Gulf of Mexico located off the Gulf Coast of Florida.

The Minerals Management Service determined that the deepwater incentives will result in a minimum net benefit to the Treasury of $200 million by the year 2000.

These provisions will create thousands of jobs, enhance national security by reducing dependence on imported oil, and reduce the deficit. I urge my colleagues to support the conference report.

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Mr. Speaker, I intend to vote for it, and I hope my colleagues will likewise vote for the rule, which I do support as well.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

(Mr. DOOLEY asked and was given permission to revise and extend his remarks.)

Mr. DOOLEY. Mr. Speaker, as an original cosponsor of the underlying Alaskan oil export legislation, which passed the House on July 24 by a 324 to 77 margin, I rise in strong support of the rule and also the conference report for S. 395. With enactment of this historic legislation we will have a chance to benefit small, independent oil producers throughout this country.

Current law may have made a great deal of sense in 1973. But like any other laws, it is having unintended consequences that were not foreseen by our colleagues. We therefore should repeal the Alaskan oil export ban and authorities exports carried in U.S.-flag vessels.

What this will allow is to free up oil refining capacity on the west coast of the United States, which will help to encourage oil production and oil exploration in the west coast of the United States, much of that done by the independent oil producers. The California independent oil producers state a compelling case. Like them I was pleased that the Department of Energy similarly concluded last year that the export ban was depressing production and, if lifted, would benefit California and the Nation as a whole. The Department of Energy's comprehensive June 1994 study provides a strong factual basis to support this legislation. Among others, the following study concluded production will increase by 100,000 barrels per day, up to 25,000 additional jobs will be created, State and Federal revenues will increase by hundreds and millions of dollars, and these benefits will be achieved with little, if any, effect on consumer prices.

We now have a unique opportunity in this Congress to spur additional energy production and to create jobs. With imports meeting over 50 percent of our domestic consumption because of falling production, we must do something quickly to increase energy production in this country.

This legislation, this conference report, will achieve those objectives, and I urge my colleagues to support the rule and the report.

Mr. McINNIS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, I rise today and urge the support of the conference report which is of immense importance to California and to our Nation's economic and national security, as well as our well-being. This legislation will increase our domestic exploration and production of crude oil. It will mean that our reduced balance-of-payments deficit, the deficit in our balance of payments, will be reduced, and everyone agrees that the United States today is too reliant on the import of crude oil. This legislation will spur domestic production, thereby enhancing our national security. As I have just said, it will also affect in a positive way our balance of payments.

Mr. Speaker, this legislation lifts the ban on the export of Alaskan crude. This will contribute to reducing our trade deficit, and this legislation thus is good for job creation in the United States, and it is good for our economy in general.

My colleagues should not be swayed by side issues. This bill is not about side issues. It is about things that are fundamental to our economy. The legislation is about enhancing our economy and our national security. These things must be the overriding issues of importance, and we should not be sidetracked by some kind of fight over royalty holidays, holidays and other issues, that may be of importance in and of themselves, but coupled with this there is just no comparison. So today I suggest that we keep our eyes on the prize and we do not defeat this conference report on a side issue, and I would say that we should have a vote today for jobs, a vote for national security and thus I would suggest that we vote "yes" on the conference report and "yes" on the rule.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise in strong support of this conference report, which will create jobs and help American energy companies compete in the global marketplace.

Investment in domestic energy exploration and production is vital to America's economic stability and national security. This conference report encourages such investment by lifting the ban on exports of Alaskan oil and providing royalty relief for energy companies that risk exploration in the deep waters of the Gulf of Mexico. These provisions will create jobs in the energy industry and further limit our reliance on foreign oil, which continues to rise as a percentage of our balance-of-payments deficit.

We know the Gulf of Mexico contains large oil reserves. Royalty relief will help uncover the 15 billion potential barrels of oil in the gulf and will also spur the development of new offshore technologies and provide thousands of new jobs in the industry. Our energy industry needs these incentives to compete against innovative technologies and an increasingly skilled work force abroad. This policy is supported by Members of both parties in Congress and the Clinton administration.

I want to underscore that royalty relief is not the free ride as some in Congress have portrayed it—the energy industry still must pay a substantial upfront bonus and they must also pay royalties when production exceeds the royalty relief period. In essence, this targeted royalty relief will provide the financial incentives to increase domestic energy exploration and production and to protect our national security. In the long run, by spurring exploration and development, this bill will generate more tax revenues for the Federal Government, not less. This conference report is sound economic policy and smart energy policy, and I urge my colleagues to support it.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. BEILENSON].

Mr. BEILENSON. Mr. Speaker, I must say I think this is really offensive that we are being asked to consider this rule waiving points of order for this controversial conference report that will have a significant effect on our Nation's energy and fiscal policy.

There is no good reason at all for taking up this type of rule that waives, as it does, the very rules of the House that should be preventing the consideration of this controversial conference report in the first place.

We listened for years to arguments from our colleagues, harangues perhaps one could properly call them, who now constitute the majority about how irresponsible and reckless we Democrats were when we provided waivers of rules for even the most minor provisions or rules violations.

Yet here we are today being asked to waive a rule that should have prevented the conferees from including in their agreement a very controversial provision that not only is not germane to the House-passed bill, but which in fact the House voted not to include in the conference report.

I remind my colleagues that the bill passed by the House has one main purpose, to lift the ban on the export of Alaskan oil. One can properly question, I suppose, the wisdom of lifting that ban. It does mark a major change in the direction of our energy policy. I personally think it is probably a wise change for us to enact. But the House approved that change in our energy policy, and, as I said, I am not here to argue that point.

What the House did not approve—in fact, what the House voted 261–161 to prohibit—is granting royalty relief to U.S. petroleum producers operating in waters in the Gulf of Mexico. This controversial provision ought *not* to be a part of the conference report before us; we ought *not* to waive the rule requiring germaneness so that this controversial exemption for oil and gas producers—a provision the house voted to oppose—can become law attached to a much less controversial bill.

This royalty exemption is a giveaway that we will live to regret. We should not be taking actions that reduce the Government's revenues from large profitable industries especially at a time of great budgetary constraints, and for the leadership to permit the conferees to get away with including this exemption for certain oil producers in this conference report on an entirely different piece of legislation is, many of us believe, totally irresponsible.

Mr. Speaker, I urge our colleagues to join me in opposing this rule and in supporting the motion to recommit the conference report that will be ordered, I believe, by the gentleman from California [Mr. MILLER].

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, Members of the House, after we consider the rule on this legislation, we will get into general debate on a conference report, a conference report that comes back to us on the Alaska oil export bill of which there is relatively little controversy, but that bill has now been hijacked in the conference by a very controversial provision for a royalty holiday for the oil companies in this country that go into the Gulf of Mexico and drill in what this legislation calls deep water. Although I must tell my colleagues in the industry today and with the technology today where we give a royalty holiday under this bill it is no longer deep water. The technology, the investment, the risks, and the oil have all gone past this legislation. This legislation, the provision that is hijacking the Alaska oil export bill, was originally thought of around 1988 when the Gulf of Mexico was in an oil depression. Since that time the Gulf of Mexico has come roaring back. The oil companies are submitting record high bids in that region to compete for the right to drill out there, and it is, in fact, probably the hottest oil place in the world today.

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That is not because I say so, that is because every oil and energy and gas periodical in the country says that, and all of the oil companies say this is where they are going. They have set forth their 5-year plan. They have set forth their 10-year plan. This is where they are going to make their investments, along with their other decisions.

What we do here is not going to change that. We are just going to decide whether or not we are going to give away the taxpayers' dollars to a lot of oil companies that do not need it, have not particularly asked for it, and understand that it is not going to change their decisions. They are going to the Gulf of Mexico because that is where the oil is. That is where the profitable oil is.

What you have here is you have, today you can be at the creation of corporate welfare because this does not exist today, but should you vote against the motion to recommit this conference report, you will be voting to create corporate welfare that CBO says will cost us $500 million.

Weigh that against the other decisions you are going to be asked to make later today: to increase Medicare premiums, to do all the things you are going to be asked to do in budget reconciliation, you will be asked to do in the continuing resolution, all the decisions this Congress has made about children's nutrition programs, about education, about science, about technology, about transportation; and in the middle of that, you are going to provide a royalty holiday to the oil industry of this country. I do not think that is what you want to tell your constituents.

There is no need for this. The problem with this is, it is mandatory. It is not that the oil company makes a showing that, but for this, they would have drilled the well, or that they need it. It is mandatory. When they sink the well, they get up to 72 million barrels of oil, royalty free, for simply being there, doing what they were already going to do. As I said, they have already bid on the lands. They have already made the investment calculations. They have already leased the rigs, they have already contracted to build new ones, all absent the royalty oil holiday.

This Congress should not be larding up, should not be larding up the budget of the United States with this kind of special privilege. That is what the motion to recommit is about. The motion to recommit is about, in the middle of when we are making the most difficult

budget decisions on both sides of the aisle, we find here a provision that CBO says will net out a $150 million loss to the Treasury of the United States, and $500 million between the year 2000 and 2020. We should not be doing that to the taxpayers, we should not be doing that to people who are asking us to put some balance in the balanced budget provision.

The last time we had this provision before us, 100 Republicans and 161 Democrats joined to instruct the conferees not to take this provision. The conferees decided otherwise. That is why this rule waives all points of order, because this is a nongermane provision. This is simply a highjacking of a bill that many of this Congress believe is very important, very important, to do that.

For those who think if they vote for the motion to recommit they will be bringing down the bill, let me inform them that there is a conference committee scheduled today on the assumption that the motion to recommit will pass so that we can go back to conference, redo this bill, and send it out here. I have told the sponsor of this bill I would let it go on unanimous consent, so they can have the bill and they can stop the creation of new corporate welfare that just in no way can be justified.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out to the gentleman from California that I was in the chair when we last heard these arguments. Frankly, I was convinced by what the gentleman said. In fact, I supported the gentleman from California, because, and I quote the gentleman's statement, he said it was simply a raid on the Treasury by the Senate and major oil companies.

Again today I hear the gentleman from California, and, in fact, I think he used the figure $500 million. After that vote, I had time to further examine the issue. In addition to that, I looked at what the CBO score did. I went through that accounting.

I can tell the Members that the representation by the gentleman is not the way that I interpret that particular statement. In fact, according to the Secretary of Energy, who has also assessed the CBO score, the deep water language will actually put the Federal Treasury $200 million ahead. Let me repeat that language:

The Minerals Management Service has estimated that the revenue impacts of the new leasing under section 304 of Senate 395 for lease sales in the central and western Gulf of Mexico between 1996 and 2000, the deep water royalty relief provisions would result in an increased bonus of $485 million, $113.5 million in additional bonuses on tracts that would have been leased without relief, and $350 million in bonuses from tracts that would not have been leased until after the year 2000, if at all, without relief. This translates to a present value of $420 million if the time and value of money is taken into account.

However, the Treasury would forego, and I think this is the number that the gentleman from California is using, ''an estimated $5.53 million in royalties that would otherwise have been collected through the year 2018.'' But you have to complete the formula.

But again, taking into account the time value of the money, this offset in today's dollars is only $220 million. Comparing this loss with the gain from the bonus bids on a net present value basis, the Federal Government would be ahead by $200 million.

Mr. Speaker, I think we have to look at the CBO score. I intend to support that today. I think the rule is fair, but I think we have to look at that score accurately. We have to disclose all the numbers.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I appreciate everything the gentleman from Colorado stated. CBO went through that exact analysis of the Department of Energy, of Mineral Management Services, and rejected that. I find it rather interesting that we now see the proponents of this royalty holiday relying on an agency that they do not trust to give them estimates in Alaska on reserves and costs, and on the Department of Energy, which they think should be abolished.

But they do not want to now look at what CBO, the agency they are relying on and we are all relying on to help us balance the budget, when they reject it and say flat out it is going to cost a net $150 million to the taxpayers. When you get through all of the offsets and you get through the leases that are going to be moved forward and the leases that are going to be moved backwards, what you have in fact is a $150 million net cost, $500 million gross costs in the years 2000 and 2020.

So CBO, the agency we are relying on, that you are relying on, that we have given credibility to, that has rejected the administration arguments in many, many instances, now says, ''This is a net cost to the taxpayers of this country.'' That is why we should not be providing a royalty holiday to companies that do not need it. I thank the gentleman for yielding to me.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, clearly the gentleman from California and I disagree as to the value to the Treasury, but I would stand by my comments, as I think the majority of the people on both sides of the aisle will stand by, and that is that this is a positive. This puts money into the Treasury. At a time when we are facing this deficit, I think we need to look at that. It encourages jobs. It is a win-win deal. We have got jobs, we have money for the Treasury. I think we are going to have support from both sides of the aisle, in addition, of course, to the support from the Clinton administration. The Clinton administration has come out and endorsed this theory, this issue, and the way it has been put on this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Speaker, I thank my colleague, the gentleman from Texas, for yielding me the time.

Mr. Speaker, I rise in support of the conference committee report in its entirety of Senate bill 395, based on three reasons. One, it is safe for offshore drilling. We are only dealing with new leases or expanded leases, and also the jobs and economic growth that my colleague, the gentleman from Colorado, talked about.

Let me explain. We are talking about the impact on the current budget and this resolution will help balance our budget. The agreement requires the Department of the Interior to exempt from royalties only new leases, or expanded production; it is production that may not be utilized. We may not receive one penny in royalty, but if they do expand it, if they do have new leases, we will see additional revenue. That is where I see the plus for our Treasury.

This resolution also talks about expanded production under existing leases, but it mandates some of the royalty exemptions if the Interior Secretary determines this production will not be economic without royalty relief. We are giving the Department of the Interior the ability to say, ''If you will do it, then we will give you that benefit.'' We are really just letting them say, ''OK, depend on the market, and if it will work, it will help the Treasury and also help in the creation of jobs.''

Let me talk about offshore drilling, because in Texas we do that a lot. I go to Galveston, TX, and see the wells out there and I am concerned, like everyone else, about the pollution in our waters. But, in the latest study I have, it shows that offshore oil production is responsible for only 2 percent of spills, whereas transportation is 45 percent of whatever pollution may be, and waste and runoff is 36 percent.

We can solve a lot of problems with pollution of our waterways and our bodies of water if we just clean up what we put into the sewers, but the offshore production is one of the safest, ways to produce energy. We have had production off our coasts, successful production. Again, this would benefit not only those of us who live along the Gulf Coast, but would also benefit the economic security of our Nation. That is why, Mr. Speaker, I encourage the adoption of the conference committee report.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to quote from a letter that we have just received from Citizens for a Sound Economy, and as we all know on both sides of the aisle, that is a very economically conservative organization. It

watches very carefully for any type of legislation that would be a drain on the Federal Treasury.

Their position on this, and I quote:

Providing some degree of royalty relief creates economic incentives to make such risky undertakings more feasible, while increasing the supply of a vital natural resource and providing increased employment opportunities. Moreover, the royalty relief is not corporate welfare. It does not place a burden on taxpayers or contribute to the deficit.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means.

(Mr. ARCHER asked and was given permission to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of the rule and in opposition to the motion to recommit offered by the gentleman from California. Enactment of the OCS Deep Water Royalty Relief Act will generate substantial revenues over the next 7 years as companies bid more for deep water leases and risk investing in leases that are currently too marginal to even consider. The revenues received by the Treasury for oil and gas leases are the combination of bonus bids received at the time of lease sales and royalties paid in the event a lease is developed and brought into production. Since the Federal leasing program began in 1954, $56 billion in bonus payments have been generated versus $47 billion in royalty revenues. In other words, we have received more money from producers paying for the option to produce leases than from actual production royalties. This is especially true in deep waters where only one out of 16 leases ever produce and pay royalties.

The Congressional Budget Office has officially stated that this provision will not reduce the receipts to the Federal Government under the pay-as-you-go procedures. The only revenues scored for the provision have been in the context of budget reconciliation where revenues from non-routine asset sales are being counted for deficit reduction purposes. The bottom line is that CBO has conservatively estimated this provision would generate additional revenues of $130 million over seven years. I urge you to vote again the Miller motion to recommit.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. VENTO].

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I rise in strong opposition to the rule, and believe it should be defeated. It is needed to circumvent the thorough consideration of this special interest's—oil interest's—benefits being placed into law.

Mr. Speaker, the Miller motion is our avenue to send this back to conference, as we did in August, or in July, by a vote of 261 to 155. We instructed conferees to reject the Senate language providing royalty holidays to companies drilling for oil and gas in federally controlled deep waters in the Gulf of Mexico.

The House voted against the Senate proposal because House Members saw this royalty holiday correctly for what it is. This policy is an unjustified giveaway, a tax break for big corporations at the expense of the American taxpayer. Unfortunately, House conferees completely ignored the wishes of the majority of the House and supported the corporate welfare approved by the Senate. This measure has not passed the House, but was slipped into the Senate measure and is being foisted upon the House through this conference measure, and facilitated by this rule, which I oppose.

The deep water royalty fails in terms of process and economics. Royalty holiday legislation has not been introduced in the House, and the committee process has been circumvented by those who want to push this giveaway through without complete consideration. If this is such good legislation, why not subject it to hearings and full debate? Why are we being asked to settle for a nongermane amendment to Alaskan oil export legislation? The reason is simple: that a royalty holiday will not stand up to the light of day.

□ 1415

Today, the big oil companies pay only a 17-percent tax rate, and the small independent companies pay almost nothing after deductions. That beats the rates paid by most American taxpayers and hardly suggests the need for further cutbacks.

Moreover, there is ample evidence that new technology has prompted a rush of bids in deep-water tracts in the gulf. The lease auction held last May was the fourth largest in gulf history, under the current tax and lease policies, and the American public would have lost an estimated $2 billion in future royalties if the proposed holiday had been in place then. Over the long haul, CBO estimates the royalty holiday will cost the taxpayers $420 million.

The claim that this measure is justified for economic growth should not be the basis for giveaway tax breaks. The fact is that when someone else gets a break in terms of the Tax Code or in terms of royalty, other taxpayers have to make it up. They have to pay for it. So the fact is that if we give this away fast enough, if we can burn dollar bills, that we can heat the house is not a very good justification for a tax policy or for an energy policy.

So I would suggest to my colleagues that we quit burning the dollar bills, we start dealing with the deficit by closing and not opening new loopholes, and that is what has happened throughout this Congress. The House tax bill that passed provided 75 percent of the benefits in 10 years went to corporations and to investors—to corporations and investors—not to individual taxpayers.

Mr. Speaker, I urge defeat of the rule and passage of the motion of the gentleman from California [Mr. MILLER] to recommit to conference this report.

Mr. McINNIS. Mr. Speaker, I yield 3½ minutes to the gentleman from Oklahoma [Mr. BREWSTER].

(Mr. BREWSTER asked and was given permission to revise and extend his remarks.)

Mr. BREWSTER. Mr. Speaker, I rise this afternoon to support this important rule.

This afternoon we will have an opportunity to cast a vote that will create jobs, increase domestic production of crude oil and natural gas, decrease our dependence on foreign oil, and raise at least $100 million for the Federal Government over 5 years.

Almost every day news stories report more layoffs, more downsizing, more jobs destroyed as companies cut their payrolls. The men and women of the Nation's oil and natural gas industry know those stories too well, because they have lived them. Oil and gas workers have experienced more job losses than workers in any other American industry.

Since 1982, 450,000 jobs were lost in just the exploration sector of the U.S. petroleum industry. That is almost half the number of jobs lost in the entire domestic manufacturing sector. More than one out of every two workers who searched for oil and natural gas, or helped recover it, lost their job.

But today, Mr. Speaker we can begin to make a difference for oil and gas workers, for those in related industries, and for their families and communities. I urge my colleagues to vote for job creation by voting in favor of the rule to the conference report on S. 395.

Congress must provide incentives for deepwater drilling in the central and western Gulf of Mexico.

Deepwater incentives, which encourage oil and gas companies to risk their capital on new exploration and production, will create 20,000 new jobs for every $1 billion in private sector investment. These incentives will result in the creation of many new jobs in my State of Oklahoma, a State hundreds of miles from the gulf.

There are 378 petroleum equipment supply facilities in my State alone. And nationally, there are 3,532 such facilities spread across 40 States.

Deepwater incentives mean jobs not only for oil and gas workers. It means jobs in steel, in machine tools, in heavy equipment and in the high technology industries that support oil and gas recovery. Deepwater incentives will create new jobs in the gulf region, in my State, and throughout our country.

We have been going the wrong way for too long. The United States has sent many oil industry jobs overseas. And we rely too much on foreign oil

suppliers, who now deliver over half the oil we use.

In just 15 years, the U.S. Department of Energy warns that we will rely on foreign sources for 60 percent of our oil.

Mr. Speaker, we must invest in American workers. It is time to turn this situation around, and rely on our own abundant oil and gas resources. And we must create the job opportunities that go with domestic oil and gas exploration and production.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support the rule, and the conference report and say yes to jobs.

Mr. MCINNIS. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Speaker, I thank my colleague for yielding me this time.

Mr. Speaker, I rise in support of the rule, in support of the bill, and particularly in support of the Outer Continental Shelf deep-water incentives legislation; and I will be asking my colleagues later on to vote against the Miller motion to recommit.

Mr. Speaker, I think this legislation is a good idea; and particularly, Mr. Speaker, I believe the OCS deep-water incentives provisions are good for business, they are good for job growth and, most importantly, they are good for the taxpayers.

Let us look at the facts. Right now, restrictive royalties have effectively shut down deep-water drilling. Only 6 percent of the deep-water leases are in production. That is compared to 50 percent of leases which are in production in shallow waters.

My colleagues should not be fooled by the opponents of this measure. I believe their goal is to shutdown deep-water drilling with restrictive taxes. While Americans have continually rejected this approach to governing for the nonsense that it is, opponents have decided to change their approach to the charge of corporate welfare. So let us look again at this charge of corporate welfare.

The Congressional Budget Office, the office that we rely on for our estimates, has determined that this bill will generate $100 million over 5 years in tax revenues. Is that corporate welfare?

The Congressional Budget Office says that this bill will reduce our national deficit. Is that corporate welfare?

This bill will create jobs. That is not corporate welfare, Mr. Speaker. This bill makes sense for the taxpayers, for the Federal budget and for our national security.

What our friends who oppose this bill are not saying is the fact that the taxpayer benefits only if deep-water oil and gas production occurs. If they do not drill, they do not pay taxes. The taxpayer and producers are business partners. They both benefit from deep-water drilling.

So who is being taken advantage of by this provision? It is not the offshore workers who sit idle by the drills. It is not the taxpayer who stands to make $100 million over the next 5 years. The only people being taken advantage of in this bill are those who fall for the basic theory of corporate welfare by the opponents of the bill today. This bill will expand domestic energy resources, enhance our energy security, create jobs and reduce the national deficit.

Mr. Speaker, this is a good rule, this is good legislation, and I urge its adoption.

Mr. MCINNIS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank my friend the honorable distinguished gentleman from Glenwood Springs, CO [Mr. MCINNIS], for yielding me this time and for his management of this rule.

Mr. Speaker, I rise in support of this rule, and to thank the conferees on S. 395 for going the extra mile to address the concerns of the State of Florida with regard to the deep water drilling provisions contained in the conference report. I, along with many Members of the Florida Delegation, had reservations about the original Senate language that would have provided royalty relief for oil companies drilling in the deep waters of the Gulf of Mexico. The overwhelming majority of Floridians are opposed to taking risks with oil and gas exploration in our fragile coastal waters—risks that could jeopardize our tourism and housing industries. I am pleased that through the efforts of Mrs. FOWLER and others on the conference committee, the report now spells out in no uncertain terms that ''nothing in this title shall be construed to affect any offshore pre-leasing, leasing, or development moratorium, including any moratorium applicable to the eastern planning area of the Gulf of Mexico located off the gulf coast of Florida.'' This clarification is consistent with our efforts to provide long-term protection for Florida's valuable coastline, and I support it's inclusion in this conference report.

Mr. Speaker, I recognize there are many other issues in this particular report, and they have not all been attended to in exactly the way that is going to make everybody exactly happy. I have never seen a piece of legislation that I can recall that has made everybody happy in this body, and I do not think I will live that long. I think that everybody fees they can improve on it.

But for the rule that we have here, I think that is a good rule; and I think it is important to point out that there has been a change and an improvement for the Florida interests that involve the protection of the Florida coastal waters; and I think those involved.

Mr. MCINNIS. Mr. Speaker, I yield I minute to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am from Florida. This bill does not affect the State of Florida, does not affect drilling off of Florida. This does affect the taxpayers.

When I hear people get up and say that CBO has scored this one way or the other, that it is actually going to be $100 million plus, that is doublespeak that I have been hearing Democrats saying on the other side of the aisle, and how Republicans are saying this now for their own purposes shocks me.

The fact of the matter is, CBO has scored this, and in their scoring they said it would cost us $450 million. Now, how anybody can stand up after defending CBO numbers for a year and then stand up and say, ''OK, CBO is right on everything but this one,'' absolutely strains any credibility any speaker has. CBO says it. It costs the American taxpayer $450 million. When you take to the microphone and say that you are helping the American taxpayers by shoveling more corporate welfare to big oil, you are lying to the American people.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would hope the gentleman from Florida [Mr. SCARBOROUGH] stays on the floor long enough to hear some rebuttal, because the gentleman from Florida has very little basis, especially using the kind of strong language that he has used.

I think we may have an honest disagreement here. I do not think either side in this situation is lying, as the gentleman from Florida might put it, or telling an untruth. In fact, the CBO has been I think fairly clear on its scoring of this. This will add to the Federal Treasury.

Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, I thank the gentleman for yielding time to me.

As a matter of fact, CBO did say this would yield $100 million to the Treasury in the next 5 years. Confusion has come up when CBO tried to go 25 years out and estimate income and revenue as opposed to losses under the program, and CBO did a classic economic mistake in that analysis. They failed to count the present value of money.

Minerals Management has done an analysis as well. Minerals Management, under the Secretary of Energy, has concluded that this bill will produce at least 630 additional leases which would be sold for a total increase in bonuses of $485 million over the next 5 years. Their analysis over the 25-year period is it not only reduces the deficit but it also adds, they believe, about $200 million to the Treasury.

Now, we can debate. Economists are arguing about what is going to happen 25 years from now. But one thing we cannot deny is that the 25-year outlook by CBO originally done, which has been

corrected by Minerals Management and the Department of the Interior, failed to take into account a very simple economic principle, the present value of money. When you do that, this is a net gainer for the Treasury. It is a net gainer for the Treasury in the first 5 years. It is a net gainer over the 25-year period, if the bill were extended beyond the first 5 years.

In fact, this is good for the Treasury. This produces jobs, economy. It produces income for Americans, and it does something even more vital than that. It produces oil and gas in regions that would not otherwise be produced in the Gulf of Mexico, only in an area where, in fact, economies of scale and deep-water drilling would not permit those drills to occur. This is good for the country.

Too many of our young men and women have gone to battle to defend oil products in somebody else's land. It is about time we produce on the leases we have authorized to be produced here in the Gulf of Mexico. I would urge support for this rule and to keep the oil and gas relief bill intact when we send it back to the President.

□ 1430

Mr. MCINNIS. Mr. Speaker, I urge my colleagues to support the rule. I have no further speakers.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, we have no other requests for time at this point. As my colleagues can see, there is some degree of controversy on this matter. I personally support the rule and support the bill, and I urge adoption of the rule, though there is some opposition, obviously, on both sides of the aisle on this question.

Mr. Speaker, I yield back the balance of my time.

Mr. McINNIS. Mr. Speaker, I too support the rule, and urge my colleagues to support the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The previous question was ordered.

The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. McINNIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that 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 361, nays 54, answered ''present'' 1, not voting 16, as follows:

[Roll No. 770]

YEAS—361

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHugh
McInnis
McIntosh
McNulty
Meehan
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Owens
Oxley
Packard
Parker
Paxon
Payne (VA)
Pelosi
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velázquez
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—54

Becerra
Beilenson
Berman
Brown (FL)
Clay
Collins (IL)
Collins (MI)
Conyers
Coyne
Dellums
Deutsch
Evans
Fattah
Filner
Flake
Frank (MA)
Gejdenson
Gibbons
Gonzalez
Gordon
Gutierrez
Hastings (FL)
Hinchey
Kanjorski
Kildee
LaFalce
Markey
McHale
McKinney
Meek
Menendez
Mfume
Nadler
Olver
Pallone
Pastor
Payne (NJ)
Peterson (MN)
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Serrano
Slaughter
Stark
Stokes
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wynn
Yates

ANSWERED ''PRESENT''—1

Engel

NOT VOTING—16

de la Garza
Fields (LA)
Foglietta
McKeon
Moakley
Moran
Peterson (FL)
Ramstad
Rose
Skelton
Tejeda
Thornton
Tucker
Volkmer
Waldholtz
Weldon (PA)

□ 1450

Ms. BROWN of Florida and Mrs. SCHROEDER changed their vote from ''yea'' to ''nay.''

Mr. HILLIARD changed his vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, on rollcall vote No. 770, I am recorded as having voted "present." I would like the RECORD to reflect that I was opposed to this resolution.

Mr. YOUNG of Alaska. Mr. Speaker, pursuant to House Resolution 256, I call up the conference report on Senate bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. MCINNIS). Pursuant to House Resolution 256, the conference report is considered as having been read.

The text of the conference report and the statement of managers is as follows:

CONFERENCE REPORT (H. REPT. 104–312)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 395), to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be stricken by the House amendment, insert the following:

TITLE I—ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION

SEC. 101. SHORT TITLE.

This title may be cited as the ''Alaska Power Administration Asset Sale and Termination Act''.

SEC. 102. DEFINITIONS.

For purposes of this title:

(1) The term ''Eklutna'' means the Eklutna Hydroelectric Project and related assets as described in section 4 and Exhibit A of the Eklutna Purchase Agreement.

(2) The term ''Eklutna Purchase Agreement'' means the August 2, 1989, Eklutna Purchase Agreement between the Alaska Power Administration of the Department of Energy and the Eklutna Purchasers, together with any amendments thereto adopted before the enactment of this section.

(3) The term ''Eklutna Purchasers'' means the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc. and the Matanuska Electric Association, Inc.

(4) The term ''Snettisham'' means the Snettisham Hydroelectric Project and related assets as described in section 4 and Exhibit A of the Snettisham Purchase Agreement.

(5) The term ''Snettisham Purchase Agreement'' means the February 10, 1989, Snettisham Purchase Agreement between the Alaska Power Administration of the Department of Energy and the Alaska Power Authority and its successors in interest, together with any amendments thereto adopted before the enactment of this section.

(6) The term ''Snettisham Purchaser'' means the Alaska Industrial Development and Export Authority or a successor State agency or authority.

SEC. 103. SALE OF EKLUTNA AND SNETTISHAM HYDROELECTRIC PROJECTS.

(a) SALE OF EKLUTNA.—The Secretary of Energy is authorized and directed to sell Eklutna to the Eklutna Purchasers in accordance with the terms of this Act and the Eklutna Purchase Agreement.

(b) SALE OF SNETTISHAM.—The Secretary of Energy is authorized and directed to sell Snettisham to the Snettisham Purchaser in accordance with the terms of this Act and the Snettisham Purchase Agreement.

(c) COOPERATION OF OTHER AGENCIES.—The heads of other Federal departments, agencies, and instrumentalities of the United States shall assist the Secretary of Energy in implementing the sales and conveyances authorized and directed by this title.

(d) PROCEEDS.—Proceeds from the sales required by this title shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to prepare, survey, and acquire Eklutna and Snettisham for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy by the purchasers.

(f) CONTRIBUTED FUNDS.—Notwithstanding any other provision of law, the Alaska Power Administration is authorized to receive, administer, and expend such contributed funds as may be provided by the Eklutna Purchasers or customers or the Snettisham Purchaser or customers for the purposes of upgrading, improving, maintaining, or administering Eklutna or Snettisham. Upon the termination of the Alaska Power Administration under section 104(f), the Secretary of Energy shall administer and expend any remaining balances of such contributed funds for the purposes intended by the contributors.

SEC. 104. EXEMPTION AND OTHER PROVISIONS.

(a) FEDERAL POWER ACT.—(1) After the sales authorized by this Act occur, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of Part I of the Federal Power Act (16 U.S.C. 791a et seq.), except as provided in subsection (b).

(2) The exemption provided by paragraph (1) shall not affect the Memorandum of Agreement entered into among the State of Alaska, the Eklutna Purchasers, the Alaska Energy Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, which remains in full force and effect.

(3) Nothing in this title or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the Memorandum of Agreement.

(b) SUBSEQUENT TRANSFERS.—Except for subsequent assignment of interest in Eklutna by the Eklutna Purchasers to the Alaska Electric Generation and Transmission Cooperative Inc. pursuant to section 19 of the Eklutna Purchase Agreement, upon any subsequent sale or transfer of any portion of Eklutna or Snettisham from the Eklutna Purchasers or the Snettisham Purchaser to any other person, the exemption set forth in paragraph (1) of subsection (a) of this section shall cease to apply to such portion.

(c) REVIEW.—(1) The United States District Court for the District of Alaska shall have jurisdiction to review decisions made under the Memorandum of Agreement and to enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance.

(2) An action seeking review of a Fish and Wildlife Program (''Program'') of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of the parties to the Memorandum of Agreement prior to the adoption of the Program shall be brought not later than 90 days after the date on which the Program is adopted by the Governor of Alaska, or be barred.

(3) An action seeking review of implementation of the Program shall be brought not later than 90 days after the challenged act implementing the Program, or be barred.

(d) EKLUTNA LANDS.—With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

(1) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

(A) at no cost to the Eklutna Purchasers;

(B) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

(C) sufficient for the operation of, maintenance of, repair to, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including lands selected by the State of Alaska.

(2) Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to, and selections of, those lands are invalid or relinquished.

(3) With respect to the Eklutna lands identified in paragraph 1 of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85–508; 72 Stat. 339), and the North Anchorage Land Agreement dated January 31, 1983. This conveyance shall be subject to the rights-of-way provided to the Eklutna Purchasers under paragraph (1).

(e) SNETTISHAM LANDS.—With respect to the Snettisham lands identified in paragraph 1 of Exhibit A of the Snettisham Purchase Agreement and Public Land Order No. 5108, the State of Alaska may select, and the Secretary of the Interior shall convey to the State of Alaska, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85–508; 72 Stat. 339).

(f) TERMINATION OF ALASKA POWER ADMINISTRATION.—Not later than one year after both of the sales authorized in section 103 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(1) complete the business of, and close out, the Alaska Power Administration;

(2) submit to Congress a report documenting the sales; and

(3) return unobligated balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

(g) REPEALS.—(1) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date that Eklutna is conveyed to the Eklutna Purchasers.

(2) Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date that Snettisham is conveyed to the Snettisham Purchaser.

(3) The Act of August 9, 1955, concerning water resources investigation in Alaska (69 Stat. 618), is repealed.

(h) DOE ORGANIZATION ACT.—As of the later of the two dates determined in paragraphs (1) and (2) of subsection (g), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E) respectively; and

(2) in paragraph (2) by striking out ''and the Alaska Power Administration'' and by inserting ''and'' after ''Southwestern Power Administration,''.

(i) DISPOSAL.—The sales of Eklutna and Snettisham under this title are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1944, popularly referred to as the ''Surplus Property Act of 1944'' (50 U.S.C. App. 1622).

SEC. 105. OTHER FEDERAL HYDROELECTRIC PROJECTS.

The provisions of this title regarding the sale of the Alaska Power Administration's hydroelectric projects under section 103 and the exemption of these projects from Part I of the Federal Power Act under section 104 do not apply to other Federal hydroelectric projects.

And the House agree to the same.

Amendment numbered 2:

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

TITLE II—EXPORTS OF ALASKAN NORTH SLOPE OIL

SEC. 201. EXPORTS OF ALASKAN NORTH SLOPE OIL.

Section 28 of the Mineral Leasing Act (30 U.S.C. 185) is amended by amending subsection (s) to read as follows:

''EXPORTS OF ALASKAN NORTH SLOPE OIL

''(s)(1) Subject to paragraphs (2) through (6) of this subsection and notwithstanding any other provision of this Act or any other provision of law (including any regulation) applicable to the export of oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652), such oil may be exported unless the President finds that exportation of this oil is not in the national interest. The President shall make his national interest determination within five months of the date of enactment of this subsection. In evaluating whether exports of this oil are in the national interest, the President shall at a minimum consider—

''(A) whether exports of this oil would diminish the total quantity or quality of petroleum available to the United States;

''(B) the results of an appropriate environmental review, including consideration of appropriate measures to mitigate any potential adverse effects of exports of this oil on the environment, which shall be completed within four months of the date of the enactment of this subsection; and

''(C) whether exports of this oil are likely to cause sustained material oil supply shortages or sustained oil prices significantly above world market levels that would cause sustained material adverse employment effects in the United States or that would cause substantial harm to consumers, including noncontiguous States and Pacific territories.

If the President determines that exports of this oil are in the national interest, he may impose such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that such exports are consistent with the national interest.

''(2) Except in the case of oil exported to a country with which the United States entered into a bilateral international oil supply agreement before November 26, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, any oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652) shall, when exported, be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)).

''(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), or Part B of title II of the Energy Policy and Conservation Act (42 U.S.C. 6271–76) to prohibit exports.

''(4) The Secretary of Commerce shall issue any rules necessary for implementation of the President's national interest determination, including any licensing requirements and conditions, within 30 days of the date of such determination by the President. The Secretary of Commerce shall consult with the Secretary of Energy in administering the provisions of this subsection.

''(5) If the Secretary of Commerce finds that exporting oil under authority of this subsection has caused sustained material oil supply shortages or sustained oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused or are likely to cause sustained material adverse employment effects in the United States, the Secretary of Commerce, in consultation with the Secretary of Energy, shall recommend, and the President may take, appropriate action concerning exports of this oil, which may include modifying or revoking authority to export such oil.

''(6) Administrative action under this subsection is not subject to sections 551 and 553 through 559 of title 5, United States Code.''.

SEC. 202. GAO REPORT.

(a) REVIEW.—The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast and in Hawaii. The Comptroller General shall commence this review three years after the date of enactment of this Act and, within twelve months after commencing the review, shall provide a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources and the Committee on Commerce of the House of Representatives.

(b) CONTENTS OF REPORT.—The report shall contain a statement of the principal findings of the review and recommendations for Congress and the President to address job loss in the shipbuilding and ship repair industry on the West Coast, as well as adverse impacts on consumers and refiners on the West Coast and in Hawaii, that the Comptroller General attributes to Alaska North Slope oil exports.

And the House agree to the same.

Amendment numbered 3:

That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be stricken by the House amendment, insert the following:

SEC. 203. GRANT AUTHORITY.

(a) IN GENERAL.—The Secretary of Transportation (''Secretary'') may make grants to the Multnomah County Tax Supervising and Conservation Commission of Multnomah County, Oregon (''Commission'') in accordance with this section, not to exceed the amount determined in subsection (b)(2).

(b) FINDING AND DETERMINATION.—Before making any grant under this section not earlier than one year after exports of Alaskan North Slope oil commence pursuant to section 201, the Secretary shall—

(1) find on the basis of substantial evidence that such exports are directly or indirectly a substantial contributing factor to the need to levy port district ad valorem taxes under Oregon Revised Statutes section 294.381; and

(2) determine the amount of such levy attributable to the export of Alaskan North Slope oil.

(c) AGREEMENT.—Before receiving a grant under this section for the relief of port district ad valorem taxes which would otherwise be levied under Oregon Revised Statutes section 294.381, the Commission shall enter into an agreement with the Secretary to—

(1) establish a segregated account for the receipt of grant funds;

(2) deposit and keep grant funds in that account;

(3) use the funds solely for the purpose of payments in accordance with this subsection, as determined pursuant to Oregon Revised Statutes sections 294.305–565, and computed in accordance with generally accepted accounting principles; and

(4) terminate such account at the conclusion of payments subject to this subsection and to transfer any amounts, including interest, remaining in such account to the Port of Portland for use in transportation improvements to enhance freight mobility.

(d) REPORT.—Within 60 days of issuing a grant under this section, the Secretary shall submit any finding and determination made under subsection (b), including supporting information, to the Committee on Energy and Natural Resources of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation to carry out subsection (a), $15,000,000 for fiscal year 1997, to remain available until October 1, 2003.

And the House agree to the same.

Amendment numbered 4:

That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be stricken by the House amendment, insert the following:

TITLE IV—MISCELLANEOUS

SEC. 401. EMERGENCY RESPONSE PLAN.

(a) IN GENERAL.—Within 15 months after the date of the enactment of this Act, the Commandant of the Coast Guard shall submit a plan to Congress on the most cost-effective means of implementing an international private-sector tug-of-opportunity system, including a coordinated system of communication, using existing towing vessels to provide timely emergency response to a vessel in distress transiting the waters within the boundaries of the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca.

(b) COORDINATION.—In carrying out this section, the Commandant, in consultation with the Secretaries of State and Transportation, shall coordinate with the Canadian Government and the United States and Canadian maritime industries.

(c) ACCESS TO INFORMATION.—If necessary, the Commandant shall allow United States nonprofit maritime organizations access to United States Coast Guard radar imagery and transponder information to identify and deploy towing vessels for the purpose of facilitating emergency response.

(d) TOWING VESSEL DEFINED.—For the purpose of this section, the term ''towing vessel'' has the meaning given that term by section 2101(40) of title 46, United States Code.

And the House agree to the same.

Amendment numbered 5:

That the Senate recede from its disagreement to the amendment of the House numbered 5, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be stricken by the House amendment, insert the following:

TITLE III—OUTER CONTINENTAL SHELF DEEP WATER ROYALTY RELIEF

SEC. 301. SHORT TITLE.

This title may be referred to as the ''Outer Continental Shelf Deep Water Royalty Relief Act''.

SEC. 302. AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT.

Section 8(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)), is amended—

(1) by designating the provisions of paragraph (3) as subparagraph (A) of such paragraph (3); and

(2) by inserting after subparagraph (A), as so designated, the following:

''(B) In the Western and Central Planning Areas of the Gulf of Mexico and the portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, the Secretary may, in order to—

''(i) promote development or increased production on producing or non-producing leases; or

''(ii) encourage production of marginal resources on producing or non-producing leases;

through primary, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease(s). With

the lessee's consent, the Secretary may make other modifications to the royalty or net profit share terms of the lease in order to achieve these purposes.

''(C)(i) Notwithstanding the provisions of this Act other than this subparagraph, with respect to any lease or unit in existence on the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act meeting the requirements of this subparagraph, no royalty payments shall be due on new production, as defined in clause (iv) of this subparagraph, from any lease or unit located in water depths of 200 meters or greater in the Western and Central Planning Areas of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, until such volume of production as determined pursuant to clause (ii) has been produced by the lessee.

''(ii) Upon submission of a complete application by the lessee, the Secretary shall determine within 180 days of such application whether new production from such lease or unit would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph. In making such determination, the Secretary shall consider the increased technological and financial risk of deep water development and all costs associated with exploring, developing, and producing from the lease. The lessee shall provide information required for a complete application to the Secretary prior to such determination. The Secretary shall clearly define the information required for a complete application under this section. Such application may be made on the basis of an individual lease or unit. If the Secretary determines that such new production would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph, the provisions of clause (i) shall not apply to such production. If the Secretary determines that such new production would not be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i), the Secretary must determine the volume of production from the lease or unit on which no royalties would be due in order to make such new production economically viable; except that for new production as defined in clause (iv)(I), in no case will that volume be less than 17.5 million barrels of oil equivalent in water depths of 200 to 400 meters, 52.5 million barrels of oil equivalent in 400–800 meters of water, and 87.5 million barrels of oil equivalent in water depths greater than 800 meters. Redetermination of the applicability of clause (i) shall be undertaken by the Secretary when requested by the lessee prior to the commencement of the new production and upon significant change in the factors upon which the original determination was made. The Secretary shall make such redetermination within 120 days of submission of a complete application. The Secretary may extend the time period for making any determination or redetermination under this clause for 30 days, or longer if agreed to by the applicant, if circumstances so warrant. The lessee shall be notified in writing of any determination or redetermination and the reasons for and assumptions used for such determination. Any determination or redetermination under this clause shall be a final agency action. The Secretary's determination or redetermination shall be judicially reviewable under section 10(a) of the Administrative Procedures Act (5 U.S.C. 702), only for actions filed within 30 days of the Secretary's determination or redetermination.

''(iii) In the event that the Secretary fails to make the determination or redetermination called for in clause (ii) upon application by the lessee within the time period, together with any extension thereof, provided for by clause (ii), no royalty payments shall be due on new production as follows:

''(I) For new production, as defined in clause (iv)(I) of this subparagraph, no royalty shall be due on such production according to the schedule of minimum volumes specified in clause (ii) of this subparagraph.

''(II) For new production, as defined in clause (iv)(II) of this subparagraph, no royalty shall be due on such production for one year following the start of such production.

''(iv) For purposes of this subparagraph, the term 'new production' is—

''(I) any production from a lease from which no royalties are due on production, other than test production, prior to the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act; or

''(II) any production resulting from lease development activities pursuant to a Development Operations Coordination Document, or supplement thereto that would expand production significantly beyond the level anticipated in the Development Operations Coordination Document, approved by the Secretary after the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act.

''(v) During the production of volumes determined pursuant to clauses (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for light sweet crude oil exceeds $28.00 per barrel, any production of oil will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clause (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds $28.00. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

''(vi) During the production of volumes determined pursuant to clause (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for natural gas exceeds $3.50 per million British thermal units, any production of natural gas will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clauses (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds $3.50. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

''(vii) The prices referred to in clauses (v) and (vi) of this subparagraph shall be changed during any calendar year after 1994 by the percentage, if any, by which the implicit price deflator for the gross domestic product changed during the preceding calendar year.''.

SEC. 303. NEW LEASES.

Section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1337(a)(1)) is amended—

(1) by redesignating subparagraph (H) as subparagraph (I);

(2) by striking ''or'' at the end of subparagraph (G); and

(3) by inserting after subparagraph (G) the following new subparagraph:

''(H) cash bonus bid with royalty at no less than 12 and ½ per centum fixed by the Secretary in amount or value of production saved, removed, or sold, and with suspension of royalties for a period, volume, or value of production determined by the Secretary, which suspensions may vary based on the price of production from the lease; or''.

SEC. 304. LEASE SALES.

For all tracts located in water depths of 200 meters or greater in the Western and Central Planning Area of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, any lease sale within five years of the date of enactment of this title, shall use the bidding system authorized in section 8(a)(1)(H) of the Outer Continental Shelf Lands Act, as amended by this title, except that the suspension of royalties shall be set at a volume of not less than the following:

(1) 17.5 million barrels of oil equivalent for leases in water depths of 200 to 400 meters;

(2) 52.5 million barrels of oil equivalent for leases in 400 to 800 meters of water; and

(3) 87.5 million barrels of oil equivalent for leases in water depths greater than 800 meters.

SEC. 305. REGULATIONS.

The Secretary shall promulgate such rules and regulations as are necessary to implement the provisions of this title within 180 days after the enactment of this Act.

SEC. 306. SAVINGS CLAUSE.

Nothing in this title shall be construed to affect any offshore pre-leasing, leasing, or development moratorium, including any moratorium applicable to the Eastern Planning Area of the Gulf of Mexico located off the Gulf Coast of Florida.

And the House agree to the same.

Amendment to title:

That the House recede from its amendment to the title of the bill.

For consideration of House amendment No. 1:

DON YOUNG,
KEN CALVERT,
TOM BLILEY,

For consideration of House amendment No. 2:

DON YOUNG,
KEN CALVERT,
WILLIAM THOMAS,
TOM BLILEY,
HOWARD COBLE,
LEE H. HAMILTON,
JIM OBERSTAR,

For consideration of House amendment No. 3:

FLOYD SPENCE,
JOHN R. KASICH,

For consideration of House amendment No. 4:

HOWARD COBLE,
TILLIE K. FOWLER,
JIM OBERSTAR,

For consideration of House amendment No. 5:

DON YOUNG,
KEN CALVERT,

Managers on the Part of the House.

FRANK H. MURKOWSKI,
PETE V. DOMENICI,
J. BENNETT JOHNSTON,
WENDELL FORD,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

House amendment numbered 1 struck title I of the Senate bill. House amendment numbered 2 struck sections 201 through 204 of the Senate bill and inserted the text of H.R. 70, as passed by the House. House amendment

numbered 3 struck section 205 of the Senate bill. House amendment numbered 4 struck section 206 of the Senate bill. House amendment numbered 5 struck title III of the Senate bill.

With respect to House amendment numbered 1, 2, 3, 4, and 5, and Senate receded from its disagreement to each House numbered amendment with an amendment.

The differences between the Senate bill, the House amendments, and the amendment agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION

SENATE BILL

Title I of the Senate bill provides for the sale of the Alaska Power Administration's (APA) assets, an the termination of the APA once the sale occurs. It also provides for the exemption of the two hydroelectric projects from the licensing requirements of Part I of the Federal Power Act.

HOUSE AMENDMENT NUMBERED 1

The House amendment struck Title I of the Senate bill.

CONFERENCE AGREEMENT

The House receded to the Senate with an amendment.

The Conference Report adopts the Senate language with minor changes. The APA's assets will be sold pursuant to the 1989 purchase agreements between the Department of Energy and the purchasers. The Snettisham hydroelectric project and related assets will be sold to the State of Alaska. the Eklutna hydroelectric project and related assets will be sold jointly to the Municipality of Anchorage, the Chugach Electric Association, and the Matanuska Electric Association. For both projects, the sale price is determined by calculating the net present value of the remaining debt service payments the Treasury would receive if the Federal Government retained ownership.

This provision and the separate formal agreements provide for the full protection of fish and wildlife. The purchasers, the State of Alaska, the National Marine Fisheries Service (NMFS), and the U.S. Fish and Wildlife Service (USFWS) have entered into a formal agreement providing for post-sale protection, mitigation, and enhancement of fish and wildlife resources affected by Eklutna and Snettisham. This provision makes that agreement legally enforceable.

As a result of the formal agreements, the Department of Energy, the Department of the Interior, and NMFS all agree that the two hydroelectric projects warrant exemption from the Federal Energy Regulatory Commission (FERC) licensing under Part I of the Federal Power Act. The August 7, 1991, formal purchase agreement states:

> NMFS, USFWS and the State agree that the following mechanism to develop and implement measures to protect, mitigate damages to, and enhance fish and wildlife (including related spawning grounds and habitat) *obviate the need for the Eklutna Purchasers and AEA to obtain FERC licenses.* [Emphasis supplied.]

The Alaska Power Administration has 34 people located in the State of Alaska. The purchasers of the two projects have pledges to hire as many of these as possible. For those who do not receive offers of employment, the Department of Energy has pledged it will offer employment to any remaining APA employees, although the DOE jobs are expected to be in the lower 48 States.

The House-passed bill did not contain any comparable provisions. The Conference Agreement adopts the Senate-passed bill with two material changes.

First, section 104(a)(1) of the Conference Agreement provides an exemption for Eklutna and Snettisham only from Part I of the Federal Power Act (hydroelectric licensing), not from the entire Federal Power Act. That was intended by the Senate. By making this change, the Conferees do not intend to imply that the purchasers who are already exempt from other aspects of the Federal Power Act lose that broader exemption. Nor do the Conferees intend to imply that merely by reason of this provision the other parts of the Federal Power Act apply to Eklutna and Snettisham. They apply if they would have applied in the absence of this provision.

Second, new section 104(b) provides that upon sale or transfer of any portion of Eklutna or Snettisham from the purchasers to any person (i.e. a person other than a purchaser defined in section 102), the exemption from Part I of the Federal Power Act shall cease to apply to that portion of Eklutna or Snettisham. However, the exemption from Part I will continue to apply if the sale or transfer is from one purchaser to another purchaser, as defined in section 102. The elimination of exemption from Part I for a sold or transferred portion of Eklutna or Snettisham does not mandate the licensing of that portion, it only eliminates the exemption from the application of Part I. If licensing is not otherwise required under Part I of the Federal Power Act for that portion, it is not required by reason of section 104(b). The disposition of a portion of the Eklutna or Snettisham assets does not affect the remaining portions. The one exception to this rule is a subsequent assignment of interests in Eklutna by the Eklutna Purchasers to the Alaska Electric Generation and Transmission Cooperative Inc. pursuant to section 19 of the Eklutna Purchase Agreement will not result in the elimination of the exemption from Part I of the Federal Power Act for that interest.

Sections 104(d) and 104(e) address selection and transfer of Eklutna and Snettisham lands. It is the intent of these provisions that notwithstanding the expiration of the right of the State of Alaska to make selections under section 6 of the Alaska Statehood Act, the State may select lands pursuant to this provision and the Eklutna and Snettisham Purchase Agreements. Likewise, it is the intent of this legislation that the Secretary of the Interior shall convey lands selected by the State of Alaska, notwithstanding any limitations contained in section 6(b) of the Alaska Statehood Act.

The Conferees agree that the circumstances justifying exemption from licensing under Part I of the Federal Power Act for these two Federally-owned hydroelectric projects are unique, and that they would not justify a similar exemption for any other Federally-owned hydroelectric project if sold. The Conferees agree that if other Federally-owned hydroelectric projects whose generation is marketed by other Federal power marketing administrations are privatized, these circumstances would not justify an exemption from Part I. This is reflected in section 105 of the Conference Agreement.

TITLE II—EXPORTS OF ALASKAN NORTH SLOPE OIL

SENATE BILL

Sections 201 through 204 of Title II of the Senate bill authorized exports of Alaskan North Slope (ANS) crude oil; mandated the filing of additional information in an annual report under the Energy Policy and Conservation Act; and required a study by the General Accounting Office (GAO).

HOUSE AMENDMENT NUMBERED 2

The House amendment similarly authorized exports of ANS crude oil and provided for a GAO study.

CONFERENCE AGREEMENT

The Senate receded to the House language with an amendment.

Under section 201, Committee of Conference recommends authorizing exports of ANS oil under terms substantially similar to, and drawn from, both the Senate bill and the House amendment.

Paragraph (1) authorizes ANS exports, making inapplicable the general and specific restrictions on these exports in Section 7(d) of the Export Administration Act of 1979 (50 U.S.C. App. §2406(b)), Section 28(u) of the Mineral Leasing Act of 1920 (30 U.S.C. §185), Section 103 of the Energy Policy and Conservation Act (42 U.S.C. §6212), and the Short Supply regulations issued thereunder. However, the export of the oil can be stopped if the President determines (within five months of the date of enactment) that they would not be in the national interest. (Other statutory restrictions on the export of U.S. crude oil either inapplicable or superseded with respect to ANS exports are 10 U.S.C. §7430 and 29 U.S.C. §1354, restricting exports of crude oil from the Naval Petroleum Reserve and the outer continental shelf.)

Before making the national interest determination, the President must consider an appropriate environmental review (to be completed within four months of enactment). Consistent with the 1973 Trans-Alaska Pipeline Authorization Act, the President also must consider whether exports would diminish the total quantity or quality of petroleum available to the United States. The President must also consider whether exports are likely to cause sustained material oil supply shortages or sustained oil prices significantly above world market levels that would cause sustained material adverse employment effects in the United States or that would cause substantial harm to consumers, in particular in noncontiguous States and Pacific territories.

In a comprehensive report submitted to Congress, the Department of Energy found ''no plausible evidence of any direct negative environmental impact from lifting the ANS crude export ban.'' Based on this finding and the weight of the testimony, section 201 of the Conference Agreement directs, as the ''appropriate environmental review,'' an abbreviated four-month study. The environmental review is intended to be thorough and comprehensive, but in light of the prior Department of Energy findings and the compressed time frame, neither a full Environmental Impact Statement nor even a more limited Environmental Assessment is contemplated. If any potential adverse effects on the environment are found, the study is to recommend ''appropriate measures'' to mitigate or cure them.

In making the national interest determination, the President is authorized to impose appropriate terms and conditions, other than a volume limitation, on ANS exports. However, nothing in this section or Title IV of the Conference Agreement authorizes the imposition of new requirements for oil spill prevention and response in locations which would not be affected by ANS exports, such as the Strait of Juan de Fuca or within the boundaries of the Olympic Coast National Marine Sanctuary.

The Conference Agreement takes cognizance of the changed condition of national oil demand and available oil resources. Title II is intended to permit ANS crude oil to compete with other crude oil in the world market under normal market conditions. To facilitate this competition and in recognition that section 201 specifically precludes

imposition of a volume limitation, the President should direct that exports proceed under a general license. In further recognition that some information (such as volume and price) will be needed to monitor exports, the President may wish to impose after-the-fact reporting requirements as may be deemed appropriate by the Secretary of Commerce.

Given the anticipated substantial benefits to the Nation of ANS exports, the Conferees urge the President to make the national interest determination as promptly as possible. If the President fails to make the required national interest determination within the statutorily imposed deadline, ANS oil exports are authorized without intervening action by the President or the Secretary of Commerce.

Section 201 requires, with limited exceptions, that ANS exports be carried in U.S.-flag vessels. The only exceptions are exports to Israel under the terms of a specific bilateral treaty that entered into force in 1979 and exports to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency. The Committee of Conference concurs with the Administration's assessment that the U.S.-flag cargo reservation requirement is consistent with U.S. international obligations and is supported by ample precedent, including in particular a comparable provision in the U.S.-Canada Free Trade Agreement, as implemented under U.S. law.

Section 201 preserves any authority the President may have under the Constitution and the enumerated statutes to prohibit ANS exports in an emergency.

Section 201 also directs the Secretary of Commerce to issue any rules necessary to govern ANS exports within 30 days of the President's national interest determination. In light of the clear benefits to the Nation of ANS exports, the Conferees urge the Secretary of Commerce to promulgate any rules necessary to implement that determination, including any licensing requirements and conditions, contemporaneously with the determination.

Section 201 further provides that, if the Secretary of Commerce (after consulting with the Secretary of Energy) later finds that exports have caused sustained material oil shortages or sustained prices significantly above the world level and that the shortages or high prices have caused or are likely to cause sustained material job losses, the Secretary must recommend appropriate action, including modification or revocation of the authority to export ANS oil. The President has the discretion to adopt, reject, or modify any recommendation made by the Secretary. In recognition that prices fluctuate and supply patterns change under normal market conditions, the authority of the Secretary is limited to addressing activity that causes the specified sustained unanticipated price and supply effects.

Finally, section 201 provides that administrative action is not subject to notice and comment rulemaking requirements or other requirements of the Administrative Procedures Act.

Under section 202, the Committee of Conference recommends that a GAO report be submitted four years after the date of enactment. The report must contain a statement of principal findings and recommendations to address job loss in the shipbuilding and ship repair industry on the West Coast and Hawaii, if any, as well as adverse impacts on consumers and refiners on the West Coast and in Hawaii, if any, that the Comptroller General attributes to ANS exports. The Committee believes that the market should be given a reasonable period of time to operate before submission of the report. The Conferees want to be sure the Comptroller General has a solid basis on which to make his analysis and offer any recommendations for Congress and the President.

SENATE BILL

Section 205 of Title II provided for the retirement of certain costs incurred for the construction of a non-Federal publicly-owned shipyard.

HOUSE AMENDMENT

House amendment numbered 3 struck section 205 of the Senate bill.

CONFERENCE AGREEMENT

The Senate receded from its disagreement with an amendment (now designated as section 203).

Under section 203(a) of the conference amendment, the Secretary of Transportation is authorized to make grants to the Multnomah County Tax Supervising and Conservation Commission of Multnomah County, Oregon. The grants may be used only for the relief of port district ad valorem taxes that would otherwise be levied under Oregon law. In addition, at the conclusion of the grant payments under this section, any remaining funds (plus interest) would be transferred to the Port of Portland for making transportation improvements to enhance freight mobility.

Under subsection (b), before issuing any grant, the Secretary must find on the basis of substantial evidence that Alaskan North Slope oil exports are a contributing factor to the need to levy certain port district taxes. In addition, the Secretary must determine the amount of the tax levy attributed to the oil exports. The amount of the grants is limited to the amount of the tax levy attributed to the oil exports.

Before receiving any grant under this section, subsection (c) requires the Commission (by agreement with the Secretary) to establish a separate account for the funds, to use the funds as directed, and to terminate the account and transfer any remaining funds to the Port of Portland at the conclusion of the grants.

Under Subsection (d), the Secretary must report to the relevant Congressional Committees on any findings and determinations made under subsection (b) within 60 days of issuing a grant under this section.

Subsection (e) provides an authorization for appropriations of up to $15 million for fiscal year 1997, to remain available until October 1, 2003.

SENATE BILL

Section 206 of the Senate bill included a provision that would amend Title VI of the Oil Pollution Act of 1990 (OPA '90) by adding a new section 6005 that would impose a requirement for an additional towing vessel to be listed in, and available to respond under, vessel response plans developed in accordance with section 311(j) of the Federal Water Pollution Control Act (FWPCA), as amended by OPA '90, for tank vessels operating within the boundaries of the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca near the coastline of the State of Washington. In particular, the provision would require an emergency response tugboat capable of towing tank vessels, initial firefighting, and initial oil spill response to be repositioned in the area of Neah Bay, the western-most harbor in the Strait.

HOUSE AMENDMENT

The House amendment numbered 4 struck section 206 of the Senate bill.

CONFERENCE AGREEMENT

The Senate receded from its disagreement with an amendment (now designated as Title IV of this Act). See explanation below.

TITLE III—OUTER CONTINENTAL SHELF DEEP WATER ROYALTY RELIEF

SENATE BILL

Title III of the Senate bill would provide royalty relief for leases on Outer Continental Shelf tracts in deep water in certain areas of the Gulf of Mexico.

HOUSE AMENDMENT

The House amendment numbered 5 struck title III of the Senate bill.

CONFERENCE AGREEMENT

The Senate recedes from its disagreement with the House with an amendment.

The amendment agreed to by the committee of conference is the text of Title III of S. 395 as passed by the Senate with several technical corrections and a new provision clarifying that nothing in this title shall be construed to affect any offshore pre-leasing, leasing, or development moratorium, including any moratorium applicable to the Eastern Planning Area of the Gulf of Mexico located off the Gulf Coast of Florida.

TITLE IV—MISCELLANEOUS

OPA '90 contemplates a comprehensive approach to oil spill prevention and response, with the Coast Guard given an instrumental role in implementing all aspects of that Act. In addition to establishing a new liability and compensation scheme for oil spills, OPA '90 amended existing law to broaden the Coast Guard's authority under the Ports and Waterways Safety Act (PWSA) regarding navigation and vessel safety and protection of the marine environment and the FWPCA regarding oil spill prevention and response. Under OPA '90 (as delegated by the President), the Coast Guard is the principal Federal agency charged with conducting Federal removal and prevention activities in coastal areas. Accordingly, the Committee of Conference believes that the Coast Guard is the most appropriate agency to evaluate emergency response services in the Olympic Coast National Marine Sanctuary and the Strait of Juan de Fuca.

Subsection (a) of title IV requires the Commandant of the Coast Guard to submit to Congress within fifteen months of enactment a plan on the most cost effective means of implementing an international private-sector tug-of-opportunity system to utilize existing towing vessels to provide emergency response services to any vessel (including a tank vessel) in distress transiting the waters within the boundaries of the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca.

Subsection (b) provides that the Commandant, in consultation with the Secretaries of the State and Transportation, is to coordinate with the Canadian Government and with both Canadian and American maritime industries.

Subsection (c) provides that if necessary, the Commandant is to allow United States non-profit maritime organizations access to Coast Guard radar imagery and transponder information to identify and deploy towing vessels for the purpose of facilitating emergency response.

Subsection (d) provides for the definition of "towing vessel" as that term is defined under title 46, United States Code. Section 2101(40) of title 46, United States Code, defines towing vessels to mean "a commercial vessel engaged in or intending to engage in the service of pulling, pushing, or hauling alongside, or any combination of pulling, pushing, or hauling alongside." The reference to this section ensures that, at a minimum, all commercial towing vessels are included in the definition and, therefore, are covered by the provisions of this section.

Section 206 of the Senate bill was developed to respond to a perceived threat to the

marine environment of Puget Sound and the Straits of Juan de Fuca from tank vessel traffic. The Committee of Conference believes that, absent convincing information to the contrary, the marine environment of Puget Sound is adequately protected under the existing vessel response plan requirement found in FWPCA, as amended by OPA '90. The Senate provision is therefore unnecessary because the Coast Guard's existing authority under OPA '90 to prevent and respond to oil spills, as well as under PWSA and FWPCA (particularly as those two statutes have been amended by the OPA '90), to evaluate and to impose vessel operating requirements to minimize the risks of navigation and vessel safety and risks to the marine environment is fully sufficient to address the needs of the waterways of the United States, including Puget Sound and the Strait of Juan de Fuca.

Accordingly, the Committee of Conference does not believe that the mandate implicit in the Senate provision is required nor is it related to any authorization to export Alaskan North Slope crude oil. The Committee believes that the more appropriate step is to require the Coast Guard to examine the most cost-effective method to use existing towing vessel resources in a tug-of-opportunity system within the authority of existing law to respond to any vessel (including a tank vessel in distress). Consequently, nothing in this section or in section 201 is intended to authorize the President or the Coast Guard to impose additional oil spill preventing and response requirements in the Strait of Juan de Fuca or within the boundaries of the Olympic Coast National Marine Sanctuary in excess of those in the relevant Area Contingency Plan for those areas as a result of requiring the Commandant to submit this plan to Congress nor to impose requirements under any national interest determination or implementing regulations regarding the export of Alaskan oil.

For consideration of House amendment No. 1:

DON YOUNG,
KEN CALVERT,
TOM BLILEY,

For consideration of House amendment No. 2:

DON YOUNG,
KEN CALVERT,
WILLIAM THOMAS,
TOM BLILEY,
HOWARD COBLE,
LEE H. HAMILTON,
JIM OBERSTAR,

For consideration of House amendment No. 3:

FLOYD SPENCE,
JOHN R. KASICH,

For consideration of House amendment No. 4:

HOWARD COBLE,
TILLIE K. FOWLER,
JIM OBERSTAR,

For consideration of House amendment No. 5:

DON YOUNG,
KEN CALVERT,

Managers on the Part of the House.

FRANK H. MURKOWSKI,
PETE V. DOMENICI,
J. BENNETT JOHNSTON,
WENDELL FORD,

Managers on the Part of the Senate.

The SPEAKER pro tempore. The gentleman from Alaska [Mr. YOUNG] and the gentleman from California [Mr. MILLER] each will be recognized for 30 minutes.

The Chair recognizes 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 yield myself such time as I may consume.

Mr. Speaker, we are short of time. We have many speakers who would like to speak. I will not read the statement I had made, but I am happy to bring the conference report on S. 395 to the floor today.

Mr. Speaker, it contains four provisions: Title I sells the Alaska Power Administration. Title II lifts the ban on the export of crude oil produced on Alaska's North Slope.

Title III provides incentives to producers operating in the deep waters of the central and western Gulf of Mexico. Title IV contains the provision dealing with emergency tug services in the mouth of Puget Sound, an authorization for a grant program for the Port of Seattle.

Mr. Speaker, the controversial part about this conference report is, in fact, the deep water drilling holiday. I will not address that issue to the extent I would like to at this time because there are many other speakers. I believe very frankly that this provision does and will create new jobs for America. It will produce oil for America and it is not corporate welfare.

I listened to the debate on the rule, and I heard many comments made on both sides about the CBO scoring. I am not going to question either one of these statements about what scores what. What I am going to ask the Members of this House to consider, those that are going to make the motion to recommit this conference report and why they are doing so and what it will possibly do to the industry that we are talking about today, we no longer have a domestic oil industry in the United States today. We are importing today over $1 billion a week into the United States of foreign-produced fossil fuels. We have heard many statements about this is not necessary. I can understand that statement but I cannot understand the rationale.

I am going to suggest if we want to try to reestablish some form of domestic production off our shores, an area that has been supported by the Clinton administration and many other departments within this administration, then we ought to take and vote against the motion to recommit.

On the part about exporting oil, we all know the jobs it will create, many jobs for America. It will create possibly 25,000 new jobs. I would like at this time to thank the gentleman from California [Mr. THOMAS] for his efforts in leading this bill over the years.

Mr. Speaker, I am pleased to bring before the House the conference report on S. 395. The Conference Committee worked very hard to ensure that all provisions were retained. What we have before us is a well-reasoned conference report which I hope will pass with broad bipartisan support.

I want to thank the gentleman from California [Mr. THOMAS] for his hard work and dedication on this issue. He has been the prime sponsor in the House of legislation to lift the ban on the export of Alaska crude for many years. I know he is just as happy as I am to see a final product come to the floor today.

The conference report contains four titles: Title 1 sells the Alaska Power Administration; title 2 lifts the ban on the export of crude oil produced on Alaska's North Slope; title 3 provides incentives to producers operating in the deep waters of the central and western Gulf of Mexico; title 4 contains a provision dealing with emergency tug services in the mouth of Puget Sound and an authorization for a grant program for the Port of Portland.

Title 1 authorizes and directs the Secretary of Energy to sell the Alaska Power Administration to entities within the State of Alaska, according to purchase agreements with the Department of Energy. The sale has strong bipartisan support, including the administration. I am not aware of any opposition.

The Alaska Power Administration consists of two hydroelectric projects which were built to encourage economic development in Alaska. To date, these projects have served their intended purpose well. The State of Alaska and local electric utilities are set to manage the projects in a manner consistent with Alaska's future energy and development needs.

The sale will relieve the Federal Government of the responsibility of owning and operating the projects. Taxpayers' interests will be served by recovering nearly all of the original investment in the projects. The sale also addresses consumers' concerns that hydropower will continue to be provided without a significant increase in rates. Finally, Mr. Speaker, the sale of this power marketing administration is in no way intended to set a precedent for the sale of any others.

This provision has been considered by the House before and passed with broad bipartisan support.

Title 2 of the conference report lifts the ban on exports of Alaska North Slope crude and requires the use of U.S.-flag, U.S.-manned vessels to carry those exports. Alaska is the only State presently subject to such a ban on the export of its resources.

Present law requires that all oil transported through the Trans-Alaska pipeline be consumed in the lower 48 States. Alaska crude is forced into the west coast market, creating a glut and artificially low prices. This glut has allowed the west coast refiners to enjoy huge profits and purchase crude at a discount which they historically have not passed on to consumers.

Mr. Speaker, this ban no longer makes sense. Rather than decreasing our dependence on foreign oil, it has discouraged domestic production and made us more reliant on imported oil.

In June 1994, the Department of Energy issued a study which stated that lifting the ban would: create 25,000 jobs; preserve 3,300 maritime jobs; and increase U.S. oil production by as much as 110,000 barrels a day; all by the year 2000.

With the support of the administration, this provision passed the House with strong bipartisan support on July 24 by a vote of 324 to 77.

It is high time we lift the ban. Lifting the ban will create jobs, increase domestic production and investment.

Title 3 contains the deep-water provision. The conferees adopted an amended offered

by Representative FOWLER to clarify that this inventive would in no way impact the Florida coast. This too is good policy that will create jobs, encourage domestic investment, and increase domestic production.

I urge support for this conference report which is long overdue.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself 4 minutes.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, this debate today will not be about the underlying bill which is overwhelmingly supported in this House but, rather, it is about the hijacking of this bill by the Senate to include a royalty holiday for the major oil companies that drill in what the Senate says is deep water. That is a provision that we should not allow to stand because it simply cannot be justified. It cannot be justified because it is a raid on the taxpayers of this country to provide one of the wealthiest industries in this country help that they do not need.

They do not need that help because they are drilling in the gulf today. They are standing in line to drill in the gulf tomorrow. And they are putting many, many of their resources in the gulf. Why? Because they can make money. As one of them said, they can make serious money.

This has become of one of the hottest oil prospects in the entire world. Some of my colleagues have talked about 1982 and the loss of jobs in 1985. This is 1995. This is an area that is brimming with competition. The marketplace is working. People are competing. We have had record participation in the bids. They are looking to get their hands on these blocks so they can drill for oil and make money.

That is why we should not be providing a royalty holiday. A royalty holiday says, if you sink a well in 200 meters of water, which is not deep by today's technology or today's investment or today's activity, you get 17 million barrels of oil royalty-free. If you sink it in 800 meters of water, which by today's standard is not deep, you get a minimum of 85 million barrels of oil royalty-free. That means for those 85 million barrels of oil or more, each one of those barrels you dip into the taxpayers' pocket and you take out the royalty and give it to the oil company.

That should not be allowed. That should not be allowed because the marketplace is working. Yet we find people who say that this is what they do.

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If my colleagues do not vote for the motion to recommit, what they are doing is creating new corporate welfare when in fact much of the debate in this Congress has been about how to eliminate some of that corporate welfare, and at the same time they are creating a new entitlement. This is an entitlement for the next 5 years because this is mandatory. This is not discretionary. It does not weigh the economic health of the lease, it does not weigh whether or not the lease will be drilled, it does not weigh the economic health of the company making that bid or drilling that oil. It is mandatory, when they sink the well into this water, that should not be allowed. That is an entitlement that the CBO tells us will cost us over $100 million.

Mr. Speaker, CBO has looked at all of the alternative ways that my colleagues want to talk about scoring this provision, present value, and leases forgone, and incentives and leases moved forward in time and backward in time. When they got all done with that scoring, CBO said,

> This costs the taxpayers in excess of $100 million. This is a big loser in the out years, in the out years when you're trying to keep the budget balanced, when you're trying to make up for some of the taxes, when you're trying to make up for those problems. We start to lose, and we start to hemorrhage, taxpayer dollars to the oil industry.

I would hope that my colleagues, the 261 who voted for the motion to instruct the conferees, would now say that they meant it that we do not want to create new welfare for the oil companies, we do not want to create an entitlement for the oil companies when we have all of the other budget decisions that confront us in the next 2 weeks.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, like many of my Republican and Democratic colleagues alike, I do not believe in the concept of corporate welfare, however I think it is important that we must enhance the domestic energy industry which for so long has been for hearing in contrast to foreign energy development. This royalty relief provision and this legislation, is only a prudent way to lower the barriers to commercial development for the greater good of a growing economy. I think it is important to note that today, only 6 percent of existing deep water leases are producing, whereas 50 percent of existing leases in shallow waters are producing. This needs to improve. And we need to clarify what this legislation actually says, it is not unbridled corporate welfare.

This is not a loss of income for all times, the energy companies will pay royalties to this Government after a reasonable period to allow the project to become commercially viable. It provides a real incentive to allow them to create the opportunity for jobs and to enhance the domestic energy industry, which I believe is vital for this Nation's national security.

This legislation helps create jobs. A recently completed deep water project in the Gulf of Mexico, a $1.3 billion project, employed 2,850 people in the United States. It also provided goods and services for 670 vendors, and it impacted 33 States economically, including my State of Texas.

This is a good bill. This is not corporate welfare. This is a bill we should support. The royalty relief provision can help create jobs.

Mr. Speaker, like many of my Democratic and Republican colleagues, I do not believe in the concept of corporate welfare, however, I do think that there are times when it is only prudent to lower barriers to commercial development for the greater good of society. The current issue of deep water royalty relief is such a case in point. Other Members of this body would have both us and the public believe that the royalty relief provisions of this bill force the Government to give away vast amounts of money to oil companies. I am here to refuse that claim and demonstrate that this assertion is patently incorrect and downright uninformed.

The economics of oil exploration and production are such that it may cost lessees anywhere from $75 to $200 million just to determine if oil or gas is present and up to $1 billion to bring production on line. Due to the expensive and speculative nature of deep water exploration and production, many deep water leases are not profitable enough under the current royalty system for production. Thus these royalties will never be realized as income for the Federal Government. As evidence, today, only 6 percent of existing deep water leases are producing, where 50 percent of existing leases in shallow waters are producing.

It is estimated, that this legislation will provide the Treasury with $200 million that it would not have realized if not for this bill. Not only does the Government come out ahead, but the citizens of this country do as well. According to the Bureau of Labor Statistics, each $1 million invested in the oil and gas sector creates 20 jobs throughout the economy. Thus, each deep water development project could generate an additional 20,000 jobs all over the Nation, jobs that would not have been created otherwise.

Let me clarify that this bill will not relieve companies from their royalty obligation, it will only mitigate that obligation enough so as to make the production commercially viable; we are not giving anything away by doing this. We are instead providing incentives aimed at offsetting the costs of developing leases in deep water until the capital costs are recovered, in order to spur increased domestic production.

Foreign countries have used this same royalty relief mechanism to stimulate deep water oil and gas development. Witness Britain and Norway which have done precisely this and as a result, have increased by 27 percent the first quarter 1995 production above 1993 levels.

Let me remind my colleagues that both the Clinton administration, and the Bush administration before it, support the deep water incentives legislation. And for clear, reasonable, and sound reasons so do I and so should you.

Mr. MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, we are back to the bargain basement fire sale because we have got to make the

next 7 years look good on revenue, and so we will do anything with the numbers that bring in a little cash up front, no matter how stupid it is long term.

Let me ask my colleagues one question: If you're confused about whether this brings in more money or less money, think about which side the oil companies are on. They're for the underlying bill. Why? Because they pay less. They would not be for a bill where they pay the Treasury more. They pay less.

And what are we doing? We have got this new Congress here that wants to run Congress like a business. I do not know anybody who has oil on their land that has oil companies lining up to buy the leases that says, ''Wait, stop. Before you knock me over I want to lower the price and get less money.''

Mr. Speaker, we are taking food away from children, we are taking health care away from senior citizens, so we can give a half a billion dollars to oil companies. If that is what is running this country like a business means, I am against it. This is wrong. It is ethically wrong. It robs the Treasury. We end up hurting children and young people so we can help oil companies.

A half a billion dollar switch from senior citizens and children to oil companies; if my colleagues want to stop that, vote for the motion to recommit. If my colleagues think the oil companies need the half a billion dollars more than the children and the old people, then vote for the underlying bill, and again, as to the question of which one gets more money back to the Treasury, the oil companies are for the underlying bill. They do not like the motion to recommit because the present program brings more money back to the taxpayers. It is a ripoff. My colleagues ought to be ashamed of themselves.

Mr. YOUNG of Alaska. Mr. Speaker, apparently the gentleman from Connecticut believes his President is a ripoff artist because his President supports this very strongly.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. CALVERT], a member of the subcommittee.

Mr. CALVERT. Mr. Speaker, I rise in strong support of this conference report. This bill is about creating jobs and stimulating our economy and I urge a yes vote on this rule and on final passage.

Over a year ago, over 100 Members of Congress wrote to the President about the alarming deterioration of our domestic oil and gas industry. All across the Nation, small businesses have been forced to close and hard-working Americans have been let go.

Over a year later, we still have not done nearly enough to spur domestic production and preserve these vital jobs. Last year, for the first time, we had to import over a half of our domestic oil requirements because of decreased production within the United States. The Department of Interior has estimated that Alaskan exports would increase production in Alaska and California by 110,000 barrels per day by the year 2000. In addition, these exports could help create up to 25,000 jobs over the same period.

In my State, the oil and gas industry has been devastated in recent years. These are real people losing good jobs. This bill will create jobs, stimulate our economy, and raise State and Federal revenues. I urge a vote on the rule on the conference report, which rule we already passed. In addition, I understand that the gentleman from California [Mr. MILLER] will offer a motion to recommit to strike the deepwater royalty incentive.

There has been much misinformation regarding the deep-water provision in this bill. Let me make this clear, this provision will generate $130 million of revenues to the Treasury over the next 7 years. In addition, and more importantly, it will help offset some of the $50 billion that the United States currently spends to import oil.

The deepwater royalty provision is important because it will increase production in the central and western Gulf of Mexico. This area accounts for a full 25 percent of the Nation's estimated oil and gas reserves. By increasing the incentive to produce oil and gas in the deepwater of the gulf, this measure will result in a significant increase in domestic energy production.

Why is this provision needed? It is simple. The costs and difficulties of exploration and production in deep water are immense. These costs frighten companies from even bidding on available leases. Last year, only 18 percent of the deepwater tracts received multiple bids. The taxpayers are not receiving the compensation they deserve in this no-competition bidding process.

Mr. Speaker, it is important that my colleagues know that this legislation does not apply to shallow water leases, where bids are numerous and prices strong, but only to deepwater leases where startup capital can reach upward of $1 billion and risks are great.

If we do not pass this conference report as we receive it today, we are losing a golden opportunity to create thousands of jobs and generate millions in revenue. Do not listen to false claims of corporate welfare. Look at the facts. They bear out the truth—this bill is good for the taxpayer and good for the country. I urge a ''no'' vote to this motion to recommit.

Mr. MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker and Members, I am reluctant, and I am sorry, and the gentleman from Alaska knows this, that I am reluctant to have to get up on this bill and speak on the issue that the chairman of my Subcommittee on Minerals has just spoken on. In all honesty this was not the intention of the House, and I think the bill that we had before was something, while there were arguments back and forth, we could deal with. But this has been attached to the bill, to the original bill and the intent of the bill, and I want to be consistent on this.

I have, as the chairman of our subcommittee, the gentleman from California [Mr. CALVERT], knows, and the gentleman from Alaska [Mr. YOUNG] knows, taken a consistent position with respect to the royalty payment. I think it is fair, I think it is straightforward, I think the competition is there. I do not intend to remake all the arguments. I do not believe that the deepwater drilling is going to be inhibited in any way by having the royalty element with it, as it should. I am one who favors drilling for oil in the gulf. I think that the environmental questions have been answered that may have existed in the past. I have no difficulty with that.

That is why to see this kind of thing come up now when we have essential agreement about what is being done just to give a holiday when other people have seen their wages stagnate and all the rest of it just seems to me to be incomprehensible as to why we would be doing that. I believe the House is being shoved at this point into something that it is really reluctant to do, and I think the vote previously showed that.

So I think if we go with this recommittal, we are not undermining in any respect what the House did before on a bipartisan basis. So I hope this does not come down to, oh, this is Republicans versus Democrats and, as my colleagues know, there is a party line that has to be followed here because that would not accurately reflect either the tenor of our conversations in the Committee on Resources, nor in the House of Representatives, on a bipartisan basis. I think the gentleman from Alaska [Mr. YOUNG] and the gentleman from California [Mr. CALVERT] would agree, and I hope, by extension, the gentleman from California [Mr. THOMAS], although I have not spoken directly with him about it, that this bill, minus this provision, was fairly well agreed upon in the House by Democrats and Republicans and we came to a fair conclusion on it.

I think the Senate is taking advantage of us on this, and that is why I ask to support the recommittal, not to make arguments back and forth about the drilling or not drilling, but rather to assert ourselves as Members of the House who have come to a conclusion on a bill which now contains a provision from the Senate in which I think they are trying to take advantage of us. If we send it back to them with this recommittal, I think then the message will be clear that let us deal with the issues that the gentleman from Alaska [Mr. YOUNG] and the committee brought forward in the first place,

which I think will receive the favorable approbation of this House.

So I speak in favor of the recommittal, not as some kind of a contest, not as some kind of confrontation, but as a reassertion of the authority of the House and the Good sense of the original bill.

Mr. Speaker, on July 25 of this year, 261 of us expressed our opposition to the creation of a new form of corporate welfare—the deepwater royalty holiday—by voting to instruct the conferees to reject the nongermane rider to S. 395, the Alaska Oil Exports bill, added by the Senate.

Yet, today the conference report on that bill still includes the royalty holiday.

Why would the House conferees ignore our instructions? The royalty holiday would grant royalty-free oil and gas to corporations that bid on Federal leases in the Gulf of Mexico. The holiday's sponsors maintain that the royalty holiday will raise revenues for the Treasury even though the Congressional Budget Office [CBO] has repeatedly rejected this assertion.

The holiday's defenders argue that the earlier CBO cost estimate of a $500 million net loss to the Treasury is overly simplistic because it did not take into account the time value of money. However, in a November 2, 1995, letter, the CBO refuted the ''net present value'' analysis prepared by the holiday's proponents, and found that even using the discounting method preferred by the proponents, the royalty holiday would still be a net loss of about $150 million—not a net gain as asserted by Energy Secretary O'Leary and other defenders of the royalty relief proposal.

The CBO has carefully reviewed the royalty holiday several times this year and has remained steadfast in its position that the deepwater royalty will cost the Federal Government revenues in the long term, using either the standard cash basis or the net present value formula favored by the holiday's supporters. Either way it's a net loss.

On a cash basis—the holiday will cost taxpayers about a half billion dollars. Using discounted dollars, it will cost about $150 million.

So don't be fooled into thinking that this hand-out to the oil and gas industry will raise money.

It's a bad deal for the Federal Government and a bad deal for the taxpayers of this country.

Vote ''aye'' on the motion to recommit Mr. MILLER will offer when the conference report on S. 395 is brought to the floor.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. THOMAS], the sponsor of the bill, who has been a leader on this issue for many, many years.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. I thank the gentleman fro Alaska [Mr. YOUNG], chairman of the committee, for this time and for his help over the years frankly.

I guess I am going to do something radical. I am going to talk about the legislation itself. I tell my colleagues I have to have a very high comfort level when the former chairman, the ranking member, says the underlying bill is not at issue, that it is, in fact, an item that was attached in the Senate that seems to be generating all of the debate. Well, I tell my colleagues that for a long time the underlying bill was the issue.

In the end of May 1986 I introduced a bill because I tried to understand the logic of having the No. 1 oil-producing State in the Union by Federal law required to ship all of its production to the lower 48 States, which meant by virtue of the west coast, the population, the consumption of the oil, that the vast majority of that oil would come to California. Since I have been in Congress I have represented Kern County. Kern County, if it were a State, would be the No. 4 State in oil production. Only Alaska, Texas, and Louisiana would produce more oil. By Government edict all of that Alaskan North Slope oil was required to come to the lower 48, the vast majority to California, depressing California oil prices.

Now I tried to understand the logic of those people who were here in the 1970's as to why you would require all of that production to be put in tankers, come down the coast of Alaska, the coast of Canada, the coast of Washington, Oregon, and California, in tankers jeopardizing that entire pristine coastline arguably to make sure that we were energy self-sufficient. When we depress a market, we do not get the production we would have gotten out of it, and in fact that California oil production has been depressed for years. So I introduced a bill that said let Alaska North Slope oil find its economic home. If it is California, bring it to California, but if it is someplace else, let it go someplace else.

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In May of 1986, I introduced a bill with one sponsor: me. The gentleman from Connecticut, in one of the subsequent Congresses, was the chairman of a subcommittee which basically told me to take a hike. So it is with some pleasure that I come to the floor with a bill in the 104th Congress that had 75 cosponsors, two dozen of the Democrats, and the Clinton administration in support of allowing Alaskan North Slope oil to find its economic home.

Why? Because it will make us more energy independent if we allow our Alaskan North Slope oil to find its economic home. It will produce more jobs, not just in the oil patch but in other areas as well. It is more environmentally sound to allow Alaskan North Slope oil to find its economic home, and on and on and on, including the maritime unions supporting what we are doing.

Frankly, I take the floor with some degree of satisfaction, knowing that a number of myths are being destroyed today. I also take the floor with some satisfaction, knowing that if the new majority was not the majority in this House, I would probably be in a subcommittee, bumping up against a subcommittee chairman telling me to take a hike. So it is with great pleasure that I come to the floor in support of this conference report, which finally after more than 20 years has decided that perhaps, to a small measure, economics ought to dictate what we do in the oil industry.

Mr. Speaker, It seems to me if we allowed economics to dictate more of what we do in the oil industry, we, frankly, would be less energy dependent, we would have more jobs, it would be more environmentally sound.

Today, I think ought to go down as a red-letter day that we finally corrected one of the mistakes of more than 20 years ago. There is a series of legislation working its way through the Committee on Resources and other committees which revisit those ill-conceived positions from the 1970's, and I hope we are able, on a bipartisan basis, to correct those ill-conceived pieces of legislation as well.

Mr. Speaker, I would ask all my colleagues to support the underlying measure that we have before us in the conference report.

Mr. MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, first of all, I am one of those apparently few in this House who have some misgivings about the underlying bill itself. I continue to question the wisdom of allowing this precious resource of ours, located in Alaska, to be exported in this way when we know the price of oil is only going to go up, when we know that this is a finite resource, when we know that in the future we are going to have to be importing larger and larger quantities of oil from markets that are going to be, in all probability, more and more difficult.

That aside for the moment, however, the very idea that we are going to provide leases in the Gulf of Mexico to oil companies and not charge those oil companies the royalties, the 12½ percent royalty that they would under other conditions owe to the people of this country, is to my mind shocking.

There are people who come to these microphones and talk about the idea that we ought to let economics dictate, that the free market ought to dictate what we do, but when it comes to the special interests like the oil companies, they seem to forget their own words and their own advice. What are we doing in this particular case? We are giving away the patrimony of future generations, we are giving away the taxes of the people of the country.

At 12½ percent, it will amount to tens of millions, perhaps billions of dollars, by which we could reduce the deficit, by which we could fund Medicare, by which we could improve the quality of education, by which we could keep the earned income tax credit, by which we could improve investment in education and research and jobs and job training, you name it; for all the things we need in this country, we are going to give away millions, perhaps billions of dollars to oil companies because somebody says they will

not drill for the oil unless we give it to them. That is just absurd, totally absurd. They are salivating at the idea of getting at these leases.

This is the wrong thing to do. Let us vote for the motion to recommit and against this bill.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I suggest respectfully that those speaking, none of them support drilling in other areas, they have never supported drilling in any area to produce any oil for the domestic market. None of the speakers on that side of the aisle that have spoken in opposition to this conference report have ever supported any development of any oil field anywhere. I challenge them to show me that if I am wrong.

Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. TAUZIN] who is very, very well acquainted with this issue.

Mr. TAUZIN. Mr. Speaker, I thank my friend, the chairman, the gentleman from Alaska, DON YOUNG, and I thank the chairman of the Committee of the Whole.

Mr. Speaker, I rise in opposition to the Miller motion to recommit this conference report to strike from it the deep water royalty relief provisions. I think it is important to understand what the provisions are.

Number one, they are temporary. They are a 5-year program. We authorize them again in 5 years, if in fact it has worked as well as our own Government believes it will work. Our President, the Secretary of the Interior, and the Secretary of Energy all support this provision.

Second, it applies both to new leases and existing leases. It is only eligible in existing leases if the Secretary determines that a drill will not occur unless there is some sort of new arrangement to encourage that, critical to drill, based on the economies of deep water drilling. I will explain that in a second.

Finally, it is not the same bill we voted on earlier. It has been amended now to say it only applies to the central Gulf of Mexico and the western Gulf of Mexico, not to any other area where moratoria or different laws apply to drilling offshore. It is not the bill you voted on earlier.

Finally, it is a bill that it likely, according to early CBO estimates and NMS refinements of later CBO estimates, to yield money to the Treasury of the United States. Why? Because we collect more money in this country in bonuses paid for the right to drill than we actually collect in royalties. If we can encourage people in fact to engage in more drilling, we are going to in fact ensure more money to the U.S. Treasury.

There is a bigger reason why this is essential. I want to show Members that big reason. The gentleman from California indicated we are not talking about deep drilling. This is a picture of what auger, the shell platform that costs $1.3 billion to build, looks like superimposed over Washington, DC. You say, ''Wait a minute, Washington, DC does not have any tall buildings.'' So we imposed auger over the city of Houston, which does have tall buildings. You can see how tremendously deep these projects are. The bill says about 1,800 feet, 1,800 feet or more before you are eligible to qualify under this program.

Number two, you have to prove that you would not drill it anyhow, unless you get some kind of relief, the sort of deal two business people would make by saying we are not going to take dividends out of the project until we prove it works, until there is income for all of us to share.

Let me tell you what auger did for the rest of the country. Auger, this $1.3 billion project, produced contracts across America, not just in the Gulf of Mexico. This is good economy for the country, not only producing oil, not only producing more revenues to the Treasury, but producing jobs, 20,000 jobs across America.

When we look at the reasons why this is necessary, I think it is important to understand what is happening in terms of offshore drilling. What is happening is that there are very few high-production drills left in the offshore. What is left are marginal areas with a limited amount of production, but you have to go real deep to find them, and the economies are such that oil companies would much prefer to go produce offshore in somebody else's country than take a risk in the Gulf of Mexico.

Most of the new fields are smaller production fields, but in deep water. That is the problem.

Second, the second problem is that in terms of cost, what it costs you to get a drill platform going, when you look at drills on the shelf in shallow water compared to drills in deep water as this bill provides, you can see a huge increase in the cost of actually putting the drilling rig out there and drilling the wells. Not only are the facilities and platform much more expensive than on-shelf drilling, but drilling the wells themselves is much more expensive, a much bigger risk, not only to those who go out and put capital out there, but, indeed, to the country, because we need those resources.

Finally, if you look at the production delay impact, what it costs, how much longer it takes to produce a barrel of oil at the deeper limits of the outer Continental Shelf, you will see that the present value of a barrel of oil is only 50 percent of what the present value of a barrel of oil is if you drill onshore in America. It is simply high cost, terrible economics, and yet we need those resources.

Why? Why do we need to drill deep offshore? Here is a comparison of U.S. net oil consumption, U.S. net imports as opposed to oil consumption, and the United States' oil bill for imported petroleum. We are now at over 50 percent dependence upon foreign sources. I took this mike at another year, in another Congress, to make a speech one day. It was right after the Persian gulf war, when we discovered that more young men and women in Louisiana per capita had served in that war than any other State, and we wondered why.

It suddenly dawned on us why. Because they could not work in the oil fields in America, they signed up with the Army Reserve, they had signed up with the National Guard, and they found themselves, all of a sudden, fighting over somebody else's oil in the Persian Gulf instead of working to produce oil here in America.

This incentive bill will put Americans back to work producing oil for Americans. That is why it makes sense. It makes sense because it is going to produce areas that would not be produced otherwise. It will produce income to America that would not be produced otherwise. It will give us some decent hold on our reserves that we have in this country, that we ought to produce for the sake of our country. I urge Members to reject the Miller motion to recommit.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, the gentleman from Louisiana has made the case why we do not need a royalty holiday. The rig that he is discussing is built. The decision to lease in the tracts has been made. The money has been invested. It was based upon decisions that the oil companies made 1 year ago, 2 years ago, and 3 years ago.

This may come as a surprise, but after many, many years of watching the Government make policy, whether it is tax policy or depletion policy or resource policy, one of the CEO's of the major oil companies in my district said to me:

> George, understand something. We do not make our decisions anymore based upon what you are going to do. The money is so great now, we do it based upon profit. We do it based upon going to our shareholders and telling them, ''This is the best decision we can make, whether it is to go to Russia or to Kazakhstan or to China or the deep Gulf.''

Right now what the oil companies are telling their shareholders is that it is the deep gulf. That is why, in this last May, we had record numbers of bids. We had over 800 bids for some 500 tracts. Why? Why? Because that is where the money is. That is where the profit is. That is where you can convince your shareholders to stick with the management decisions. That is what is going on in the oil industry. The market is working. The rigs are being built.

Yes, they are $1 billion. That calculation has already been made without the oil royalty. That, Mr. Speaker, is the definition of corporate welfare.

That is corporate welfare. The market does not demand it, the incentive is not needed, the industry is healthy, they are moving on their own, so there is no reason for a Government incentive, but you give it anyway. You give it anyway.

This plan was thought up back in the 1980's, when the gulf was in the doldrums, when the gulf was in a recession. That is not the Gulf of Mexico today. Listen to what they say in the Dallas Morning News:

> The analysts are projecting third-quarter profit increases of 400 percent over the 1994 period. The large reason for Zonac's success is its emphasis on deep water drilling in the Gulf of Mexico, perhaps the hottest niche market in business today.

The Houston Chronicle: ''the demand for rigs now is so great that deep water rigs have been contracted out as far as 1998.'' No royalty holiday, long-term leases.

The Times Picayune:

> Texas is among the major oil companies starting to heavily spend in deep water at depths of 1,000 feet or more. This is definitely an area of strong interest among major oil companies.

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The Oil and Gas Journal: A Texaco official says, ''The deep water in the Gulf of Mexico is not the next frontier, it is the now frontier.'' As they said, you can make real money in the Gulf of Mexico at 1,500 feet. At 1,000 feet, you can make serious money. That is why they are going to their shareholders; that is why they are going to their lenders and asking for money to go to the Gulf of Mexico; not because we decide that all of a sudden 200 meters is deep water, they blew by that years ago. Six hundred meters is deep water. They are there now, and they are looking to go far out, far out beyond that, because of new technology.

Go to your major oil company if you live near one and ask them to look at the technology. Look at what they combine in terms of the 3–D geophysical information. Look at Forbes magazine 2 weeks ago about the subsea platforms that they can use today to reduce the cost of drilling.

The fact is, technology, computerization has blown right by many of the cost barriers to deep-water drilling. That is why the oil companies are going there. We should not now take, we should not now take the Government's money and give it to them to do that which they are already doing.

The gentleman from Louisiana [Mr. TAUZIN] said we receive much more money in bonus bids than we do in royalty. No, we do not. It is a 10-to-1 ratio. That is why many countries do not provide bonus bids. The would rather have the royalties. It is the royalties where you make money, and it is the royalties that we forgive.

In fiscal year 1995 the Treasury received $2.4 billion in royalties and $200 million in bonus bids. The fact of the matter is, we should not even be charging a bonus bid. Why would we want them to put their nonproductive money into the Treasury? Why do we not let them put that into drilling and take it out when they find oil share in a royalty? But they have chosen not to do that.

Listen to what the business journals, listen to what the experts in the industry, listen to what the officers in the industry are saying. Listen to what Wall Street and the banking industry in this country are saying. They are saying, these boys have it calculated about right, and that is why they are lending them record amounts of money. That is why their stocks continue to soar, because they now have the potential to find what they think may be larger than Prudhoe Bay at far less expense than they ever, ever envisioned, and that is a smart play.

It is protected in the good old U.S. of A. They do not have to cut a deal with Iran or with Turkey or with Azerbaijan or with the Russians or with the Kazakhstans, nobody. It is right here. That is why it is so valuable. That is why the marketplace is working. We ought to let the marketplace go. We ought to put this money back into the Treasury of the United States or give it back to the taxpayers, but there is no, no compelling economic reason to provide this kind of largesse to this industry at this given time.

They have made the decision, they made it based upon the free market system. They do not need the Government help. There is little indication they want the Government help, but yet we are going to force ourselves into doing something that will be tragic for the taxpayers of this country.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the royalty relief provision of S. 395, as adopted by the Committee on Commerce, has targeted deep water relief provisions that the administration supports for existing leases. It targets relief for only those leases that would not be economic without the release, and that is the Clinton administration.

I include for the RECORD a letter from Secretary O'leary on this subject, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, October 19, 1995.

Hon. DON YOUNG, Chairman,
Committee on Resources, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Administration reiterates its support for the title providing deepwater royalty relief to the central and western Gulf of Mexico.

In the energy policy plan, Sustainable Energy Strategy: Clean and Secure Energy for a Competitive Economy in July 1995, the Administration outlined its overall energy policy stressing the goals of increased energy productivity, pollution prevention, and enhanced national security. To achieve these goals, ''the Nation must make the most efficient use of a diverse portfolio of domestic energy resources that will allow us to meet our energy needs today, tomorrow, and well into the 21st century. The Administration continues to promote the economically beneficial and environmentally sound expansion of domestic energy resources.'' (page 33) In furtherance of this objective, ''The Administration's policy is to improve the economics of domestic oil production by reducing costs, in order to lessen the impact on this industry of low and volatile oil prices.'' (page 35) One of the ways indicated to lower these costs is, ''providing appropriate tax and other fiscal incentives to support our domestic energy resources industries.'' (page 34) Finally, the Strategy specifically targets the opportunities in the Gulf of Mexico.

One of our best opportunities for adding large new oil reserves can be found in the central and western Gulf of Mexico, particularly in deeper water. Royalty relief can be a key to timely access to this important resource. The Administration supports targeted royalty relief to encourage the production of domestic oil and natural gas resources in deep water in the Gulf of Mexico. This step will help to unlock the estimated 15 billion barrels of oil-equivalent in the deepwater of Gulf of Mexico, providing new energy supplies for the future, spurring the development of new technologies, and supporting thousands of jobs in the gas and oil industry and affiliated industries. (emphasis in original, page 36)

The royalty relief provision in S. 395 as adopted by the conference committee is a targeted, deepwater royalty relief provision that the Administration supports. For existing leases, it targets relief for only those leases that would not be economic to develop without the relief. Few new leases, the provision is targeted for a specific time period for only a specific number of barrels of production, and could be offset by increased bonus bids.

The Minerals Management Service has estimated the revenue impacts of new leasing under section 304 of S. 395. For lease sales in the central and western Gulf of Mexico between 1996 and 2000, the deepwater royalty relief provisions would result in increased bonuses of $485 million—$135 million in additional bonuses on tracts that would have been leased without relief, and $350 million in bonuses from tracts that would not have been leased until after the year 2000, if at all, without the relief. This translates to a present value of $420 million, if the time value of money is taken into account. However, the Treasury would forego an estimated $553 million in royalties that would otherwise have been collected through the year 2018. But again, taking into account the time value of money, this offset in today's dollars is only $220 million. Comparing this loss with the gain from the bonus bids on a net present value basis, the Federal government would be ahead by $200 million.

It is important to note that affected OCS projects would still pay a substantial upfront bonus and then be required to pay a royalty when and if production exceeds their royalty-free period. A royalty-free period, such as that proposed in S. 395, would help enable marginally viable OCS projects to be developed, thus providing additional energy, jobs, and other important benefits to the nation.

In contrast, in the absence of thorough reform of the 1872 Mining Law, hard rock mining projects on Federal lands can be initiated without paying a substantial bonus and are never required to pay a royalty on the resources developed. The end result is that the public is denied its fair share of the benefits from the resources developed.

The ability to lower costs of domestic production in the central and western Gulf of Mexico by providing appropriate fiscal incentives will lead to an expansion of domestic energy resources, enhance national security,

and reduce the deficit. Therefore, the Administration supports the deepwater royalty relief provision of S. 395.

The Office of Management and Budget has advised that it has no objection to the presentation of these views from the standpoint of the Administration's program.

Sincerely,

HAZEL R. O'LEARY.

Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Speaker, I rise in opposition to the motion to recommit this conference report on the issue of royalty relief.

As a conferee on another aspect of this bill, I have carefully studied the supporting documents and believe strongly that this does not represent corporate welfare as it has been characterized.

In addition to not being corporate welfare, this provision does not impact existing pre-leasing, leasing, or development moratorium, including any moratorium applicable to the eastern planning area of the Gulf of Mexico located off the Gulf Coast of Florida.

These incentives are very limited in that they only apply in water depths of 200 meters or greater. Further, I was able to work with my conferees to ensure that these royalties would only be available to the western and central areas of the Gulf of Mexico, west of the Alabama/Florida border.

Mr. Speaker, I support the royalty relief language contained in this conference report and urge my colleagues to do the same.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. SCHAEFER] the subcommittee chairman.

(Mr. SCHAEFER asked and was given permission to revise and extend his remarks.)

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, before I begin my remarks, I yield to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, two corrections. Number one is that oil was drilled because it is a huge reserve, what is left of small reserves, which are uneconomical.

Second, we received, since OCS drilling began, $56 billion in bonus bids versus only $47 billion in royalties. We receive more money in bonuses than we do in royalties today.

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman from Louisiana [Mr. TAUZIN] for bringing that out.

Mr. Speaker, I rise in strong opposition to the Miller motion to recommit and certainly in support of this legislation.

The Miller motion is a clear attempt to undermine this important legislation. Currently, as has been stated, America is importing more than half of its oil needs, now, I might add, at a cost of over $50 billion a year. By the year 2010, we will be importing over 60 percent of this Nation's oil needs. This legislation will help reduce U.S. reliance on foreign oil.

In recent years, domestic oil production has been declining. As oil fields become depleted, the domestic oil industry must find new ways and new sources of oil if they are going to stay in business.

The deep water area of the Gulf of Mexico is one of the few remaining areas left in the United States which holds a promise of significant oil and gas reserves. Estimates of this reserve range from 10 to 15 billion barrels of crude oil equivalent. However, without this legislation, it is unlikely that these minerals will ever be produced.

The Miller motion would significantly roll back the advances promoted by this legislation, placing America's energy security at risk. It would eliminate royalty incentive provisions specifically designed by the U.S. Department of the Interior to encourage natural gas and oil exploration in the deep water areas in the Gulf of Mexico.

During the past three decades, Americans have come to realize the danger of relying on oil imports. From the 1970's embargo to the recent Persian Gulf war, the consequences of foreign oil reliance are very clear: economic instability and national security vulnerability. Encouraging deep water oil exploration will go a long way toward correcting this problem. We can give Americans jobs and the country a big step towards energy security.

The subcommittee I chair, the House Committee on Commerce Subcommittee on Energy and Power, has worked with the Senate and with the House Committee on Resources on other portions of this bill. We have crafted legislation that addresses other important energy issues, including privatization, the Alaska Power Administration, and allowing the export of Alaskan North Slope oil.

Mr. Speaker, I urge my colleagues to vote against the motion to recommit and support the bill. It will move the United States toward a reasonable and long-term energy policy.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LAUGHLIN].

Mr. LAUGHLIN. Mr. Speaker, I rise in support of the bill and would urge rejection of the gentleman from California's motion to recommit.

To the gentleman from California I would say I would agree that this would be corporate welfare if it did not cost substantial millions of dollars to go out into the deep water to drill. To the gentleman from Connecticut that takes offense to oil companies, all I can say is, having being on the shores of Connecticut many times, I have never seen an oil rig out in their waters. So apparently he is not aware that my constituents and friends who work offshore do pay taxes and do, in fact, support senior citizens and children.

I would like to point out some of the inconsistencies that the gentleman from California [Mr. MILLER] has made in various statements about the cost.

On July 25, he told us that we stand to lose somewhere between $10 billion and $15 billion, and we have not even dealt with the issue of future leases. On October 12, he told us the royalty holiday would cost the Treasury more than $400 million. On October 13 he told us that the royalty holiday will cost the taxpayers nearly a half billion dollars in lost royalty revenues. On November 2, he told us that the CBO scores the royalty holiday as costing taxpayers at least $420 million and possibly much more, all inconsistent figures.

Then when you take into consideration the Secretary of energy, Hazel O'Leary's October 19, 1995 letter in which she states, comparing the gain from the bonus bids on a net present value basis, the Federal Government would be ahead by $200 million. So the Secretary of energy is telling us that this action we attempt to take here today in fact would be a net gain. Is this corporate welfare? The answer is no.

Mr. MILLER of California. Mr. Speaker, I yield myself 1 minute to respond to the gentleman from Texas.

Mr. Speaker, all of those figures that the gentleman from Texas referred to still stand. The first figure is a worst-case scenario. If everybody who is qualified for this in fact desires to take advantage of it, that is what the agency has told us. The other one is for the scoring of this legislation, and then the other one obviously is after they took a look at the MS figures and went back and forth on them, they still say it is a half a billion. So that is where we are.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, what I would like to do is do something we have not done in this debate up to this point which is to focus on the underlying legislation. What we are about to do this afternoon is to sell off two hydroelectric projects in Alaska, projects originally established in the 1950's. Frankly, I think this is a transaction long overdue. In fact, we have another 130 hydroelectric projects in this country that I think the Federal Government should sell off as quickly as possible.

Today's sale will net the Federal Government about $73 million. If we manage to move those 130 other dams located and stretched across the country from the Tennessee Valley up to the Pacific Northwest, we can literally bring billions and billions of dollars into the Federal Treasury and also eliminate nearly one-third of the bureaucracy at the Department of Energy.

Now the great tragedy in this is that it took 20 years to do this and 14 different studies on the subject of the privatization. I would like to applaud the

gentleman from Colorado [Mr. SCHAEFER] and the gentleman from Alaska [Mr. YOUNG] for moving this legislation forward today, as well as our colleagues in the other House. But let me suggest with the Reagan, the Bush, and the Clinton administrations, the Alaska delegation, the State of Alaska, it should not take us long to sell the other dams as well.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. HALL].

(Mr. HALL of Texas asked and was given permission to revise and extend his remarks.)

Mr. HALL of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I, of course, rise today in support of the deep-water royalty relief provision. Basically, I am interested in that. This provision is good fiscal policy, it is sensible economic policy, and, most importantly, it is very sound energy policy. By supporting deep-water royalty relief, we are ensuring that this country can maintain a very healthy and robust domestic oil and gas industry.

One of our best opportunities for adding new oil reserves can be found in the Gulf of Mexico, particularly in the deep water, where only 1 in 16 deep-water leases is even producing. By reducing costs and providing appropriate tax and other fiscal incentives, we can speed the production of sorely needed oil and gas reserves.

□ 1545

At the same time royalty relief will also generate revenue for the U.S. Treasury. Opponents who argue that deep-water royalty relief is a Government subsidy should know that which provides an increase in Government revenue cannot possibly be a Government subsidy.

In addition, deep-water royalty will also create thousands of good paying jobs that can be sustained well into the 21st century.

Mr. YOUNG of Alaska. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MCKEON].

(Mr. MCKEON asked and was given permission to revise and extend his remarks.)

Mr. MCKEON. Mr. Speaker, I rise in strong support of the conference report on S. 395.

As a Member from the State of California, I particularly want to express my support for language to repeal the ban on the export of Alaska North Slope crude oil. While this prohibition seemed like the right thing to do during the 1970's, it violated free-market principles and inhibited domestic oil exploration in the western United States at a time when it should have been encouraged. The forced introduction of Alaskan oil to the west coast was particularly harmful to my own State of California.

Lifting the export ban will also increase revenue to the Treasury once the Elk Hills Naval Petroleum Reserve in California is sold by the Government. I have worked on the National Security Committee in support of this sale, and since repeal of the Alaska export prohibition will result in an increase in the price of California crude oil, the value of the price of California crude oil, the value of the reserve will also rise.

Mr. Speaker, the Clinton administration and Congress both agree that repealing the export ban is the right thing to do. I share this belief and urge support of the rule and the legislation before us today.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Speaker, I rise in support of this legislation and applaud Chairman YOUNG for the work that he has done, and against the motion to recommit offered by the gentleman from California.

There are two reasons: One is obviously energy independence is so important, and this is a provision I think that is well thought out and will certainly help us in that direction.

The other is domestic jobs. We have suffered greatly in western Pennsylvania over the years with the decline in the steel industry. The steel industry is now back on its feet. I have been deeply involved with the steel caucus for years trying to produce as many jobs as we can. This will take a lot of steel. It will create a lot of domestic jobs. We feel very strongly about it.

Western Pennsylvania at one time had as high as a 24-percent unemployment rate, and anything that helps bring it down, at the same time reduces our dependence on foreign oil, is a real asset to this country.

I applaud the gentleman from Alaska and am in strong support of his legislation and would ask the Members to oppose the gentleman from California's motion to recommit.

Mr. YOUNG of Alaska. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. HORN].

(Mr. HORN asked and was given permission to revise and extend his remarks.)

Mr. HORN. Mr. Speaker, I rise in strong support of this legislation. Its passage is long overdue. In a recent study, the Department of Energy determined that lifting the ban on Alaskan oil from the North Slope would create 25,000 jobs on land and preserve 3,300 maritime jobs. Of particular interest to Californians is that the opening up of this part of Alaska in an environmentally sound way will increase American production by at least 110,000 barrels a day in Alaska and California combined.

With the export of Alaskan oil to the Far East, the trade deficit of the United States will be reduced. Instead of much of the Alaskan oil flowing into California, there will now be the opportunity for some of the very dormant California oil fields to come alive in meeting the needs of the western economy.

Mr. MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Speaker, I thank the gentleman from California for yielding me the time.

Mr. Speaker, let me just say I certainly have a great deal of respect for the chairman and, in fact, spoke with the chairman and also spoke with representatives from oil companies and others that said that this was good for America, after the first vote.

I said to them, if we come back with CBO estimates that show that this is revenue neutral, that it is not corporate welfare, I will write a letter to my colleagues whom I asked to oppose this royalty giveaway and tell them that I was wrong and to switch their position.

The fact of the matter is, and we have heard bantering going back and forth, but the bottom line is this: CBO has come back with an estimate, and it has said that this will cost the American taxpayer over $400 million. Cut it any way you want it. That is what CBO said.

Who did we have come in defending royalty relief? I am going to focus my remarks to Republicans, because I am speaking to you on some very sound Republican principles, and this is a great vote to put up or shut up.

Who did the oil companies go to get support? They went to Hazel O'Leary, Secretary of Energy. Their argument was, ''Don't trust CBO. Trust Hazel O'Leary. Trust Bruce Babbitt.'' My goodness, there is a defender of Republican ideals and values. ''Trust the Clinton administration. But, for heaven's sakes, don't trust CBO.''

If CBO says that we are going to be costing the American taxpayers $400 million and this money is going to go to oil companies that are going to be drilling in the Gulf of Mexico anyway, let us ignore CBO estimates and instead trust the Clinton administration. I do not understand that.

Let me say right up front, this has been framed by many as a Florida issue. It is not a Florida issue. This is not about protecting Florida's shores. Florida was exempted from this process. This has nothing to do with Florida. This has everything to do with American taxpayers.

Any Republican that has heard me speak from the beginning of this session this year knows that I am a strident fiscal conservative. I think I am one of the only Members in Congress who believed that the balanced budget amendment did not go far enough, that we needed to cut more. You do not get any more probusiness. You do not get any more progrowth.

But, at the same time, how do I explain to people back in my district that even though we are saying let us cut the budget, even though we are depending on CBO to give us our estimates, that now we need to give oil companies $400 million to drill in the Gulf of Mexico in areas where they are going to drill anyway? It makes absolutely no sense. Any way you want to cut it, paying oil companies to drill in areas where they are going to drill anyway is corporate welfare.

Second, as a Republican, how many times have I heard my fellow colleagues talk about letting the free market prevail? We have got people going around with Adam Smith on their ties, the invisible hand of capitalism. Today the invisible hand of capitalism must have oil money in it, because now they are saying we have got

to help oil companies go out and drill in an area where they would not drill anyway.

This is a kicker. This is from Citizens for a Sound Economy, a letter supporting this giveaway. They say here, ''In particular, providing royalty relief for oil and natural gas production in this region will, quote, promote economic activity.''

Is that not what we are fighting against? Is that not what this conservative revolution is fighting against, paying Federal money out to corporations to get involved in the free market and say we have got to pay these people off to stimulate growth?

I have heard other people talk about this being a Federal jobs program. We should know, as Republicans, as conservatives, for 30 years that the Federal Government throwing billions of dollars at job programs does not work. What works is letting the free market dictate what happens in the United States of America. Let the free market prevail, and if the free market will not support oil drilling off the coast of Louisiana, in Alabama, then what does that tell us as economic conservatives, as descendants of Adam Smith? That tells us that we as a Federal Government should not step in. We should let the market prevail. Yet I hear people talking out of both sides of their mouths.

If it makes good economic sense, go to it. Drill. If not, do not ask the taxpayers of America to spend $400 million so oil companies can go out there.

But the fact of the matter is, and this is not a dirty little secret, there is no secret at all to it, oil companies are lined up to go out and drill in the Gulf of Mexico. They are lined up stumbling over each other. That is the fact.

Read Business Week. Read the New York Times. Read the Wall Street Journal. They say the great oil rush of the 1990's is on, and it is occurring in the Gulf of Mexico, and oil companies that have left the Gulf of Mexico are now stumbling over each other to get back into the Gulf of Mexico.

Yet we are asking the American taxpayers in a year where we beat our chests in self-righteous indignation saying we have got to balance our budget, we are now asking them to divvy up almost another half billion dollars to oil companies to go drill in areas where they would drill anyway.

If they are not going to drill there anyway, then maybe that tells us that right now the free market does not support that economic activity.

It is a perversion of Republican ideas to push for this program; and, in the end, I understand the chairman has been put in a very difficult position and I have a great amount of respect for him, but in the end, this is a deal for Senator BENNETT JOHNSON. That is all it comes down to. The Clinton administration is trying to help BENNETT JOHNSON, so Hazel O'Leary and everybody else——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCINNIS). The gentleman will suspend. Members shall refrain from personal references to U.S. Senators.

Mr. SCARBOROUGH. Mr. Speaker, I apologize.

The SPEAKER pro tempore. The gentleman's apology is accepted.

Mr. SCARBOROUGH. Mr. Speaker, this is a deal for some Senators. That is all it comes down to.

Unfortunately, it is messing up a very good bill. The chairman has a good bill. This thing has been tacked on. It makes no sense. But now we have got the Clinton administration stumbling over each other, throwing out numbers from Hazel O'Leary and from Bruce Babbitt that skew reality, skew budgetary reality.

CBO says it costs the taxpayers. Let us get this thing straight. Do we trust CBO or not? We have been throwing out CBO numbers all year. Let us be consistent. Let us be consistent with CBO. Let us be consistent being supporters of the free market. Let us be consistent fighting corporate welfare, and let us be consistent protecting and defending the rights of the American taxpayers.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. SCARBOROUGH. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for his comments. I want to just say that the gentleman makes an important point. CBO considered all of the alternative analysis, all of the suggestions. They have been besieged with people asking them to rescore this, from the Department of Energy, to Minerals Management had another way, Members of Congress have gone to them, but when it was all done, 6 days ago, CBO said, ''It loses $400 million,'' and that is the point I think the gentleman was making.

There are a lot of alternative ways to score it, but none of them as reliable as CBO. Most of them, the Members of Congress on both sides of the aisle would not accept in any other fight but they are accepting them for this fight, but the one that we have decided to trust for our scoring has said this is a $400 million loss to the taxpayers of this country.

Mr. Speaker, I include the following statement for the RECORD:

Mr. Speaker and my colleagues in the House, the integrity of the House, our responsibilities to the taxpayers, and our commitment to ending unnecessary spending and corporate welfare—all these reasons compel us to reject the conference report before us and to vote to recommit it to the conference committee.

Once again, the Senate has insisted that we accept a provision that is totally nongermane to the main subject of Alaskan oil exports. This is not the first time the Senate has sent us the deep water royalty holiday; we have rejected it each time in the past, and we should reject it here again today.

When the House considered this bill, we voted on a bipartisan basis to instruct our conferees to reject the royalty holiday in conference by an overwhelming vote of 261 to 161. Included in that 261-vote majority were Republicans and Democrats, liberals and conservatives—all in agreement that we should not spend hundreds of millions of taxpayers' dollars to encourage the oil industry to do what it is already doing: searching for oil in the deep water of the Gulf of Mexico.

Since that vote, oil company lobbyists have swarmed over the Hill. The oil corporations have hired Republicans, Democrats, anybody to plead their special interest case. And the lobbying has come from the Clinton administration, too, that cut a special deal with the oil industry.

It has been a massive lobbying effort. You'd spend a lot of money on well-connected lobbyists, too, if the prize was a half billion dollars for doing nothing more than you are doing right now. And I know what they're telling you: without a royalty holiday, no one will drill in the gulf; without a holiday, jobs will be lost; without a holiday, we will become more and more dependent on foreign oil.

And they tell you this holiday won't cost you anything; they show you estimates OMB whipped up.

Well, there's just one problem with their arguments: they are not supported by the facts.

We don't need to spend a half billion dollars to encourage deep water development in the gulf; we won't make money, we'll lose hundreds of millions of dollars; and most significantly, their own publications illustrate and confirm that deep water in the gulf is among the premier offshore leasing prospects in the world today.

They will deny all of the above today on the floor. But before you give into the pleas of the oil lobbyists, let's reexamine the facts.

FACT 1. THE ROYALTY HOLIDAY IS A BIG REVENUE LOSER

The holiday's proponents will recite MMS and OMB numbers asserting the holiday will make money. But CBO, the only official source of budget scoring, considered and rejected those same MMS and OMB assertions.

CBO definitively states that the royalty holiday will cost taxpayers—who own the oil and gas—at least $420 million, and possibly much more. Even using the specious accounting methods employed by OMB, but rejected as distorted by CBO, the royalty holiday loses over $150 million.

FACT 2. THE ROYALTY HOLIDAY WOULD BE MANDATORY FOR EVERY TRACT LEASED IN MORE THAN 200 METERS OF WATER FOR THE NEXT 5 YEARS

Proponents of the holiday, including Secretary of Energy Hazel O'Leary, have argued the Holiday is discretionary and would only be granted on tracts where the Secretary determines it is necessary to encourage development. This is absolutely false, as the legal division of the Congressional Research Service has advised. The Energy Department has admitted it erred in asserting that the holiday is discretionary.

Under the language of the conference report, all leases in more than 200 meters must be granted on a royalty-free basis for the next 5 years with no finding of need even though that need is the only rationale for granting the royalty holiday in the first place. Don't let anyone tell you the royalty holiday is discretionary for new leases. My amendment, offered in the conference, to make it clear the holiday is discretionary was voted down. So there should

be no doubt: this holiday is mandatory, regardless of need, regardless of facts, regardless of cost.

FACT 3. THE GULF OF MEXICO—INCLUDING DEEP WATER AREAS—IS ONE OF THE HOTTEST OIL PROSPECTING REGIONS IN THE WORLD

The royalty holiday was dreamed up years ago when the oil industry was not interested in the "played out" gulf and technology was not yet developed for deep water development. But recent lease sales in the gulf have been record-setters, with active bidding on tracts in as much as 3,000 meters. The royalty holiday mandates royalty-free oil for tracts in as little as just 200 meters.

Here is just a small sampling of what the oil press says about deep water leasing:

New technologies cut the cost of deep-sea production * * * armed with new technology, U.S. companies are venturing into ever deeper waters. (Business Week, October 20, 1995).

Sonat Offshore Drilling Inc. * * * analysts are projecting third quarter profits to increase more than 400 percent over the 1994 period. A large reason for Sonat's success is its emphasis on deepwater drilling in the Gulf of Mexico and elsewhere, perhaps the hottest niche market in the business these days. (Dallas Morning News, October 24, 1995).

The demand for rigs is now so great that deepwater rigs have been contracted out as far as 1998, [a stock analyst at] Simmons [& Co.] said. (Houston Chronicle, September 21, 1995).

Texaco is among the major oil companies starting to spend heavily in the deepwater at depths of 1,000 feet and more. This is definitely an area of strong interest among major oil companies (Times Picayune, New Orleans, LA, September 19, 1995).

Our activity level is based on our commitment to the strategy of developing oil and gas in deep water, Mobile said * * * Texaco said bidding at sale 155 sustained the trend into deepwater that is driving exploration success * * * New technology capabilities are leading the industry farther and farther out into the gulf, a Texaco official said, Deep water in the Gulf of Mexico is not the next frontier, it's the now frontier. (Oil and Gas Journal, September 18, 1995).

These are just a few of the candid remarks by those most familiar with leasing and development deep water trends in the oil industry. And I mean real deep water, not the 200 meters that S. 395 defines as deep. Let's remember that the Ursa project is located in 3,950 feet of water, and "industry executives believe tension-leg platforms can be affordable in water as deep as 6,000 feet," according to the Wall Street Journal (January 25, 1995).

FACT 4. ALTERNATIVES TO THE ROYALTY HOLIDAY ALREADY EXIST TO PROVIDE THE INDUSTRY WILL INCENTIVES BUT WITHOUT COSTING TAXPAYERS HUNDREDS OF MILLIONS OF DOLLARS

In fact, I helped write the 1978 OCS law that allows use of bidding systems that forgive payment of a royalty until a tract is profitable. Unlike the royalty holiday, taxpayers would recoup the foregone royalty later in the production phase, as MMS originally proposed.

Proponents of the holiday are probably going to argue today that the conference accepted an amendment offered by Congresswoman FOWLER that addresses all of the environmental issues in the royalty holiday dispute by removing offshore Florida lands for coverage.

But the major objection to the royalty holiday has never been environmental: it is economic. The objection is not that offering leases will encourage offshore development near coastal communities. Indeed, CBO concludes that few leases that would not be leased anyway would be leased because of the royalty. They just might he bought sooner to qualify for royalty-free status.

The Fowler amendment fails to address a single one of the economic and subsidy objections I have raised or the House has voted on. It was an effort to defuse the opposition to the royalty holiday by appearing to fix the wrong problem. It should influence no one to change their vote on the motion to recommit.

The objection to the royalty holiday is not that it will damage the environment. The objection is that it will damage taxpayers to the tune of $450 million, and maybe much more, for no good reason whatsoever.

You may be told the Senate just voted for the royalty holiday in their reconciliation bill—because it's been stuck in there, too. But that is not true: the Senate never got to vote on the holiday because a parliamentary device was used to prevent a vote on the merits, just as we have been denied a chance here in the House, or in the Resources Committee, to consider this legislation on its merits.

Now, if this legislation is so important and so meritorious, why haven't we had a hearing on it? Why haven't its proponents in the House or the Senate put it before the committees and on the floor of both Houses and allowed a real debate and amendatory process to occur? Why does it always come to us, tucked into a nongermane bill, with no opportunity for testimony or examination?

The reason is because this proposal is an idea whose time has passed. Years ago, when leasing and drilling activity in the gulf was deteriorating, the industry and its friends cooked up the royalty holiday scheme. The world has changed, and the gulf—including the deep water gulf—is competitive and highly attractive. We have had two highly successful lease sales there in the past 6 months, including in the deep water.

So the issue here today is, having already voted 261 to 161 to reject the deep water scheme, are we going to cave into the oil lobbyists, are we going to cave into the phony financial projections that our own CBO rejects, are we going to cave into the Senate and let them cram this expensive, special interest, corporate welfare scheme down our throats?

Or are we going to say that this issue should be considered with deliberation and thoroughness by the Resources Committee and by the House of Representatives? Those who believe it is a good idea should come up here and testify for it and subject themselves to cross-examination instead of skulking around the Halls of Congress, lining up votes secretively, evading the public review that a half billion dollars in public money deserves.

The royalty holiday is bad policy and a terrible waste of taxpayer dollars. On those grounds alone, backed up by CRS, CBO, and the oil industry's own evidence, we should reject this provision and send this report back to the conference, where the royalty holiday will surely be stripped out. In fact, the conference has scheduled another meeting for this afternoon to strip it out if the House votes to do so.

But I believe there is another reason we should vote for the motion to instruct, and that is to stand up for the honor of this House. We voted to instruct our conferees to reject the royalty holiday, and those conferees ignored that direction. If this House will not reassert its position and again direct the conferees to reject the royalty holiday, we are giving up the powers of this House to the Senate and to a tiny number of senior Members who will make all the decisions for the rest of us, and that is not how decisions should be made.

Some Members have asked me why I care so much about this royalty holiday. Why am I so concerned about a scheme that will only cost us a few hundred million dollars at a time when tens of billions are being cut elsewhere?

Here is the reason: because this royalty holiday is wrong. It is the worst kind of special interest giveaway at a time when we are demanding that everyone in the country sacrifice. The oil industry already enjoys one of the lowest tax rates of any industry; they do not need more incentives to explore the Gulf of Mexico, and this House must have the courage to stand up to the international oil industry on behalf of the working men and women of this country who own that oil.

The evidence is overwhelming that we do not need the royalty holiday. I urge my colleagues to vote to recommit the conference report.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 3½ minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, let me first correct the record. If anybody is trying to help the Senator who was mentioned in his reelection bid, he is not running for reelection.

Second, if anybody assumes that people are rushing to the Gulf of Mexico to drill in those deep waters, let me point out, we have lost 180,000 jobs in Louisiana alone, 400,000 jobs in America because of the fact that people are rushing to somebody else's waters, somebody else's lands to drill because we have made it uninviting to drill and produce in America. That is the truth.

If anybody is coming to the Gulf of Mexico, it is because my friend from California and others have led the charge to make sure you cannot drill anywhere else in America offshore but in the Gulf of Mexico and in Alaska. That is the only place you can go.

While we are discussing it, let us discuss the numbers. The gentleman from California said in response to the gentleman from Texas, who quoted him, then when he said on June 25 it would cost $15 billion, and when he said today on the floor that it would cost $400 million, that he was right both times, the numbers still stand. That is a little over a 3,000-percent discrepancy, 3,000-percent differences, but he asks us to trust those numbers.

On the other hand, Minerals Management Service, who estimated what it would raise and what it would cost, estimated that this amendment would save the American Treasury not just the $200 million extra it would raise in royalty bonuses but about $600 million in interest payments on the Federal debt because that $200 million would cost that much over that 25-year period that nobody seemed to pay much attention to—$600 million in addition to the $200 million.

It just so happens that Minerals Management has been doing this kind of estimation for 10 years. What is their record of failure? They have missed it over the 10-year period by not 3,000 percent but by 3 percent.

So we are asked today on this floor to take the advice of folks who are estimating numbers who are going to miss it by as much as 3,000 percent as opposed to Minerals Management who has been wrong only 3 percent in all of their estimates for 10 years. Minerals Management Service, the people that run the offshore program for our country, the people that lease the lands and collect the royalties and collect the bonuses, tell us this thing is going to win for us $485 million of new bonus royalties.

□ 1600

It is going to save the American taxpayer $600 million in interest payments over this 25-year period.

Who do you want to trust, Minerals Management or someone who comes to the floor and admits that his numbers are 3,000 percent different from June 25 to November 8, and those numbers still stand?

I want to say again this bill has changed. It only affects the Gulf of Mexico. It is not the same bill we voted on earlier.

Second, it is limited to 5 years. Even CBO estimates that, in that 5-year period, it is going to make $100 million for this country.

And, finally, if you believe in this country as we all do, if you believe in the strength of this country and its workers and its productive capacity, why would you not want to incentivize an industry that is moving offshore rapidly because we make no room for it in this country, particularly an industry that is producing energy for our people? Why would you want to depend upon people, when we have to go to war to defend those oil reserves, when you could produce it at home? That is the choice today.

Let us produce oil for Americans, by Americans, here in this country. That is what this is all about.

Vote ''no'' on the recommittal by the gentleman from California [Mr. MILLER].

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself the balance of my time.

In closing, Mr. Speaker, I suggest voting ''no'' on recommittal.

We talk about a level playing field. There is no level playing field as long as the Federal Government is involved in leasing those lands.

This is an attempt by this administration, this Congressman and the rest of this Congress to give us the opportunity to take and further develop those areas that cannot be developed under the present system.

I urge a ''no'' vote on the motion to recommit.

Mr. Speaker, on this historic day for which the citizens of our great State have for so long waited, I am proud to bring before the House the conference report on S. 395. With adoption of this vital legislation, my State at long last will be authorized to export its most important resource, and thereby promote our national security, spur energy production, and create jobs.

Because of the gracious offer of the chairman of the Senate Energy and Natural Resources Committee, who along with our State's senior Senator has done so much to make this dream come true, I bring this bill before you as chairman of the conference committee. In that capacity, I rise to put title II in historical context and to describe in greater detail the substantive provisions of the bill, a discussion circumscribed by the more limited space available in the joint explanatory statement of the managers.

The ANS export restrictions were first enacted shortly after commencement of the 1973 Arab-Israeli war and the first Arab oil boycott. Many believed enactment of these restrictions would enhance our energy security. Following the second major oil shock in 1979, Congress went further and effectively banned exports.

Much has changed since then. In part due to significant conservation efforts and shifts to other fuel sources, total U.S. petroleum demand in 1993 actually was lower than in 1978. Net imports also were lower. Yet, for the first time, imports last year met more than half of our domestic demand—not because consumption had risen, but rather because domestic production had declined so significantly.

Even though imports are even higher today, they come from far more secure sources than in the 1970's. Over half of our imports now come from the Western Hemisphere and Europe. Mexico and Canada are among our largest suppliers. We have stopped buying crude from Iran, Iraq, and Libya. In addition, international sharing agreements are in place and the United States has filled the Strategic Petroleum Reserve with approximately 600 million barrels of crude oil. In short, our Nation is no longer vulnerable to the supply threats that motivated Congress to act in the 1970's.

While we have taken the steps necessary to reduce our vulnerability to others, we have not done enough to encourage domestic energy production. In fact, production on the North Slope has now entered a period of sustained decline, while production is falling in the lower 48 as well. My committee heard compelling testimony, for example, about the problems faced by small businesses in California, which have felt first hand the effects of the current ban. Small independent producers have been forced to abandon wells or defer further investments. Faced with glut-induced prices for their own crude, they have laid off workers. By precluding the market from operating normally, the export ban has had the unintended effect of discouraging further energy production. Through adoption of the conference report, we will at long last change that situation.

In addition to receiving testimony from small businesses hurt directly, my committee got advice from the experts as well. The Department of Energy, for example, provided Congress with a comprehensive study. The Department concluded that ANS exports would boost production in Alaska and California by 100,000 to 110,000 barrels per day by the end of the century. The Department also concluded that ANS exports could create up to 25,000 jobs. With the evidence now in, we know that the sooner we change current law, the sooner we can spur additional energy production and create jobs in Alaska and in California.

To achieve this objective, I bring before the House the conference report authorizing ANS exports under terms substantially similar to the underlying Senate and House bills. The conference report authorizes ANS exports, making inapplicable the general and specific restrictions in section 7(d) of the Export Administration Act of 1979, section 28(u) of the Mineral Leasing Act of 1920, section 103 of the Energy Policy and Conservation Act, and the Department of Commerce's short supply regulations, unless the President determines that they would not be in the national interest. This provision negates, as well, any other existing law, regulation, or executive order that might otherwise be interpreted to restrict ANS exports.

Before making his national interest determination, the President must consider an appropriate environmental review. We have given the President discretion to have a working group conduct the type of environmental review that would be appropriate under the circumstances. Because appropriate environmental review is not defined in the conference report or the National Environmental Policy Act, I think it particularly important to explain our intent in developing this term.

In its report, the Department of Energy found ''no plausible evidence of any direct negative environmental impact from lifting the ANS crude export ban.'' In fact, the Department concluded that, ''[w]hen indirect effects are considered, it appears that the market response to removing the ANS export ban could result in a production and transportation structure that is preferable to the status quo in certain respects.'' The Department found, for example, that ''[l]ifting the export ban will reduce overall tanker movements in U.S. waters.'' The weight of the testimony taken before my committee and the Senate Committee on Energy and Natural Resources was to the same effect.

Thus, the conference report directs, as the appropriate environmental review, an abbreviated 4-month study. The environmental review is intended to be thorough and comprehensive, but in light of the Department's findings and the compressed timeframe, neither a full environmental impact statement nor even a more limited environmental assessment is contemplated. If any potential adverse effects on the environment are found, the study is to recommend appropriate measures to mitigate or cure them. In fact, the procedure set forth in the conference report tracks the well-recognized procedure whereby an agency may forego a full EIS by taking appropriate steps to correct any problems found during an EA. Under current law, if an EA reveals some potentially adverse environmental effects, an agency may take mitigating measures that lessen or eliminate the environmental impact and, thereupon, make a finding of no significant impact and decline to prepare a formal EIS. Similarly, as long as potentially adverse impacts can be mitigated by conditions on exports included in the President's national interest determination, NEPA is satisfied.

In making his national interest determination, the President is authorized to impose appropriate terms and conditions, other than a volume limitation, on ANS exports. The conference report takes cognizance of the changed condition of national oil demand and

available oil resources. The conference report is intended to permit ANS crude oil to compete with other crude oil in the world market under normal market conditions. To facilitate this competition and in recognition that the conference report precludes imposition of a volume limitation, the President should direct that exports proceed under a general license.

Although crude oil exports historically have been governed through the use of individual validated licenses, this type of licensing procedure would not be appropriate here. The more appropriate model is the rule governing exports of refined petroleum products, which are permitted under a general license. First, the conference report explicitly negates the short supply regulations and the statutory authority underlying them as they relate to ANS exports. Our intent was to clear away two decades of accumulated obstructions to ANS exports. Second, the conference report specifically precludes the President from imposing a volume limitation. In almost every instance today, individual validated licenses on crude exports are necessary because of the need to deal with volume limitations, such as those imposed on exports of California heavy crude oil or ANS crude to Canada. Finally, it is our intent that the market finally be given an opportunity to operate. We do not want unnecessary paperwork to impede proper functioning of the market.

The conferees recognize that some information is needed to monitor exports. Again, petroleum products provides the proper model. Shippers of petroleum products, like all exporters, submit export declarations at the time of export. This information is compiled into trade statistics by the Department of Commerce. Similarly, exporters of ANS crude under a general license would routinely file export declarations. These filings will provide any information needed for monitoring.

Given the anticipated substantial benefits to the Nation of ANS exports, the President should make his national interest determination as promptly as possible. Of course, if the President fails to make the required determination within 5 months, ANS oil exports are authorized without intervening action by the President or the Secretary of Commerce.

As many Members of this body know, there has long been concern in the domestic maritime community that lifting the ban would force the scrapping of the independent tanker fleet and would destroy employment opportunities for merchant mariners. There can be little doubt that Congress has a compelling interest in preserving a fleet essential to our Nation's military security, especially one vital to moving an important natural resource such as my State's oil. In recognition of this, the conference report requires that ANS exports be carried in U.S.-flag vessels. The only exceptions are exports to Israel under a bilateral treaty and to others under the international emergency oil sharing plan of the International Energy Agency.

The U.S. Trade Representative has assured Congress that this provision does not violate our GATT obligations. Based on the testimony presented to my committee and the Senate Committee on Energy and Natural Resources, I concur with the administration's view that this provision is fully consistent with our international obligations. Moreover, it is supported by ample precedent, including in particular a comparable provision in the United States-Canada free trade agreement, as implemented under United States law.

The conference report also directs the Secretary of Commerce to issue any rules necessary to govern ANS exports within 30 days of the President's national interest determination. In light of the clear benefits to the Nation of ANS exports, the Secretary should promulgate any rules necessary contemporaneously with the determination.

In closing, let me emphasize that the current ban no longer makes economic sense. For too long, it has hurt the citizens of Alaska, it has damaged the California oil industry, and it has precluded the market from functioning normally. If left in place any longer, it will further discourage energy production, it will destroy jobs in Alaska and California, and it will ultimately hurt our seafaring mariners, the independent tanker fleet, and the shipbuilding sector of our Nation.

As chairman of the conference committee, I thus urge my colleagues to support this historic legislation. Through swift enactment and implementation of this legislation, Congress and the administration can demonstrate their ability to work together to promote our national security, to spur energy production, to reduce our net dependence on imports, and, above all, to create jobs.

Mr. RICHARDSON. Mr. Speaker, I urge the House to reject the attempt by the gentleman from California [Mr. MILLER] to recommit the conference report on S. 395 in order to strike the Outer Continental Shelf deepwater incentives provision.

This provision is urgently needed to provide incentives to produce more oil and natural gas in the very deep waters of the central and western portions of the Gulf of Mexico. Its enactment will strengthen U.S. energy security, bolster the economy, generate jobs for American workers, and help reduce the Federal deficit.

At a time when the United States is importing some 50 percent of its oil supplies, when oil industry jobs and investment are flowing overseas, and when the Congress is struggling to reduce the deficit, this is no time to reject such a critically needed provision.

Mr. Speaker, the Outer Continental Shelf currently produces about 14 percent of our oil and about 23 percent of our natural gas. The OCS contains approximately one-fourth of our estimated domestic oil and gas reserves. The deep waters of the Gulf of Mexico remain one of the most attractive areas for new oil and gas discoveries. But because of the extremely high cost of deepwater development, only about 6 percent of deepwater leases in the Gulf of Mexico have been developed. As a result, the Nation is not benefiting as much as it could from the large oil and gas resources of the Gulf—and the Federal Government is not earning as much as it could in bonus bids and royalty payments.

The deepwater incentives provision would temporarily reduce royalties on existing OCS leases in the central and western portions of the gulf, and delay royalty payments on new leases until a specified amount of production has occurred. The provision would have no effect in those areas covered by preleasing, leasing, or development moratoria.

Let me point out that the Congressional Budget Office officially scored the deepwater incentives provision as providing $100 million in additional Federal revenues over 5 years and $130 million over 7 years. And, on a present value basis, the administration has determined that the Federal Government would net as much as $200 million over 25 years as a result of this provision.

Mr. Speaker, I also favor the deepwater incentives provision because it will create jobs. According to the Bureau of Labor Statistics, each $1 billion invested in the oil and gas extraction industry generates 20,000 new jobs. These jobs are created primarily in industries which support and service the oil and gas exploration industry, including the steel, machine tool, heavy equipment, and high-technology industries. A healthy and productive offshore industry will mean new jobs in virtually every State of the Union. We cannot afford to throw these jobs away.

The deepwater incentives provision has bipartisan support. The Clinton administration strongly supports this provision. Secretary of Energy Hazel O'Leary had this to say in an October 19 letter to Senator BENNETT JOHNSTON:

> The ability to lower costs of domestic production in the central and western Gulf of Mexico by providing appropriate fiscal incentives will lead to an expansion of domestic energy resourcers, enhance national security, and reduce the deficit.

Mr. Speaker, there is no doubt in my mind that Secretary O'Leary is right. We do not have the luxury—in terms of energy, the economy, or U.S. jobs—to remove the deepwater incentives provision from S. 395. I urge you to defeat the motion to recommit the conference report.

There is a tendency to view the Gulf of Mexico as one oil and natural gas province. From an economic and technical viewpoint, however, the gulf should actually be seen as two hydrocarbon provinces: First, a developed but marginally economic shallow water shelf province and second, an undeveloped world-class frontier deep water province.

It is this deep water province that holds the potential for discoveries of large oil and gas reserves.

The deep water Gulf of Mexico offers a tremendous opportunity for the discovery and production of new world-class natural gas and oil fields. It is the only undeveloped domestic offshore area of high resource potential open for exploration and production today and can make valuable contributions to the country's energy and economic future.

Today, the Gulf of Mexico represents approximately 25 percent of this Nation's domestic natural gas and 13 percent of its domestic oil production.

While production from the mature shallow waters of the gulf is declining, the deep water is poised to sustain gulf production well into the next century. Without deep water production, Federal royalties, rents, and taxes from Gulf of Mexico production will continue to decline.

A report of the Department's OCS Policy Committee noted that there have been a number of deepwater discoveries but there are no plans for development "because proceeding is not economic."

The Department of Interior has estimated that in water depths of 200 meters or more there are more than 11 billion barrels of oil equivalent in the Gulf of Mexico.

The Gulf of Mexico is a significant contributor to U.S. natural gas supply, and continued

production from this prolific natural gas basin must be encouraged if this Nation's growing demand for natural gas is to be met.

Even with the most accelerated switch to alternative fuels domestic crude oil demand will clearly outstrip domestic supply. It is therefore incumbent upon the Congress and the administration to make a deliberate and conscious decision regarding how that demand will be met—by increased domestic production or by more imported oil.

Gulf of Mexico deepwater incentives are needed if this Nation is to take full advantage of the reserve potential of this significant new natural gas and oil province. The royalty relief provisions in S. 395 should be supported. The provisions encourage full development of this resource and the achievement of important national economic and environmental goals—namely job creation, economic stimulation, much needed natural gas and oil reserves, and reduced U.S. dependence on imported oil.

Mr. BAKER of California. Mr. Speaker, today the House is honoring the memory of one of this century's most courageous soldiers for peace, Yitzhak Rabin. His tragic death was a profound loss for the State of Israel, for the entire Middle East, and for all who believe in the peaceful resolution of international conflict.

I well remember meeting with Mr. Rabin when, as a first-term Member of Congress, I traveled to Israel and talked with him in his office. He was warm, cordial, and informative, and reaffirmed to me the importance of the United States-Israel relationship.

Just 2 weeks ago, I again met the Prime Minister when I joined in the ''Jerusalem 3000'' celebration here in the Capitol. This wonderful ceremony recognized three millennia of Jerusalem's history, and Mr. Rabin spoke passionately both about Israel's precious heritage and its need for a peaceful future.

And now he is gone. His passing was so swift and sudden that we are still in a state of shock as we consider a world without Yitzhak Rabin. Yet his remarkable example lives on. Tenacious in battle, resolute in peace, dedicated to his country and its future, his statesmanship will remain with us for generations.

It is rare to find a leader who harnesses the tide of history and redirects it for the good of the world. Yitzhak Rabin's gift was his willingness to, in the words of Theodore Roosevelt, ''dare greatly'' for the sake of a just peace. It is a gift that no assassin's bullet can ever take away, and a legacy that will endure through the ages.

Mr. POMEROY. Mr. Speaker, I rise today to support the conference report on S. 395, the Alaska Power Administration Sale Act. I believe this bill is an important part of reducing America's dependency on foreign oil. A provision to provide royalty relief for deep offshore drilling is still contained in the bill. I previously opposed the royalty relief due to uncertainty about its need. Since the last vote, I have heard from North Dakota oil and gas producers about the importance of this provision to ensuring domestic oil security. I have also received new information from the Department of Energy indicating the importance of retaining this provision. According to DOE, enactment of this royalty relief will reduce our reliance on foreign sources of crude oil by unearthing the estimated 15 billion barrels of oil in deepwater Gulf of Mexico. Additionally, it is estimated that through new leasing revenues, enactment of this provision will result in a minimum net benefit to the Treasury of $200 million by the year 2000.

Mr. THOMAS. Mr. Speaker, I applaud Congress' decision to conduct a comprehensive overhaul of an archaic export policy. Today I am speaking in support of S. 395, which includes provisions to end the ban on exports of Alaskan North Slope crude oil. This is an opportunity to enhance the ability of the U.S. energy industry to compete in the arena of international trade.

The ANS ban has been in effect for over 20 years, and was supposedly created to, among other things, ''safeguard our energy security.'' During this 20-year period, there has been no evidence to support this hypothesis. In fact, the evidence clearly demonstrates that our dependence on foreign oil has increased over this period. Domestic production is declining as a result of this export ban, while demand for oil continues to increase. The shortfall can only be met through increased imports, which helps to explain why we now import around 50 percent of all energy consumed in the United States. Perhaps the supporters of the ban could try to explain to the American people how a continued decline in domestic production, coupled with increasing consumer demand, has safeguarded our energy security?

It is critical that we recognize the importance of the ANS issue. Do we want to sell the naval petroleum reserves or increase its value? Do we want to help heavy oil producers maintain their economic viability through royalty relief proposals such as those offered by the Bureau of Land Management? Whatever options we choose with regard to these issues, we must repeal the ANS ban first, to ensure that we are dealing with the cause of the problems, and not just the symptoms.

This issue has been debated at length on the floor and in the Resources Committee. The Resources Committee passed the bill on a voice vote and the bill enjoyed wide bipartisan support in committee and on the floor, where it passed by a vote of 324 to 77. In addition, over 75 of my colleagues have already cosponsored H.R. 70, 23 Democrats and 55 Republicans, including 23 Californians.

Recently, there has been discussion in Congress of the possible sale of the naval petroleum reserves [NPR] at Elk Hills, CA. With the current price of crude artificially depressed due to the ban on the sale of ANS crude, eliminating the ban would greatly enhance the value of the facility and its return to the taxpayer would be subsequently enhanced. With the Defense bill resolution which included the sale of NPR having already passed the House and Senate, it is imperative that we move to reform this artificially distorted market to project the true value of this crude oil.

This bill truly has value in closing the deficit, for in addition to the $55 million in reduced Federal outlays which CBO has predicted over the next 5 years, the taxes payable on the 15,000 to 20,000 oil production jobs and increased oil production created through the repeal of the ban would be significant.

Government interference in this market has not worked and must be ended. Our economy is based on the operation of the market, and there is no economic argument that can be advanced to justify the continued market-distorting ban on exports of ANS crude. The market can and should dictate where this oil goes and the price for which it is sold.

Additionally, lifting this ban would lead to a reduction in the number of tankers, loaded with crude oil, traveling along nearly the entire Western coastline of the North American Continent. By allowing the export of ANS crude, some amount of this oil will be shipped to markets in the Far East. As a result, fewer tankers will make the trip along our coast to their current destinations in Washington and California, and it will eliminate movement of ANS crude oil to the gulf coast that involves multiple loading and unloading operations. This clearly translates into a reduced risk of oil spills, small and large, along both Canadian and United States coastlines.

For years, efforts to repeal the ban have been met with opposition from maritime unions, who were concerned that the repeal of the ban would adversely affect U.S. merchant fleet jobs. Now, a compromise has been reached which accomplishes the goal of lifting the ban while ensuring the interests of the maritime unions.

The unions now agree that ending of the ANS crude ban is consistent with the economic security and defense interests of the Nation in that it provides employment opportunities for American citizens and ensures the Nation a fleet of American-flag tankers.

Given the current declining North Slope production, the independent tanker fleet and the men and women who crew the vessels face a bleak future. By encouraging oil production, ANS exports can help secure their future and preserve jobs that otherwise would be lost.

On March 1, the administration announced that it was ''convinced that there are economic and energy benefits that can be gained from permitting exports of ANS crude.''

In setting forth requirements for inclusion in the final legislative language, the administration stated:

> All ANS oil must be exported in U.S.-flagged and U.S.-crewed vessels. Reforms should not transfer existing seafarer employment abroad. Legislation must provide substantial protection of seafarer employment opportunities for American workers.

As introduced, S. 395 satisfies this condition. Under the bill, ANS crude may be exported only if ''transported by a vessel documented under the laws of the United States and owned by a citizen of the United States * * *''

In addition, our government's own energy experts have recently confirmed the substantial benefits to be gained in lifting the ban; 10 months ago, the Department of Energy [DOE] released a report, outlining the effects of lifting the current Alaskan North slope (ANS) crude oil ban. The report confirmed:

> There would be a net increase in U.S. employment of up to 16,000 jobs. By the end of the decade, job increases could reach 20,000.
>
> Oil production in Alaska and California could be increased by as much as 100 to 110 thousand barrels per day by the end of the decade. Reserve additions in Alaska alone could be as large as 200 to 400 million barrels of oil.
>
> Increased federal receipts related to royalties and sales of oil would total between $99 and $180 million.
>
> All of these benefits would occur without any significantly negative environmental implications.

All of the issues have been settled: The unions have agreed that this legislation will ensure an independent tanker fleet; the trade

issues have been addressed, and the U.S. Trade Representative has noted that the U.S.-flag requirement does not present any legal problems to international trade; producers will benefit as increased revenues from marginal wells are realized.

Mr. Speaker, who can argue against national security, increased jobs, more domestic oil production, increased Federal revenues and reduced environmental danger? I urge my colleagues to give this issue careful consideration and not overlook the fact that our domestic oil industry is being harmed by this knee-jerk political reaction over 20 years ago. If we are truly serious about encouraging domestic production and exploration of our natural resources, we should pass S. 395 and end this market-distorting ban on the export of Alaskan oil.

Mr. RAHALL. Mr. Speaker, I noticed the other day that while it is still early November, Christmas decorations are already on the shelves at many stores. Each year, it seems, the holiday season begins earlier and earlier.

And with this in mind, it is perhaps fitting that today we are considering a bill that will grant a multibillion dollar royalty holiday, courtesy of the Republican majority, to some of the largest corporate conglomerates in the world.

As has already been explained, last July this body sent a bill over to the Senate that simply lifted the ban on exporting Alaskan oil.

But we were not blind to what the other body was contemplating. We also passed a motion to instruct our conferees not to accede to the Senate's desire to impose the deep water royalty holiday on the House.

The vote was taken on the motion to instruct, and is passed by a bipartisan 261 to 161. Yet, today we find that the majority will of this House has been ignored, in a very blatant fashion, and the royalty holiday crept its way into the pending legislation.

Today, when it is still questionable whether the Federal Government will be able to continue to operate after next Monday, I ask: Is it appropriate to pass legislation that will cost the Treasury nearly a half billion dollars in revenues?

Is it appropriate to grant a royalty holiday, at the taxpayer's expense, as an alleged incentive for these companies to do what they are already doing in the first place?

I would submit the answer is no.

We have copies of the vote taken last July on this issue here, and I would urge Members to be consistent. If you voted against the royalty holiday on July 25, there is no reason why you should not vote against it today.

I urge the adoption of the Miller motion to recommit this bill to conference so that the royalty holiday provisions can be deleted.

The SPEAKER pro tempore (Mr. MCINNIS). Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. MILLER of California. Mr. Speaker, yes; I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of California moves to recommit the conference report on the bill S. 395 to the committee of conference with instructions to the managers on the part of the House to insist on the provisions of the House amendment No. 5 which strike title III of S. 395.

The SPEAKER pro tempore. This motion is not debatable.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MILLER of California. 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 160, nays 261, not voting 11, as follows:

[Roll No. 771]

YEAS—160

Abercrombie
Ackerman
Andrews
Baker (CA)
Baldacci
Barrett (WI)
Becerra
Beilenson
Berman
Blute
Boehlert
Bonior
Borski
Brown (CA)
Brown (FL)
Bryant (TX)
Bunn
Cardin
Chabot
Clay
Clayton
Clement
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
DeLauro
Dellums
Deutsch
Dixon
Doggett
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Gutierrez
Gutknecht
Hall (OH)
Hastings (FL)
Hilleary
Hilliard
Hinchey
Hoekstra
Horn
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kelly
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaFalce
Lantos
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Nadler
Neal
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Portman
Rahall
Rangel
Reed
Regula
Rivers
Roemer
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Sisisky
Skaggs
Slaughter
Smith (MI)
Smith (NJ)
Spratt
Stark
Stokes
Studds
Stupak
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NAYS—261

Allard
Archer
Armey
Bachus
Baesler
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frisa
Frost
Funderburk
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Green
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hobson
Hoke
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kennedy (MA)
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
Longley
Lucas
Manzullo
Martinez
Martini
Mascara
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Poshard
Pryce
Quillen
Quinn
Radanovich
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Saxton
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Skeen
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—11

Burton
Fields (LA)
Meyers
Peterson (FL)
Ramstad
Skelton
Thornton
Tucker
Volkmer
Waldholtz
Weldon (PA)

☐ 1622

The Clerk announced the following pair:

On this vote:

Mr. Ramstad for, with Mr. Shelton against.

Messrs. METCALF, DE LA GARZA, EVERETT, and GOODLATTE changed their vote from ''yea'' to ''nay.''

Ms. BROWN of Florida and Mr. BUNN of Oregon changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MCINNIS). 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. YOUNG of Alaska. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 289, nays 134, not voting 9, as follows:

[Roll No. 772]

YEAS—289

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fazio
Fields (TX)
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Green
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Mascara
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Regula
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Towns
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—134

Abercrombie
Ackerman
Baesler
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bonior
Brown (CA)
Brown (FL)
Clay
Clayton
Clement
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Dunn
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Filner
Foglietta
Ford
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gordon
Gutierrez
Gutknecht
Hall (OH)
Harman
Hastings (FL)
Hefner
Herger
Hinchey
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Kleczka
Lantos
Leach
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Metcalf
Mfume
Miller (CA)
Minge
Mink
Moakley
Nadler
Neal
Neumann
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Rahall
Rangel
Reed
Rivers
Roth
Roybal-Allard
Rush
Sabo
Sanders
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (WA)
Stark
Stokes
Stupak
Tate
Thurman
Torres
Torricelli
Velazquez
Vento
Ward
Waters
Watt (NC)
Waxman
White
Whitfield
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—9

Fields (LA)
Peterson (FL)
Ramstad
Riggs
Thornton
Tucker
Volkmer
Waldholtz
Weldon (PA)

☐ 1645

The Clerk announced the following pair:

On this vote:

Mrs. Waldholtz for, with Mr. Ramstad against.

Mr. EWING changed his vote from ''nay'' to ''yea.''

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.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany S. 395.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

PERSONAL EXPLANATION

Miss COLLINS of Michigan. Mr. Speaker, during rollcall votes numbers 765, 766, 767, and 768 taken on November 7, 1995, and relating to House Joint Resolution 69, House Joint Resolution 110, House Joint Resolution 111, and House Joint Resolution 112, I was unavoidably detained due to the concellation of my scheduled air flight.

Had I been present, I would have voted ''aye'' on each of the said votes.

FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1996

Mr. DREIER. Mr. Speaker, by the direction of the Committee on Rules, I call up House Joint Resolution 257, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 257

Resolved, That immediately upon the adoption of this resolution the House shall without intervention of any point of order consider in the House the joint resolution (H.J. Res. 115) making further continuing appropriations for the fiscal year 1996, and for other purposes. The previous question shall be considered as ordered on the joint resolution and any amendment thereto to final passage without intervening motion except (1) one hour of debate on the joint resolution, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; and (2) one motion to recommit, which may include instructions only if offered by the minority leader or his designee.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my good friend, the gentleman from Woodland Hills, CA, Mr. BEILENSON, pending which I yield myself such time as I may consume.

(Mr. DREIER asked and was given permission to revise and extend his remarks, and to include extraneous material.)