

Paxon	Scarborough	Taylor (NC)
Payne (VA)	Schaefer	Tejeda
Peterson (FL)	Schiff	Thomas
Peterson (MN)	Schumer	Thornberry
Petri	Seastrand	Thornton
Pickett	Sensenbrenner	Tiahrt
Pombo	Shadeegg	Torkildsen
Pomeroy	Shaw	Trafigant
Porter	Shays	Tucker
Portman	Shuster	Upton
Pryce	Sisisky	Vucanovich
Quillen	Skeen	Waldholtz
Quinn	Smith (MI)	Walker
Radanovich	Smith (NJ)	Walsh
Ramstad	Smith (TX)	Wamp
Regula	Smith (WA)	Watts (OK)
Riggs	Solomon	Weldon (FL)
Roberts	Souder	Weldon (PA)
Roemer	Spence	Weller
Rogers	Stearns	White
Rohrabacher	Stenholm	Whitfield
Ros-Lehtinen	Stockman	Wicker
Rose	Stump	Wolf
Roth	Stupak	Young (AK)
Roukema	Talent	Young (FL)
Royce	Tanner	Zeliff
Salmon	Tate	Zimmer
Saxton	Tauzin	

NOES—156

Ackerman	Gephardt	Murtha
Andrews	Gibbons	Nadler
Baldacci	Gonzalez	Neal
Barrett (WI)	Gordon	Oberstar
Becerra	Gutierrez	Obey
Beilenson	Hall (OH)	Olver
Berman	Hamilton	Owens
Bevill	Harman	Pallone
Bishop	Hastings (FL)	Payne (NJ)
Bonior	Hefley	Pelosi
Borski	Hinchey	Poshard
Boucher	Holden	Rahall
Brown (CA)	Hoyer	Rangel
Brown (FL)	Jackson-Lee	Reed
Brown (OH)	Jacobs	Richardson
Bryant (TX)	Jefferson	Rivers
Cardin	Johnson (SD)	Roybal-Allard
Clay	Johnson, E. B.	Rush
Clayton	Johnston	Sabo
Clement	Kanjorski	Sanders
Clyburn	Kaptur	Sanford
Coburn	Kennedy (MA)	Sawyer
Coleman	Kennedy (RI)	Schroeder
Collins (IL)	Kennelly	Scott
Conyers	Kildee	Serrano
Costello	Kleczka	Skaggs
Coyne	Klink	Skelton
Cramer	LaFalce	Slaughter
Danner	Lantos	Spratt
DeFazio	Levin	Stark
DeLauro	Lewis (GA)	Stokes
Dellums	Lipinski	Studds
Deutsch	LoBiondo	Taylor (MS)
Dicks	Lofgren	Thompson
Dingell	Lowey	Thurman
Dixon	Luther	Torres
Doggett	Maloney	Torricelli
Doyle	Manton	Towns
Durbin	Markey	Velazquez
Engel	Martinez	Vento
Eshoo	Mascara	Visclosky
Evans	Matsui	Ward
Farr	McCarthy	Waters
Fattah	McDermott	Watt (NC)
Fazio	McHale	Waxman
Fields (LA)	McKinney	Williams
Flake	Meehan	Wilson
Foglietta	Meek	Wise
Forbes	Menendez	Woolsey
Ford	Miller (CA)	Wyden
Furse	Mineta	Wynn
Gejdenson	Mollohan	Yates

NOT VOTING—9

Barcia	Hilliard	Myers
Bateman	Mfume	Reynolds
Collins (MI)	Moakley	Volkmer

□ 1220

So—three-fifths having voted in favor thereof—the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. VOLKMER. Mr. Speaker, on Tuesday, July 25, I missed rollcall votes 563 and 564 during consideration of H.R. 1943, the San Diego Coastal Corrections Act. Had I been present I would have voted "aye" on 563 and "nay" on 564. In addition I missed rollcall vote 565 during consideration of S. 395, to lift the ban on Alaskan oil exports. Had I been present I would have voted "aye."

ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

Mr. YOUNG of Alaska. Mr. Speaker, pursuant to section 2 of House Resolution 197, I call up the 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 text of the Senate bill is as follows:

S. 395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. SHORT TITLE.

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

SEC. 102. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.

(a) The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as "Snettisham") to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended, between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority and the Authority's successors.

(b) The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this Act as "Eklutna Purchasers"), in accordance with the terms of this Act and the August 2, 1989, Eklutna Purchase Agreement, as amended, between the Alaska Power Administration of the United States Department of Energy and the Eklutna Purchasers.

(c) The heads of other Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized and directed by this Act.

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

SEC. 103. EXEMPTION AND OTHER PROVISIONS.

(a)(1) After the sales authorized by this Act occur, Eklutna and Snettisham, including

future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a et seq.) as amended.

(2) The exemption provided by paragraph (1) does 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)(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 ninety 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 ninety days after the challenged act implementing the Program, or be barred.

(c) 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) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued use of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with existing law.

(3) 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.

(4) 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, as amended), 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).

(d) 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, as amended).

(e) Not later than one year after both of the sales authorized in section 102 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.

(f) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, that all Eklutna assets have been conveyed to the Eklutna Purchasers.

(g) Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, that all Snettisham assets have been conveyed to the State of Alaska.

(h) As of the later of the two dates determined in subsections (f) and (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) The Act of August 9, 1955, concerning water resources investigation in Alaska (69 Stat. 618), is repealed.

(j) 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).

(k) The sales authorized in this title shall occur not later than 1 year after the date of enactment of legislation defining “first use” of Snettisham for purposes of section 147(d) of the Internal Revenue Code of 1986, to be considered to occur pursuant to acquisition of the property by or on behalf of the State of Alaska.

SEC. 104. DECLARATION CONCERNING OTHER HYDROELECTRIC PROJECTS AND THE POWER MARKETING ADMINISTRATIONS.

Congress declares that—

(1) the circumstances that justify authorization by Congress of the sale of hydroelectric projects under section 102 are unique to those projects and do not pertain to other hydroelectric projects or to the power marketing administrations in the 48 contiguous States; and

(2) accordingly, the enactment of section 102 should not be understood as lending support to any proposal to sell any other hydroelectric project or the power marketing administrations.

TITLE II

SEC. 201. SHORT TITLE.

This title may be cited as “Trans-Alaska Pipeline Amendment Act of 1995”.

SEC. 202. TAPS ACT AMENDMENTS.

Section 203 of the Act entitled the “Trans-Alaska Pipeline Authorization Act”, as amended (43 U.S.C. 1652), is amended by inserting the following new subsection (f):

“(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

“(1) Subject to paragraphs (2) through (6), of this subsection and notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over right-of-way granted pursuant to this section may be exported after October 31, 1995 unless the President finds that exportation of this oil is not in the national interest. In evaluating whether the proposed exportation is in the national interest, the President—

“(A) shall determine whether the proposed exportation would diminish the total quantity or quality of petroleum available to the United States;

“(B) shall conduct and complete an appropriate environmental review of the proposed exportation, including consideration of appropriate measures to mitigate any potential adverse effect on the environment, within four months after the date of enactment of this subsection; and

“(C) shall consider, after consultation with the Attorney General and Secretary of Commerce, whether anticompetitive activity by a person exporting crude oil under authority of this subsection is likely to cause sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels for independent refiners that would cause sustained material adverse employment effects in the United States.

The President shall make his national interest determination within five months after the date of enactment of this subsection or 30 days after completion of the environmental review, whichever is earlier. The President may make his determination subject to such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that the exportation is consistent with the national interest.

“(2) Except in the case of oil exported to a country pursuant to a bilateral international oil supply agreement entered into by the United States with the country before June 25, 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 this section, 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.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exportation of the oil.

“(4) The Secretary of Commerce shall issue any rules necessary for implementation, including any licensing requirements and conditions, of the President’s national interest determination 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 anticompetitive activity by a person exporting crude oil under authority of this subsection has caused sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused sustained material adverse employment effects in the United States, the Secretary of Commerce may recommend to the President who may take appropriate action against such person, which may include modification or revocation of the authorization to export crude oil.

“(6) Administrative action with respect to an authorization under this subsection is not subject to sections 551 and 553 through 559 of title 5, United States Code.”.

SEC. 203. ANNUAL REPORT.

Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following:

“In the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration for Defense District V have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar year and shall make such recommendations to the Congress as may be appropriate.”.

SEC. 204. GAO REPORT.

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 crude oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast. The Comptroller General shall commence this review four years after the date of enactment of this Act and, within one year after commencing the review, shall provide a report to the Committee on Energy and Natural Resources in the Senate and the Committee on Resources in the House of Representatives. The report shall contain a statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

SEC. 205. RETIREMENT OF CERTAIN COSTS INCURRED FOR THE CONSTRUCTION OF NON-FEDERAL PUBLICLY OWNED SHIPYARDS.

(a) IN GENERAL.—The Secretary of Energy shall—

(1) deposit proceeds of sales out of the Naval Petroleum Reserve in a special account in amounts sufficient to make payments under subsections (b) and (c); and

(2) out of the account described in paragraph (1), provide, in accordance with subsections (b) and (c), financial assistance to a port authority that—

(A) manages a non-Federal publicly owned shipyard on the United States west coast that is capable of handling very large crude carrier tankers; and

(B) has obligations outstanding as of May 15, 1995, that were dated as of June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds.

(b) ACQUISITION AND REFURBISHMENT OF INFRASTRUCTURE.—The Secretary shall provide, for acquisition of infrastructure and refurbishment of existing infrastructure, \$10,000,000 in fiscal year 1996.

(c) RETIREMENT OF OBLIGATIONS.—The Secretary shall provide, for retirement of obligations outstanding as of May 15, 1995, that were dated as of June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds—

- (1) \$6,000,000 in fiscal year 1996;
- (2) \$13,000,000 in fiscal year 1997;
- (3) \$10,000,000 in fiscal year 1998;
- (4) \$8,000,000 in fiscal year 1999;
- (5) \$6,000,000 in fiscal year 2000;
- (6) \$3,500,000 in fiscal year 2001; and
- (7) \$3,500,000 in fiscal year 2002.

SEC. 206. OIL POLLUTION ACT OF 1990.

Title VI of the Oil Pollution Act of 1990 (Public Law 101-380; 104 Stat. 554) is amended by adding at the end thereof the following new section:

“SEC. 6005. TOWING VESSEL REQUIRED.

“(a) IN GENERAL.—In addition to the requirements for response plans for vessels established in section 311(j) of the Federal

Water Pollution Control Act, as amended by this Act, a response plan for a vessel operating within the boundaries of the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca shall provide for a towing vessel to be able to provide assistance to such vessel within six hours of a request for assistance. The towing vessel shall be capable of—

“(1) towing the vessel to which the response plan applies;

“(2) initial firefighting and oilspill response efforts; and

“(3) coordinating with other vessels and responsible authorities to coordinate oilspill response, firefighting, and marine salvage efforts.

“(b) **EFFECTIVE DATE.**—The Secretary of Transportation shall promulgate a final rule to implement this section by September 1, 1995.”

SEC. 207. EFFECTIVE DATE.

This title and the amendments made by it shall take effect on the date of enactment.

TITLE III

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 by striking paragraph (3) in its entirety and inserting the following:

“(3)(A) 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.

“(B)(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 ab-

sence 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)(aa), 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 as follows:

(1) Redesignate section 8(a)(1)(H) as section 8(a)(1)(I); and

(2) Add a new section 8(a)(1)(H) as follows:

“(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. Such suspensions may vary based on the price of production from the lease.”

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.

AMENDMENTS OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Speaker, pursuant to section 2(b) of House Resolution 197, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. YOUNG of Alaska: (1) Strike title I.

(2) Strike sections 201 through 204 and insert the text of H.R. 70, as passed by the House.

(3) Strike section 205.

(4) Strike section 206.

(5) Strike title III.

The SPEAKER pro tempore. The question is on the amendments offered by the gentleman from Alaska [Mr. YOUNG].

The amendments were agreed to.

The Senate bill was read a third time and passed, and a motion to reconsider was laid on the table.

The title of the Senate bill was amended so as to read: "A bill to permit exports of certain domestically produced crude oil, and for other purposes."

APPOINTMENT OF CONFEREES

Mr. YOUNG of Alaska. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YOUNG moves pursuant to House Resolution 197 that the House insist on its amendment to S. 395 and request a conference with the Senate thereon.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska [Mr. YOUNG].

The motion was agreed to.

MOTION TO INSTRUCT OFFERED BY MR. MILLER OF CALIFORNIA

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

The Clerk read as follows:

Mr. MILLER of California moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendments to the bill S. 395 be instructed to insist upon the provisions of the House amendments which strike Title III of S. 395.

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

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, the reason that we are offering this motion to instruct today is, this bill which has been passed by the House, and passed by the House with a substantial vote, goes to the Senate. There will be an attempt in the Senate to put a provision into the bill which is simply a raid on the Treasury by the Senate and by the major oil companies in this country.

It has to do with the idea of drilling for oil in deep water in the Gulf of Mexico. However, it is an idea whose time has come and has gone, because technology and the economics of the oil business have overwhelmed that idea. What we once thought was deep water today is no longer deep, and the oil companies are in a mad rush to secure the right to develop these properties in the Gulf of Mexico.

They have engaged this past May in the fourth largest bid sale in the history of the Outer Continental Shelf, furiously bidding against one another with bonus bid dollars for the right to develop these leases in deep water.

They need no further incentive from the Federal taxpayers. They need no gift of money from the Federal taxpayers for them to engage in this activity. They are going to drill these deep water leases in the Gulf of Mexico because they have a financial incentive to do so.

These are some of the most promising fields in the entire world. There are promising quantities of oil now that only a few years ago we never believed would be present. These are some of the most promising fields in the world in terms of the security of the reserves, once we have located them.

Many oil companies spent the last 5 years going to Vietnam and going to China and going to Indonesia and going to the Soviet Union and going to Kazakhstan and going to Russia. What they have found out is while they have found oil, they have found great amount of trouble. All of a sudden, the United States of America looks awfully good to these oil companies in terms of a security of reserves, in terms of their ability to go to Wall Street and be able to borrow money because they have reserves, like mining companies and others, they have it in the United States of America. That is why they are going to the Gulf of Mexico.

They have no need for Federal taxpayer incentives to do so. Also, they are going to the Gulf of Mexico because now the technology allows them to go to Mexico. It allows them to go there with greater certainty, because of the development of computerized and digital data that is available on a geological basis that we simply did not have 5 and 10 years ago. It may be speculative, but the speculation is dramatically reduced. We can look at pools of oil that we could not see 5 years ago. That is why the oil companies are going there. They are going there simply because it is in their best interests.

Mr. Speaker, the fact of the matter is that it is just simply a sound business judgment to go to the Gulf of Mexico to develop these resources. When they go there, we are told now in the business journals that this oil will be developed for about \$3 a barrel, which they will sell at the wellhead for about \$14 to \$15 a barrel, which will sell into the world price of oil at somewhere between \$18 and \$20, or \$22, depending on that current price. This is a profitable venture.

Now comes along Senator JOHNSTON from Louisiana, who says the way you can really get these people to drill is to go out there and to offer a royalty holiday.

Let me remind the Members of the House, this is July 25. This is not December 25. This is not Christmas. This is the middle of July. We should not be making this Christmas in July for the oil companies, who have already made the determination by putting millions of dollars on the table, billions of dollars into research, to go there and to drill this oil.

This is too late and it is out of date. It does not make any sense. This is the equivalent of telling General Motors that we will give them a tax credit for every car that gets 20 miles per gallon. They already have the technology. They are already doing it. This is the equivalency of saying, "We will give you \$500 if you put an air bag in the car." They have already determined it is in their financial interests to put an air bag in the car, because that is what the public wants. We should not be handing out incentives that are not needed and cost the public.

Mr. Speaker, many people on this floor have railed against corporate welfare. Here we are on the ground floor. The decision we can make today is whether or not we want to create a new category of corporate welfare. Corporate welfare is when we give corporate entities the public's taxpayer dollars, we give them the taxpayer dollars, whether they need it or not, whether there is any showing that they need it or not, and whether there is any public benefit. That is the nature of corporate welfare.

Mr. Speaker, that is the nature of corporate welfare: no economic showing, no public benefit, and no showing of need by these entities. Yet, we are prepared to shower this money on them in the bid sale, where there was this furious competition last May. If this provision becomes law, we stand to lose \$2.3 billion of the taxpayers' money that we will simply transfer from hard-working people in this country to Chevron and Shell and BHP and BP and other companies, both foreign and domestic. If this bill becomes law from existing leases in deep water, where they have already made the economic decision to drill, we stand to lose somewhere between \$10 and \$15 billion additional, and we have not even dealt with the issue of the future leases.

The House should support this motion to instruct. There were no hearings on this bill in the House. The Senate, the last time they had a chance to vote on this measure, voted overwhelmingly to defeat this measure, because it was not in the interests of the taxpayers and/or the Nation.

Mr. Speaker, the Senate, with no debate, has added a non germane royalty holiday to S. 395, which is the Senate version of the Alaska oil export bill. No comparable bill has been introduced in the House. We have held no hearings on this scheme. We have held no markup. We are going to be asked to accept it in conference carte blanche, and I would bet you dollars to doughnuts that the authors of the bill before us will accept the holiday scheme in a nano-second.

The royalty holiday scheme is premised on the argument that rich oil companies need multibillion-dollar inducements to buy leases in the deep water of the Gulf of Mexico. There are two basic problems with this argument: first, it is completely, utterly, documentedly false; and second, even if some relief is warranted, the amounts provided are grotesquely excessive. If the oil industry truly needs a holiday paid for by the American people, does it

really need to fly on the Concorde, stay at the Ritz, and dine at Le Gastronomie Extraordinaire?

I wonder how many Members of the House remember the old sideshow trick where a magician would keep everyone busy watching one hand while he picked someone's pocket with the other. That's what is going on with this legislation.

The Republican leadership of the House is trying to distract the attention of the American public with hysterical hearings on Whitewater and Waco. Meanwhile, the Republicans are carefully and comprehensively wreaking havoc on the American economy, the economic security of middle income working families, students, the elderly, and taxpayers.

Let me tell you what is going to happen to this bill when it goes to a conference with the Senate, because it is part of a well-orchestrated plan to pick the pockets of the American taxpayer be several billion dollars.

False premise No. 1: Without royalty forgiveness, oil companies will not bid on deep water leases.

On May 10, representatives of 88 oil companies braved a torrential Louisiana rainstorm to submit nearly 900 bids for leases—many of the deep water leases—in the Gulf of Mexico. It was the fourth largest lease sale in gulf history. The huge success of the auction illustrates why the holiday is not needed. Indeed, had the royalty holiday been in place on May 10, it is estimated taxpayers would have lost over \$2 billion in future royalties.

The oil industry itself is the best source for discrediting the royalty holiday scheme.

The New York Times of June 18, 1995, reported, "The Great Oil Rush of the mid-1990's is on, and in a most unexpected setting," the Gulf of Mexico. "It will be the biggest thing since Prudhoe Bay—there is no question about it," one industry analyst concluded.

The great interest in the May sale came as no big surprise to serious observers of the industry. Business Week had predicted "furious" bidding at the May 10 lease sale because of a "feverish black-gold rush in the Gulf [in which] new players are rushing to get in, while old ones scramble to return."

"Improved economics, better technology, and growing experience are converging in the Gulf of Mexico's ultra-deep water areas to fuel a new era of U.S. offshore development," the Oil and Gas Journal reported in March.

Forbes noted last November that Shell and British Petroleum admit they could develop the first 500 million barrels from the nearly 3,000 foot deep MARS platform at a cost of just \$3 a barrel!

The Wall Street Journal reported in January of this year that "industry executives believe tension leg platforms can be affordable in water as deep as 6,000 feet."

Oil executives are not making any of these decisions on the faint hope of a royalty holiday from Washington; like most business people, they do not make decisions on the hope of a tax break. They are going to the deep water for the same reason bank robber Willie Sutton went to the banks: that's where the money is.

And I would note that the national media has already figured out this outrageous scam. The Senate-passed royalty holiday has already been featured on NBC and ABC evening news programs as examples of outrageous waste.

False premise No. 2: Oil companies need the royalty relief contained in the Senate bill to finance development of deep water leases.

But the Senate bill doesn't merely allow the Secretary of the Interior to forgive development costs. It mandates that whenever the Secretary finds that royalties would present any obstacle to development on existing leases, royalties must be forgiven on no less than 17.5 million, 52.5 million, or 87.5 million barrels of oil, depending on the depth. And on future leases—for 5 years—there be no finding of hardship; royalties must be forgiven at the prescribed level, even if it is many times the true cost of development.

Now, it is not as though the oil industry is laboring under such tax burdens. According to the Congressional Research Service, the effective tax rate for oil and gas companies is just 17 percent, and independent producers enjoy a rate of zero, thanks to the depletion allowance, depreciation, and tax credits. And, the tax plan passed by the House would eliminate the alternative minimum tax, driving down the burden even further.

Last, let me address the argument that this royalty holiday costs taxpayers nothing, as its proponents claim. True, the Congressional Budget Office scored the holiday as having no cost, but only because of the clever way the question was phrased.

CBO says the holiday is without cost because it presumes that, as the bill asserts, deep water leases would not be developed without a holiday. Therefore, none of the revenues derived from these tracts would be realized without the holiday, and there is no loss to government from giving away tens of millions of barrels of oil.

Of course, the premise is absurd. As we have noted, companies are bidding on deep water tracts without a holiday. In addition, for future tracts, no finding of the need for financial relief is required, so the argument that there is no loss may well be unsubstantiated.

Last, as the CBO analysts have admitted to my staff, CBO's findings could just as easily apply to every cent of revenue ever derived from deep water tracts, even beyond the tens of millions of barrels allowed under the royalty scheme, because of the assumption that none of these tracts would have been developed but for the forgiving of royalty payments.

When my staff asked CBO whether the amounts of free oil given away by S. 395 bore any relationship to actual development costs—the supposed basis for the holiday—CBO admitted there is no relationship. The holiday may allow many times the amount of free oil required to pay back development costs.

So, CBO's conclusion is more a matter of defining the tracts as unproduceable absent a royalty holiday than accurate fiscal analysis. And the definition of the tracts is contained in the legislation itself. It is a purely circular piece of logic that camouflages a multibillion-dollar loss for the U.S. taxpayer.

Mr. Speaker, we cannot amend the royalty holiday provision today, but as sure as we are sitting here, it will be in the version of this bill that comes back to us from conference, where we will not be able to address it. The bill before you is the host for this parasitic legislation designed to suck away billions of dollars from the taxpayers who own this valuable oil and gas, and we cannot allow that legislation to pass.

We are lectured to "run government like a business." We are cutting programs for children, the elderly, the disabled, the sick, and the hungry. It is a scandal and a disgrace to

lavish billions of additional dollars on one of the wealthiest industries in America in an absurd inducement to encourage it to do what it is already doing: drill for deep water oil in the Gulf of Mexico.

If the Congress is adamant about giving a multibillion-dollars holidays away, there are many Americans far more deserving than the oil industry.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CALVERT], chairman of the Subcommittee on Energy and Mineral Resources of the Committee on Resources.

Mr. CALVERT. Mr. Speaker, I rise in opposition to the motion offered by the gentleman from Martinez, CA, to instruct House conferees to not agree to the Senate-passed provision providing an incentive for leasing of the Outer Continental Shelf lands in water depths exceeding 200 meters.

□ 1230

Mr. Speaker, I chair the Subcommittee on Energy and Mineral Resources of the Committee on Resources. We are the panel of jurisdiction on OCS oil and gas matters. I do not disagree with his assessment of the process at issue, the committee and subcommittee have not had a hearing on deepwater leasing incentives this Congress. However, the gentleman is very aware that the committee did hold an oversight hearing on June 23, 1994, on the "Economic Health of the Domestic Offshore Oil and Gas Industry" which focused on the desirability of incentives for the development of the Gulf of Mexico oil and gas resources.

The Clinton administration was non-committal at that hearing but has since agreed with legislative provisions drafted in the other body which provide an incentive to lease and develop deepwater tracts. The gentleman makes reference to a lease sale conducted by the Minerals Management Service a few months ago which did indeed bring in nearly one-third of a billion dollars in bonus bids, some of which were for deepwater tracts. But, the gentleman from California misses the point—as the CBO has acknowledged by the revenue score on this provision, while a certain volume of oil and gas which may be discovered and developed on such tracts will be royalty free, the lost revenue is offset by expected increases in bonus bids at competitive auction of such tracts. In other words, Mr. Speaker, had the deepwater incentives been in effect for the leases offered up for bid in April, the sum of the high bids would likely have been much greater than even the admittedly large sum which was collected.

The MMS believes this to be the case, as well, and has thrown its support behind deepwater incentives structured in the manner outlined in the Senate position. That is, the average depth of water in the lease tract determines the number of barrels of oil, or equivalent volume of natural gas, for which no

royalty would be due. Let me emphasize, Mr. Speaker the risk remains entirely with the lessee that hydrocarbon resources will be discovered in paying quantities. If a dry hole is drilled on a deepwater tract no royalty relief is available, of course, yet a bonus bid will have been paid to the U.S. Treasury, a bonus bid which will be incrementally larger than it would be without deepwater incentives. And if oil or gas is discovered, the economics of developing the field is enhanced such that wells will likely stay on line longer generating a larger domestic supply of an important resource.

For these reasons, Mr. Speaker, I join with the chairman of the Resources Committee in opposing the motion of the gentleman from California. We should give our conferees as much latitude as possible to strike a deal with the other body which best serves the Nation. This motion restricts our ability to achieve that end, and should be defeated.

Mr. MILLER of California. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, obviously there are not a lot of people on the floor now. I presume, and I sincerely hope that there are people looking in over C-SPAN in their offices or there are staff people and that they have not made their mind up on this.

I am speaking obviously in favor of this motion to instruct. Very frankly, I have been through this before on this floor. It has not succeeded yet, but I am appealing. You see I am looking right at the gentleman from Alaska [Mr. YOUNG] and the gentleman from California [Mr. CALVERT] now. I am sincerely making an appeal on the basis that I am the ranking member on the Subcommittee on Energy and Mineral Resources, and very happy to be working with the gentleman from California [Mr. CALVERT] and with the gentleman from Alaska [Mr. YOUNG].

Our Committee on Resources, what used to be Interior, while it has had a division of opinion as to what should be done and what is in the national interest, has always had great comity and we have worked together and respected each other's opinions. On this, I have worked very hard as the ranking member to try and be a good and productive person on the subcommittee and in the committee as a whole.

Obviously, coming from Hawaii, some of the issues that are involved here are something where people could say, "Well, you don't have to pay attention to it." But on the other hand that means I can be objective about it, too. I do not have axes to grind on this.

I want it made clear, I am for this kind of drilling. I am not opposed to the oil in the gulf. On the contrary, I see it as security for the United States. We do not have to go overseas looking for oil, either currently for our uses or for looking to reserves. I think it should be profitable. From my under-

standing of the situation, it is going to be. That is what bothers me.

Many of the people here in the House this year have made particular references about deficit reduction. I have found, in my membership on this Subcommittee on Energy and Mineral Resources, that everybody who comes in wants to get rid of the royalties.

This is due the public, it is due to the taxpayers. It is nobody being ripped off. If anybody is being ripped off, it is the taxpayer in the sense that these royalties go into the Treasury and help us to form the fiscal basis for being able to reduce the deficit, or able to fund other much needed programs.

That is why I am making my appeal to the gentleman from Alaska [Mr. YOUNG] and the gentleman from California [Mr. CALVERT] to have a revelation, to have an epiphany here on the floor as a result of this discussion, perhaps, that yes, you do see that we are not trying to stop people in Louisiana, we are certainly not trying to stop the oil companies from being able to make a profit. We want people to work. I do. I am for this as an activity, as I indicated.

But it is absolutely clear that there is no reason that is persuasive that, absent this royalty holiday, if you will, that the oil will not be drilled for, that the jobs will not be there, that the security of the United States in terms of being able to have oil will be mitigated in any way. It is quite the opposite.

I know that in other instances, other than just the oil question, where there are other minerals that are extracted on the mainland of the United States, they also want to get royalty relief. Yet I find that the States have severance taxes, they have excise taxes, they have all kinds of taxes that they impose. But when it comes to the Federal taxpayer being able to get a share in terms of revenues coming into the Treasury, we want to cut it off.

My bottom line is this, then: You cannot have it both ways. You cannot say that we are going to have deficit reduction, that we are going to cut spending and have table-thumping, table-pounding rhetoric in that regard, and then turn around and give all the money away. This is a real test.

I do appeal to the chairman of the committee and the chairman of the subcommittee, join with us on this particular issue. This was put in from the Senate side. This did not come out of the House.

The gentleman from California [Mr. CALVERT] is quite correct. There was a hearing in June 1994. It did deal with whether or not this was going to be an economic drag. What we found with the lease bidding, it is not.

I do appeal to you. This did not come out of our committee hearings. We have not had a fight over this in the House. We do not have to acquiesce to this in the Senate. That is what this motion to instruct is all about. Please join with us on this. Think about it a little, as to whether it is in our inter-

est to move ahead and simply acquiesce with the Senate.

I say on behalf of, I believe, our process in the House and the relationships we have on our Committee on Resources, and on behalf of the taxpayers who will not benefit from this move, please, let's agree with this motion to instruct. Let's try and do, for once, something that is sensible in terms of the security of our oil reserves and the security of our taxpayer, that we mean it when we talk about having the proper incentives vis-à-vis the Treasury.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in opposition to the motion to instruct. My friend the gentleman from Hawaii has asked some legitimate questions. Let me try to answer them if I can right now.

First, the Secretary of the Interior currently has the authority in new leases to grant initial royalty holidays based upon water depths. The notion is that we can and in fact in the next 5-year lease plan, the leases will contain royalty relief for these deep water drills. Why? Because they will not occur without some royalty relief. Louisiana has recognized the same thing in our State and has granted royalty relief to get wells drilled that would not otherwise be drilled. The Secretary has the authority as to new leases and intends to exercise it.

Second, he is not sure of his authority in regard to current leases where drills are not going to occur unless some royalty relief is provided. He is asking for a clarification of that authority. In fact, the Clinton administration and the Secretary of the Interior supports what the Senate has done in S. 158 which was negotiated at the end of the last Congress and is not contained in the Senate version of the bill we are debating now.

The motion to instruct would invalidate what the Secretary of the Interior and the Clinton administration want to see happen and in fact have encouraged the Senate to include in the bill we are debating.

What do they want to include? They want to include a provision that clarifies the Secretary's authority to grant royalty relief on existing leases in deep waters of the central and western Gulf of Mexico only in those areas where drills would not occur but for this royalty relief. In short, what the Secretary is asking for, and these are his words through Bob Armstrong, the Assistant Secretary of Land and Minerals Management, U.S. Department of the Interior:

We support S. 158. It is consistent with the administration's objectives. The deep water areas of the gulf contain some of the most promising exploratory targets in the United States but industry confronts substantial economic and technological challenges to bringing it into production. The responsible and orderly development of these resources are in the national interest.

Our Interior Secretary is asking for this clarification. The Senate has provided it in the bill. The motion to instruct would eliminate it. We ought to vote against this motion to instruct.

Why is it important to have this clarification? Because without it, the Secretary may not be able to in fact provide the same royalty holiday that he is going to provide in the new lease program on current leases that are not going to be developed without this authority.

The expectation is that if the Senate provision is adopted later on when the conference reports or later on by action of this House as well, that we are likely to see at least two new fields, and the Secretary of the Interior has said probably 12 new fields are going to be brought in that would not be brought in otherwise.

What does that mean? That means that we are not going to get that production unless this royalty relief is provided just as the Secretary has concluded new leases are not going to be developed in the next 5 years without some assistance to make sure that those leases are brought forward, some royalty relief.

Does it mean we are giving up the royalty income indefinitely? No. It simply means that a royalty holiday is provided to get the project started.

What is the effect of it? The effect is that if you bring in leases that would not otherwise be developed, the Nation gets the benefit of that oil.

Second, once the leases are in production and the royalty holiday is over, the Government then begins collection the money. The likelihood is that the Treasury will collect millions upon millions of dollars that it would not otherwise collect because the leases would never get drilled. It is that simple.

We in Louisiana who have been from time to time the No. 1 gas-producing State in America, the Nos. 2, 3 or 4 depending upon whose calculations and what kind of depression we are in oil-producing State in America, we in Louisiana have come to understand that. We give royalty relief for the same reason, to get the wells drilled. Once they are drilled and production is on board, the royalty holiday is over, then the people of Louisiana start collecting not only the benefits of the jobs and the production but the royalties from those fields that would not otherwise be drilled.

The Secretary of the Interior is asking for that same authority. It is on the administration's request now that the Senate has included this language. To adopt this motion to instruct is to go against the wishes of the administration and against the national interest.

I ask that Members oppose the motion to instruct.

Mr. MILLER of California. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, a holiday and a vacation is something you take normally. But this time what is happening is the American people are being taken. Because when you go on a holiday, you pay for it. What these guys want is the oil companies are going to get a holiday and the taxpayers are going to pay for it.

We have had stories on this floor about welfare queens getting double dips on welfare and we have talked about government outrages. This is the biggest check of all. This is someone in business buys an oil field, confident there is going to be oil there. They are going to drill for this oil. We say, "Wait, please stop, don't drill yet. We want to send you a couple extra million from the Federal taxpayers."

Again, who pays for the holiday? The taxpayers are going to pay for the holiday.

We just heard the previous speaker say these are lucrative fields. That means there is lots of oil in these fields. The oil companies bid for these fields without the prospect of this holiday.

□ 1245

Now, we are telling them, "Hang on just a minute, if you will just wait a little bit, we will give you some extra money." I do not understand this method of doing business.

Republicans come to Congress and they say they are going to run this place like a business. Yes, this is the way to run a business; when you are going out of business, when you are having a distress sale. We do not need to have a distress sale.

My colleagues would not run their family assets this way, and their family portfolios. They would not be sitting there after they had sold off a piece of land, they would not call up the buyer and say, "Wait a minute. Let me give you another million and a half dollars for you to farm that land. Let me give you a couple extra million dollars to drill on that land."

Mr. Speaker, this drives up the deficit and it shifts the burden to average taxpayers. This is a rip-off for the richest oil companies in America. This is welfare for people that have billion-dollar corporations. And for the rest of us, it is going to mean higher taxes for families in America.

Mr. Speaker, we will not be able to take a vacation to pay for this oil holiday for the oil companies that got this language in the bill.

Mr. YOUNG. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. HAYES].

Mr. HAYES. Mr. Speaker, the gentleman from Hawaii [Mr. ABERCROMBIE] said that he hoped that there were those who were watching on C-SPAN. I can just imagine the group that is watching in my home State of Louisiana, which consists of former employees in the oil industry in the United States, when there was a domestic program. But 450,000 of those people lost

their jobs because of incredibly short-sighted energy policy.

Mr. Speaker, what we are hearing this afternoon is, in the terms of the vernacular, logic that resembles a dry hole. What we have in the Gulf of Mexico is nothing more than an opportunity for which people compete and they take their technology and make a determination, through a bidding process, as to whether they will roll the dice in the Gulf.

If these gentleman are so sure of where there is oil, I can guarantee them they can get a much higher paying job in private industry. They can certainly do better from their seats here in Washington guessing where oil is than those poor engineers who have simply spent most of their life with an educated guess, 9 out of 10 of which ends up with a dry hole.

But what are we really talking about today? We are not talking about oil or even the politics of oil. We are talking about the politics of politics. Some of my colleagues live in areas where they do not have employees who understand this industry, and who realize the high risk and who also understand that you do not bid at all when the risk raises itself above those levels of not being rewarded in any way.

Mr. Speaker, the State of Texas is light years ahead of our policy. What did they do? They figured out that when they gave people incentives on marginal and low possibility land, they would do something they were not going to do anyway. That has resulted in revenue increases in Texas; not revenue losses.

The Secretary of the Interior must certify that the area under consideration for his leniency, and a delay of royalty payments, will not otherwise receive a bid or be drilled upon. It will not happen without this occurrence. It will not happen without his certification. And, therefore, we have both the logic, the inducement, and two States have already shown us that it is economically beneficial to do so.

Mr. Speaker, I cannot imagine having someone enter into a more easily predictable outcome based on the experience of two States that know an awful lot more about this subject than those folks who are so chagrined. If anything, it reminds me of being back in debate class when a group from Oxford once told me that an argument that I made was much like the way a drunk used a lamppost; it was support and not illumination.

We have heard a lot of that this afternoon from areas that would not understand what a rig looked like, would not know what a blowout preventer did, and by the way, that never offered one bit of assistance to the half million people who intimately are familiar with those areas of Kazakhstan, those areas in the North Sea, the areas around the world, because they had to give up their Louisiana jobs to go to work there and see their families now and again.

Mr. Speaker, we can help the Treasury, we can help an industry, and do them both at the same moment, and it is incredible to me that we would be wasting time arguing about it.

Mr. MILLER of California. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would first say the presentation by the two gentlemen from Louisiana is interesting. It is simply not factual. There is no certification by the Secretary for the new leases that we are talking about. And the fact is that this bill says that deep water is 200, 400 meters. The fact is that we have platforms that are working in 2,860 feet, 2,900 feet. And the Wall Street Journal tells us this is now profitable, developable oil at 6,000 feet of water.

So, Mr. Speaker, we run around chasing these people with taxpayer dollars to get them to drill in 400 or 500 foot water. Their rigs are in the water today at 2,900 feet, at 2,800 feet, at 3,000 feet, and they have an all-time record in terms of the gushers. Why? Because the technology blew right past this Government's policy. When the technology enabled them to see for the first time 3-dimensional formations, then they went back to the gulf, because the economics said go to the gulf; not because of us.

These rigs have been built. They have been built in Houston, they have been built in Louisiana, they have been built around the world, and we are sitting here debating the policy and the rigs are pumping oil today. They do not need any help from the Treasury.

Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, the question before the House is not whether these leases will be developed. They will be. It is now economical to go down to several thousand feet. They are predicting they will go to 10,000 feet in the future.

An article from Forbes, "Deep and Deeper," interviewing a gentleman who has developed a new company for deep-water exploration. "We think we can make serious money out of 20-million-barrel fields in 15,000 feet of water." An article from Business Day, the New York Times, "Oil Companies Drawn to the Deep," and on and on.

The fact is, these leases will be developed. The sole question before the House of Representatives and for the Members to think about before they vote is whether or not the free market will prevail and taxpayers will get a fair return for the depletion of these Federal resources.

That is the sole question before the House. Do we need to give the oil companies an incredible break for something they are already prepared to do; something for which the technology already exists; something that is already profitable? Do we want to give them a break to keep doing it? That is the question.

Are we going to run this Government like a business? Are we serious about

balancing the budget? Or do we have \$15 billion to give away to an industry that is beginning to again enjoy record profits?

Mr. Speaker, I think the average American parked at the gas pump filling up their tank would say, We do not think these companies need a tax break. They are already gouging us at the pump. I do not want them to gouge me in Washington, DC, too.

These leases will be developed without a tax break; without a break in the royalties.

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

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

Mr. MILLER of California. Mr. Speaker, these leases are developed. This bill responds to a problem that existed in 1988, 1989; not the economics of the oil industry worldwide today and not the economics of the American oil industry.

Mr. DEFAZIO. Mr. Speaker, this is, plain and simple, an attempt to obfuscate the facts. And for those around here who supported the balanced budget amendment, for those around here who are voting for these appropriations bills, slashing student loans, and they are going to cut Medicare, there are alternatives. The alternatives are to raise and maintain revenues.

Mr. Speaker, if my colleagues do not vote for this motion to instruct, they will be ceding another \$15 billion of revenues, royalty giveaways, to companies that are full well prepared to make profits under the existing scheme, but they are happy to take an additional \$15 billion of taxpayers' money. They are always happy to take more of the money that is due to the taxpayers.

Mr. Speaker, it is time to have true fiscal responsibility in this House, to stop BS'ing the people about the issue here. The issue is not development or nondevelopment or national security. We all agree they should be developed, but we do not need to give away \$15 billion to do it.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 4 minutes to the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Speaker, I rise in opposition to the motion to instruct.

Mr. Speaker, I am looking at what has happened over the years with the exploration of oil and it seemed to me that it was not too many years ago that we were talking about how we needed to develop our own resources here at home so that we could be more secure.

Mr. Speaker, I am looking at some of the budget arguments and I have before me a publication here from the Congressional Budget Office that talks about the economic impacts of trying to encourage drilling in the outer continental shelf and it says that no adverse budgetary impacts in most cases, and it goes ahead and lists four of those specific cases.

First of all, it says if the Department of the Interior waived royalties only

for production from existing leases that would otherwise be unprofitable and would shut down anyway, the Government would not lose receipts.

It goes on and says that if the Department of the Interior waived royalties only for new production from existing leases, the Government would not lose receipts in instances in which that new production resulted from some specific expenditures, for example, capital costs as in Senate bill 318, that the company would not probably make without a waiver.

Third, it goes on to say that the Department of the Interior, if it waived royalties only for new leases that firms in the industry would bid on, even in the absence of waivers, bonus bid payments which are categorized as offsetting receipts, would be likely to rise commensurate with the drop in the present value of future royalty payments.

A fourth case of no adverse budgetary impact would arise if the Department of the Interior waived royalties for new leases that would otherwise be unprofitable for companies to bid on. In other words, without a waiver of royalties, these additional lease sales would not occur under current law because potential bidders will view these lease properties as uneconomical. Hence, the net budgetary impact would be zero for pay-as-you-go purposes under the congressional scorekeeping rules.

Mr. MILLER of California. Mr. Speaker, I yield myself 30 seconds just to say, it is interesting, but the fact is the CBO analysis has already been disproved, because the leases are being developed. The rigs are on site. The oil is being pumped. It is being sent to market.

As the Wall Street Journal and the New York Times have pointed out, it is being sent to market now in record volume from the gulf. So CBO says if these leases were never developed, yes, we would never get any revenue. However, the leases are being developed because the development is being driven by the economics of the oil industry, not governmental policy.

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

Mr. VENTO. Mr. Speaker, I rise in strong support of the Miller instruction to the conference.

Mr. Speaker, my colleagues favored the export of Alaskan oil yesterday and they favor this bill today, but this issue has nothing to do with it. It is not, as has been described, some sort of a clarifying and technical amendment. It is a slam dunk.

This is the sort of issue, this issue added with no or little debate on the Senate floor, not subject to hearings in the House, is the reason that the American public is up in arms across this country when these actions happen in this House. How do the oil companies and the others get these type of fantastic billion dollar breaks? This will

make a good program for "Believe It Or Not" in terms of what is happening to the Federal budget.

Mr. Speaker, at a time when the majority is advocating \$280 billion in cuts in Medicare, then on the other hand they are falling all over themselves trying to give away the revenue of the Federal Government that comes from offshore oil, in this instance the deep oil resources. The majority of Republicans are falling all over one another trying to provide incentives. Incentives that are not needed.

Mr. Speaker, I listen to my colleagues talk. What is the effective tax rate on oil companies? The big ones pay 17 percent, the independents pay virtually nothing when all the deductions are taken into consideration. Who else in this country has a 17-percent tax rate or a zero tax rate?

But yet it is not enough that oil and energy corporations have decimated the Tax Code. Now they are going back to the royalties, those dollars that flow so that we can restore the natural resources and pay for some of the problems that are associated with the development of this deep oil development.

If this is such a good bill, why can it not be subject to hearings? Why can it not be subject to full debate? Why does it have to be a slam dunk on an unrelated measure? I will tell my colleagues why. Because this will not stand up to the light of day. That is why. It is bad process. It is bad policy. It is bad politics and it is a type of issue that ought to be stricken from this bill and stripped and given, if it can stand up to justification.

Mr. Speaker, I listen to my colleagues talk about free enterprise and how they are in favor of free enterprise, but yet there are some who want to play the game and rhetoric of free enterprise, they just do not like to practice it so much.

□ 1300

They do not like the part where they invest money, take a chance, and lose the money, and so what my colleagues in the Senate and the House here that come from these areas and represent those types of advocates are saying is when they have problems, when they have layoffs, when they do not have jobs, then we are going to come back and try to guarantee them they can have a profit no matter what.

What type of subsidy, what type of guarantees and assurance do you need? If there is a need for this subsidy, this measure not only gives the permits to go back or the Secretary to retroactively provide for a lifting of the royalties on existing leases, which would cost \$2.3 billion based on just the leases made in May, it mandates it prospectively also. There is no opportunity for flexibility or judgment, this Senate language mandates the application of this new policy.

What happens if the price of oil changes? That happens just about

every day. If the price goes up, obviously these leases and the recovery of this oil becomes even more economically feasible than today.

If this legislation were put in law, it is a policy. The money flows out no matter what.

Mr. Speaker, I urge support of the Miller motion to instruct.

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

Mr. Speaker, I rise in strong opposition to this motion to recommit, and it never ceases to amaze me the beautiful rhetoric that occurs on this floor and the emotionalism that happens with very little, what do I say, validity or honesty in it.

I suggest respectfully they ought to tell the truth. This is nothing more than the Secretary is already doing. The Secretary has asked for this. The Secretary has asked for this; in fact, I have a letter from Mr. Armstrong—

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

Mr. YOUNG of Alaska. No; no.

Mr. MILLER of California. You are accusing Members of not telling the truth. Will the gentleman yield?

Mr. YOUNG of Alaska. I apologize if they take it from that. The fact is Mr. Armstrong says, in fact, he needs this.

Mr. MILLER of California. This is nothing different than what the Secretary is already doing. This takes discretion away from the Secretary.

Mr. YOUNG of Alaska. Reclaiming my time; just sit down; reclaiming my time.

Mr. MILLER of California. You are accusing Members of not telling the truth.

Mr. YOUNG of Alaska. Referring to the Secretary, if I may—reclaiming my time—

The SPEAKER pro tempore (Mr. MCINNIS). The gentleman from Alaska will suspend. The gentleman from California will suspend.

Mr. YOUNG of Alaska. I say respectfully this is my time.

The SPEAKER pro tempore. The gentleman from Alaska will suspend. The gentleman from California will suspend.

The gentleman from Alaska controls the time. The gentleman from Alaska has reclaimed his time. The gentleman from Alaska now has the floor.

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

Mr. Speaker, may I suggest respectfully the idea I heard the word "gouge" at the pump, that the oil companies are gouging people at the pump; if we do not accept the gentleman's motion to recommit, they will be further gouged. That is not true. You know that. If there is any gouging at the pump, it is by this Congress, by other government agencies taxing these people that are using that gas. That is the high price of gasoline at the pump.

Let us not kid ourselves. That is where the high price comes for every

consumer. If you do not believe it, go down the list and see the amount of money you are paying for gasoline. Today it is probably less than 1951 for the gas itself. It is all the other money this Congress raises and every other government raises. That is what it is. Let us not use the term "gouge," that this is going to happen.

Again, may I stress this is an action on behalf of the administration, your President, your Secretary of the Interior. It is rare that I embrace Secretary Babbitt; I mean that does not happen. In this case, Mr. Babbitt has asked for it. The President has asked for it. It is very similar to what we have done and other countries have done, Canada, Norway, Great Britain.

May I stress one of the things that bothers me the most, the people talking for this motion to recommit have never ever supported any type of domestic oil production of any type, and may I suggest respectfully we never have, I have never done this, I have been here 24 years, I have never seen anyone that has been speaking supporting domestic oil production.

We have lost 400,000 jobs or more in this field, and we have sent our technology over to China, we have sent it to Colombia, we have sent it to Venezuela, we have sent it to Russia. I would feel a lot better if I thought for a moment they were sincere in this idea the taxpayers are getting ripped off. The taxpayers are not getting ripped off.

The CBO report says specifically this is budget neutral. In fact, what we will do, we will be raising money for the taxpayer because there will be areas where we will be drilling.

I also heard it is already happening. If you read it very carefully, what we are suggesting here, the Secretary can grant the so-called holiday, I call it incentive, in areas that are not profitable or will not be open, that have already been leased, or those areas that would be very difficult to develop a further stage in deep water.

Those who may be listening on the TV station in their offices, let me suggest one thing: If you want drilling off the coast of California, if you want drilling off the coast of Florida and Oregon and Washington and Maine and Massachusetts, North Carolina, if you want drilling there, then you go for the gentleman's motion to instruct conferees, because that is what will happen.

This is an incentive to try to get our remaining oil, domestic industry, further off, further into the Gulf of Mexico, and if it is profitable, it gives us the oil we should have.

So I am going to suggest the motion to instruct, if you really want drilling off your shores, which I have heard that no one wants, then you vote for the gentleman's motion to instruct the conferees. If you want to give the incentives that the administration wants, the Secretary of the Interior wants, those people are the ones that

suggested this, then I suggest that you vote against that motion and you vote with the committee and do not instruct.

Mr. HAYES. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Louisiana.

Mr. HAYES. Was this not the measure that passed the Senate by the vote of 74 to 25?

Mr. YOUNG of Alaska. Absolutely. What concerns me, we heard there were no hearings. There were hearings on this side of the aisle in 1994 under the committee on which the gentleman from California [Mr. MILLER] was chairman at that time. I can tell you there is a difference in the makeup of the Congress today, but I want to get back, this is not Democrat and Republican, as the gentleman from Louisiana [Mr. HAYES] will tell you, the gentleman from Louisiana [Mr. TAUZIN] will tell you, other people who have spoken, including myself. This is whether we are going to retain any type of domestic oil production in those areas that are very questionable in development.

So I am asking my colleagues to vote "no" on the motion offered by the gentleman from California to instruct conferees.

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

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

Mr. SCARBOROUGH. Mr. Speaker, I would like to give some very Republican reasons for supporting this Democratic motion, and I respectfully disagree with the chairman of the committee.

I have got to tell you the first reason is talking about fiscal sanity, we do not have this money to give up.

We continue to talk about getting tough with welfare recipients. That also includes corporate welfare recipients. This is corporate welfare any way you cut it.

Second, for many Republicans, I think the fact that the President and Secretary Babbitt support it is a good enough reason except for the fact that they do not know what they support. We have Secretary Babbitt coming to my district in the Gulf of Mexico one day saying that he is against any drilling in the Gulf of Mexico. The next day he is throwing out leases. That is fine, if that is the administration's position, if the administration supports this type of drilling, that is their prerogative, but I do not believe in forgiveness of this sort of debt.

The New York Times has reported, "The great oil rush of the mid-1990's is on and in a most unexpected setting, in the Gulf of Mexico. It will be the biggest thing in some time." Business Week has also reported that a "feverish black gold rush in the Gulf of Mexico has begun which new players are rushing to get in while the old ones are scrambling to return."

Let me tell you something, there is nothing questionable about what big oil wants to do in the Gulf of Mexico. I do not think we need to give them any more incentives.

If you believe in free enterprise, if you believe in the free market, then let the market prevail. Let the invisible hand prevail. We do not need any more Federal handouts.

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

I am terribly surprised the gentleman from Florida would speak as he just spoke. There is no loss to taxpayers. CBO says this. I agree with him, President Clinton, and Secretary Babbitt, as I mentioned before, but these are not true facts as far as loss of money. This is budget neutral. It also probably will increase moneys as we go forth and create new jobs.

Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from Alabama [Mr. CALLAHAN], a great leader and fine Congressman, one of the new cardinals in the U.S. Congress.

Mr. CALLAHAN. I thank the gentleman for yielding me this time, and I thank him for the very fine comments.

I sat here and listened to the debate that is taking place, and all of you make good points. All of us, though, are listening to the attack on big oil and all of us are talking about the loss of revenue to the Federal Government.

But in the State of Alabama, where we do have offshore drilling, let me tell you there are many more things that are so beneficial to the State than just the Federal taxation of it. That is the revenue that goes to the States.

The States participate in the AG sections. We receive royalties. Part of the royalties from that, in Alabama, we very wisely, in 1984, set up a trust fund, a perpetual trust fund. Gov. Edwin Edwards told me had Louisiana done what we did a few years ago, there would be no need for any taxation in Louisiana.

We set up a perpetual trust fund; all the royalties, all the taxes go into that perpetual trust fund. Now it has more than a billion dollars in that fund.

So what is that billion dollars doing? It is generating revenue for education, generating revenue for roads and other things in Alabama.

While we are talking about the Federal portion of it, let us not lose sight of the fact the States are the ones reaping a great deal of the monetary benefits of this.

I recognize the environmental concerns. We do not have those severe problems in Alabama. We have not had major oil spills. We have done it right, and the oil companies have done their job right.

But most importantly, let us not lose sight of the fact the States have been big beneficiaries of this money, and we want to increase this trust fund in Alabama, this constitutionally protected perpetual trust fund that someday, hopefully, will generate enough money

to provide all the educational needs in the State of Alabama.

I urge you to vote against this motion to instruct.

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

Mr. HINCHEY. Mr. Speaker, there currently resides in the deep water reserves of the Gulf of Mexico an estimated 15 billion barrels of oil. That is a large amount of petroleum. It is estimated to be probably twice the size of the celebrated Prudhoe Bay reserves.

These 15 billion barrels of oil are the property of the people of the United States of America. This Government has the responsibility to husband that resource and to make sure that the people get at least a fair return should that resource be developed, and it is in the process of being so developed.

That is the real question before us today. These resources will be developed. They are being developed, and, as a matter of fact, when the May 10 leases were up for bid, 88 companies submitted almost 900 bids for those leases which were let in May.

If the provisions of this bill were in effect, the Senate version of the bill were in effect when those leases were let, the taxpayers of the United States would have lost an estimated \$2.3 billion.

If the motion offered by the gentleman from California [Mr. MILLER] is not passed, it is estimated that the taxpayers of the United States will lose an estimated \$12 billion over the period of time that these resources are exploited by the petroleum companies who will successfully bid on those leases. That is the issue here.

This resource will be developed. It is only a matter of time. It is finite, as all of the petroleum resources of this planet are finite. It will be developed. The technology exists now to develop them. It is only a matter of time.

Will the people of our country benefit at all from this activity? We must pass the motion offered by the gentleman from California [Mr. MILLER] to instruct. Otherwise the taxpayers of this country will lose \$12 billion.

Again, I want to stress the gentleman speaks with little knowledge of what he speaks of.

Fifteen billion barrels, we have already produced 13 billion barrels in Alaska. We expect to produce about 4 or 5 billion barrels out of Prudhoe Bay. That is the largest single American domestic field we have ever had.

All I am asking for is the opportunity to develop those other domestic fields offshore and onshore.

I want to stress this very strongly, that this, without this amendment as proposed in the Senate side, there will be chances where there will be areas that would be developed, will not be developed, as we develop them; as I said before, get the wells drilled, get the people working, employ those 400,000 Louisianans that were lost. Let them

have the jobs that are needed and they will pay taxes. Our taxpayers will come out much further ahead.

If we adopt this motion to recommit, we, in fact, will lose the opportunity that we need for these frontier areas.

□ 1315

I will be very up-front with everybody. I even think this will be good in the State of Alaska outside of sale 92. We have some other areas that should be developed in very deep, deep water. Unfortunately the administration does not support that, we are not going to attempt to do that, but I do think, if we want to have a steady supply of oil for the United States, we have to look at these areas. We cannot balance the budget, we cannot have a sound economy, we cannot have people working, when we are importing over 52 percent of our oil today from overseas countries, and it is odd to me that every time we try to help our own domestic companies in some way, we are accused of helping big oil, or it is a rip-off, or it is a taxpayer's rip-off.

May I suggest, Mr. Speaker, the biggest rip-off is our buying foreign oil, and it is a policy that was set forth by some of the gentlemen that were speaking previously. The policy is to destroy the domestic oil-producing companies in this country, and they have done a good job of doing that. This motion to recommit will be a further attempt to destroy any of our domestic companies.

So again I urge a "no" vote on the gentleman from California's motion to instruct conferees.

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

Mr. MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Speaker, for the average American, perhaps the biggest financial break we get is in December when many credit companies inform us that in light of the holiday season, the minimum payment due for the month is waived.

That's the extent of it for the average, hard-working American.

Yet, under what the other body is proposing, it would be Christmas every day, all year, for some of the largest, multinational, oil conglomerates in the world.

They would get a holiday from having to pay royalties for drilling oil in federally owned waters.

A multibillion-dollar royalty holiday, at the taxpayers' expense, as an alleged incentive for these companies to do what they are already doing in the first place.

Now, whatever your position is on H.R. 70, the nongermane royalty holiday provision added by the other body to its version of this legislation simply has no business being accepted by House conferees as a middle-of-the-night deal.

That is why it is so important that the Miller motion to instruct be

passed, so that, in effect, we remove any temptation on behalf of some of our colleagues to fall prey to the wiles of the other body on this matter.

The bottom line: If my colleagues voted for the Klug-Rahall mining claim patent moratorium to the Interior appropriation bill last week, a vote for the pending motion would be consistent. It would be a consistent vote against the giveaway of America's natural resource wealth.

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

Mr. Speaker, I can only urge my colleagues again, as I mentioned before, let us leave the conferees work with the conferees. This is a Senate provision, not a House provision. I have said all the arguments, that this, in fact, was suggested, it was supported, it was promoted by Secretary Babbitt, Mr. Armstrong, President Clinton, and is also not a ripoff to the taxpayers. This, in fact, would increase moneys to the Treasury of the United States and mean that it will make us less dependent on those fossil fuels we are importing today.

Again the biggest ripoff to the taxpayers today is that oil we are buying from the sheiks, and that oil we are buying from the Qadhafis, and that oil is we are buying from the Saddam Husseins. That is a ripoff because the policy of those that were speaking in the well in the previous years that have driven our domestic industry off our shores overseas and not hiring our American workers. We have lost those jobs. We have got to try to get them back. We will have further legislation to bring more workers back to our shores. We will start developing our oil onshore, as it should be developed onshore, and we will have development in the gulf if we pass the amendment that was promoted by the Senate, or at least discussed by the Senate. But to have us instructed, or be instructed, by this motion by the gentleman from California is wrong for this Nation, it is wrong for the taxpayer, it is wrong for this conference chairman, it is wrong for this Congress to do.

So, Mr. Speaker, at this time I urge a large "no" vote on this motion.

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

Mr. MILLER of California. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. MCINNIS). The gentleman from California has 4 minutes remaining.

Mr. MILLER of California. Mr. Speaker, let me say that I represent as much, if not more, oil than anyone else in this Congress. I represent four of the seven major oil companies in this country and worldwide, and I represent many other oil companies in my district. We are a major, major economy dependent upon oil, and, when I talked to the executives of those oil companies, they made one thing very clear. They no longer make decisions based upon governmental policy because it is

too transitory. They make decisions based upon going to the bank, and showing them what they can do, and borrowing the money, and making the investment, and going to work, and they have decided now that the Gulf of Mexico is where they should go. They are going on their own hook. They are going in the private capital markets because that is where they can make the profit. They do not need this. They do not even want it, but we are going to give it to them.

Let me say to the freshmen in this Congress, Mr. Speaker, this is the process that they ran against. This is the process whereby a controversial provision is not considered in the House. There are no hearings. There is no debate. When we go to the Senate, where this was slipped into a bill with no vote, no debate, last year the Senate debated it, and it was killed overwhelmingly.

Now they managed to get it back in, as they can do in the Senate. It will be brought back to my colleagues, and they will have to vote up or down on whether or not to kill Alaskan oil, a provision that my colleagues overwhelmingly support. That is why Senator JOHNSTON is going to take this controversial provision, attack it to that bill in Congress, and my colleagues are going to get a choice on whether or not to vote to export Alaskan oil. My colleagues have already made that decision. They are going to make the second decision for my colleagues. They are going to put a giveaway of over \$15 million of taxpayer money to the major oil companies when they do not need it.

I say to my colleagues, you ought not to go along with that process because that's not the open government, that's not the debate, that you pledged to your constituents.

This is now tax loopholes get created in the dark of the night in the depth of the Senate. This is how corporate welfare gets created in the dark of the night in the depth of the Senate, and the House is told to take it or leave it.

Mr. Speaker, unless my colleagues vote for this motion to instruct, they will not get an independent vote, a separate vote, on the issue of a royalty holiday for some of the wealthiest, the least taxpaying, corporate entities in this country, and my colleagues are entitled to more, their constituents are entitled to more. But that is the game that is going on here. They are stacking the deck, they are rigging the game, so my colleagues will never get to confront directly this issue.

I say to my colleagues, this is your one chance. You vote for a motion to instruct, you vote to preserve your rights down the road to make a decision on whether or not you think this is good or bad, but let me tell you. All of the economic journals, all of the industry journals, tell you there is no need for this. Don't take my word for it. Look at Forbes, look at the Wall Street Journal, look at the oil press,

and they'll tell you this is the hottest property in the world. No tax incentives needed. Now, if you want to give that away in the middle of the night when you're trying to balance the budget, when you're out here hacking and hewing away at programs that it is tough to go home and explain if you're going to do that, then I think you're not playing fair with your constituents because what you say is the big guys with the lobbyists, the big guys with the lawyers, they can slide in under the process, they don't have to work in the daylight, they don't have to work out on the open floor. They can work inside of one Senator's mind about a problem that existed, a problem that existed 5 years ago, a problem that has been overwhelmed by world oil economics, a problem that has been overwhelmed by technology.

Mr. Speaker, the reason they are going there today is because they could not see the oil 5 years ago. This has no impact on State revenues because the States do not get any share of these revenues. They are not the A.G. revenues. This is simply a gift from the American taxpayers to foreign oil companies and domestic oil companies that do not need it. Vote for the motion to instruct.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from California [Mr. MILLER].

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

Mr. YOUNG of Alaska. 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.

This will be a 15-minute vote.

The vote was taken by electronic device, and there were—yeas 261, nays 161, not voting 12, as follows:

[Roll No. 565]

YEAS—261

Abercrombie	Brown (OH)	Crapo
Ackerman	Brownback	Creameans
Andrews	Bryant (TX)	Danner
Baesler	Bunn	Deal
Baker (CA)	Camp	DeFazio
Baldacci	Canady	DeLauro
Barcia	Cardin	Dellums
Barr	Castle	Deutsch
Barrett (WI)	Chabot	Dicks
Bass	Chenoweth	Dingell
Becerra	Clay	Dixon
Beilenson	Clayton	Doggett
Bereuter	Clement	Doyle
Berman	Clyburn	Dunn
Bevill	Coble	Durbin
Bilirakis	Coburn	Ehlers
Bishop	Collins (IL)	Ehrlich
Blute	Condit	Engel
Boehlert	Conyers	Ensign
Bonior	Costello	Eshoo
Borski	Coyne	Evans
Brown (CA)	Cramer	Ewing
Brown (FL)	Crane	Farr

Fattah	LaHood	Reed
Fawell	Lantos	Regula
Fazio	Lazio	Riggs
Filner	Leach	Rivers
Flanagan	Levin	Roemer
Foglietta	Lewis (GA)	Rohrabacher
Foley	Lincoln	Ros-Lehtinen
Forbes	Lipinski	Rose
Ford	LoBiondo	Roybal-Allard
Fowler	Lofgren	Royce
Fox	Longley	Rush
Frank (MA)	Lowe	Sabo
Franks (NJ)	Luther	Sanford
Frelinghuysen	Maloney	Sawyer
Frisa	Manton	Scarborough
Funderburk	Markey	Schroeder
Furse	Martini	Schumer
Ganske	Mascara	Scott
Gejdenson	Matsui	Sensenbrenner
Gephardt	McCarthy	Serrano
Gibbons	McCollum	Shaw
Gilchrist	McDermott	Shays
Gillmor	McHale	Sisisky
Gilman	McHugh	Skaggs
Goodlatte	McInnis	Slaughter
Goodling	McIntosh	Smith (MI)
Gordon	McKinney	Smith (NJ)
Goss	McNulty	Souder
Graham	Meehan	Spratt
Gutierrez	Meek	Stark
Hall (OH)	Menendez	Stearns
Hamilton	Metcalf	Stokes
Harman	Mfume	Studds
Hastert	Mica	Stupak
Hastings (FL)	Miller (CA)	Talent
Hefner	Mineta	Tanner
Hilleary	Minge	Tate
Hinchey	Mink	Thompson
Hobson	Moran	Thornton
Hoekstra	Morella	Thurman
Holden	Murtha	Torkildsen
Horn	Nadler	Torricelli
Hoyer	Neal	Towns
Hutchinson	Neumann	Tucker
Hyde	Ney	Upton
Inglis	Oberstar	Velazquez
Jacobs	Obey	Vento
Johnson (CT)	Olver	Visclosky
Johnson (SD)	Owens	Ward
Johnston	Pallone	Waters
Jones	Pastor	Watt (NC)
Kanjorski	Payne (NJ)	Waxman
Kaptur	Payne (VA)	Weldon (PA)
Kasich	Pelosi	Weller
Kelly	Peterson (FL)	White
Kennedy (MA)	Peterson (MN)	Williams
Kennedy (RI)	Petri	Wise
Kennelly	Pickett	Wolf
Kildee	Pomeroy	Woolsey
King	Porter	Wyden
Klecza	Portman	Wynn
Klink	Rahall	Yates
Klug	Ramstad	Young (FL)
LaFalce	Rangel	Zimmer

NAYS—161

Allard	Cubin	Hayworth
Archer	Cunningham	Hefley
Armey	Davis	Heineman
Bachus	de la Garza	Herger
Baker (LA)	DeLay	Hoke
Ballenger	Diaz-Balart	Hostettler
Barrett (NE)	Dickey	Houghton
Bartlett	Dooley	Hunter
Barton	Doolittle	Istook
Bentsen	Dornan	Jackson-Lee
Bilbray	Dreier	Jefferson
Bliley	Duncan	Johnson, E.B.
Boehner	Emerson	Johnson, Sam
Bonilla	English	Kim
Bono	Everett	Kingston
Brewster	Fields (LA)	Knollenberg
Browder	Fields (TX)	Kolbe
Bryant (TN)	Flake	Largent
Bunning	Franks (CT)	Latham
Burr	Frost	LaTourette
Burton	Gallegly	Laughlin
Buyer	Gekas	Lewis (CA)
Callahan	Geren	Lewis (KY)
Calvert	Gonzalez	Lightfoot
Chambliss	Green	Linder
Chapman	Greenwood	Livingston
Christensen	Gunderson	Lucas
Chrysler	Gutknecht	Manzullo
Clinger	Hall (TX)	Martinez
Coleman	Hancock	McCrery
Collins (GA)	Hansen	McDade
Combest	Hastings (WA)	McKeon
Cooley	Hayes	Meyers

Miller (FL)	Richardson	Taylor (MS)
Molinari	Roberts	Taylor (NC)
Mollohan	Rogers	Tejeda
Montgomery	Roth	Thomas
Moorhead	Salmon	Thornberry
Myrick	Saxton	Tiahrt
Nethercutt	Schaefer	Torres
Norwood	Schiff	Trafigant
Nussle	Seastrand	Vucanovich
Ortiz	Shadegg	Waldholtz
Orton	Shuster	Walker
Oxley	Skeen	Walsh
Packard	Skelton	Wamp
Parker	Smith (TX)	Watts (OK)
Paxon	Smith (WA)	Weldon (FL)
Pombo	Solomon	Whitfield
Poshard	Spence	Wicker
Pryce	Stenholm	Wilson
Quillen	Stockman	Young (AK)
Quinn	Stump	Zeliff
Radanovich	Tauzin	

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Bateman	Edwards	Reynolds
Boucher	Hilliard	Roukema
Collins (MI)	Moakley	Sanders
Cox	Myers	Volkmer

□ 1346

Messrs. FIELDS of Louisiana, TAYLOR of Mississippi, WHITFIELD, and SALMON changed their vote from "yea" to "nay."

Messrs. DICKS, BARCIA, WELLER, BAESLER, LONGLEY, FAWELL, GRAHAM, POMEROY, ENSIGN, CREMEANS, MCINNIS, HILLEARY, CRAPO, WELDON of Pennsylvania, CASTLE, FRELINGHUYSEN, BLUTE, MCCOLLUM, and HORN, and Mrs. CHENOWETH changed their vote from "nay" to "yea."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. ROUKEMA. Mr. Speaker, on rollcall No. 565, a motion to instruct conferees on the Senate provision regarding deep water oil drilling on the Alaskan North Slope oil, I was unavoidably detained in my office.

Had I been present, I would have voted "yes."

The SPEAKER pro tempore (Mr. MCINNIS). Without objection, the Chair appoints the following conferees on S. 395: On House amendment No. 1: Messrs. YOUNG of Alaska, CALVERT, BLILEY, MILLER of California, and DINGELL.

On House amendment No. 2: Messrs. YOUNG of Alaska, CALVERT, THOMAS, ROTH, BLILEY, COBLE, MILLER of California, HAMILTON, DINGELL, and MINETA.

On House amendment No. 3: Messrs. SPENCE, KASICH, and DELLUMS.

On House amendment No. 4: Mr. COBLE, Mrs. FOWLER, and Mr. MINETA.

On House amendment No. 5: Messrs. YOUNG of Alaska, CALVERT, and MILLER of California.

There was no objection.

□ 1345

GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the