works today, right now. Keep that program and defeat this reactionary change that has been proposed.

□ 1400

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. LINDER. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Commerce, the Committee on Government Reform and Oversight, and the Committee on the Judiciary.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. EVERETT). Is there objection to the request of the gentleman from Georgia?

Mr. DOGGETT. Reserving the right to object, Mr. Speaker, I would say that the Democratic leadership has been consulted and the ranking minority member of each of the committees the gentleman referred to.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

EXPORTS OF ALASKAN NORTH SLOPE OIL

Mr. LINDER. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 197 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 197

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 70) to permit exports of certain domestically produced crude oil, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Resources. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Resources now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. (a) After passage of H.R. 70, it shall be in order to take from the Speaker's table the bill S. 395 and to consider the Senate bill in the House. All points of order against the Senate bill and against its consideration are waived. It shall be in order to consider in the House, any rule of the House to the contrary notwithstanding, the motion to amend described in subsection (b). The motion to amend shall not be subject to a demand for division of the question. The previous question shall be considered as ordered on the motion to amend and on the Senate bill without intervening motion except one motion to recommit the bill with or without instructions. If the motion to amend is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments to S. 395 and request a conference with the Senate thereon.

(b) The motion to amend the Senate bill made in order by subsection (a) is as follows:

''(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 gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

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

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

Mr. Speaker, House Resolution 197 is an open rule providing for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Resources. After general debate, the bill shall be considered for amendment under the 5-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule the amendment in the nature of a substitute recommended by the Committee on Resources now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read.

House Resolution 197 authorizes the Chair to accord priority recognition to Members who have preprinted their amendments in the CONGRESIONAL RECORD. The rule does not require preprinting, but simply encourages Members to take advantage of the option in order to facilitate consideration of amendments on the floor of the House.

This rule allows the chair to postpone votes in the Committee of the Whole and reduce votes to 5 minutes, if those votes follow a 15-minute vote. Finally, this resolution provides one motion to recommit, with or without instructions.

Section 2 of House Resolution 197 provides for the consideration of S. 395 in the House. All points of order against the Senate bill and its consideration are waived and it shall be in order to consider the motion to amend S. 395 as described in the rule. Additionally, this section provides for one motion to recommit with or without instructions. If the motion to amend is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments to S. 395 and request a conference with the Senate.

The purpose of the underlying legislation, H.R. 70, is to lift the ban on the export of crude oil produced on Alaska's North Slope. This legislation was reported out of the Committee on Resources by voice vote and it has broad bipartisan support. This bill is clearly in the national interests, and by lifting the ban on exports, we can create tens of thousands of new jobs, drive domestic energy production, raise revenues, and reduce our dependence on imports. It is important to note that according to the Congressional Budget Office, H.R. 70 will reduce Federal outlays by about $50 million over the next 5 years.

This open rule was reported out of the Rules Committee by voice vote. I urge my colleagues to support the rule so that we may proceed with consideration of the merits of the legislation.

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

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of July 21, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	38	73
Modified Closed [3]	49	47	12	23
Closed [4]	9	9	2	4
Totals:	104	100	52	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of July 21, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

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

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

Mr. Speaker, the Republican majority of the Committee on Rules has recommended an open rule on H.R. 70, and the committee's Democrats fully support this rule. In addition, I support this bill.

H.R. 70 will lift the ban on exports of Alaskan North Slope oil which was imposed in 1973 as a compromise to allow the construction of the trans-Alaska pipeline in an era when the United States was subjected to embargos imposed by the oil-producing states of the Middle East. Mr. Speaker, the time is long past when this ban serves any useful strategic purpose and, in fact, this ban may have actually contributed to reduced domestic production. By freeing North Slope oil from this export ban, we will encourage further domestic production—both in Alaska and in the lower 48.

Mr. Speaker, the committee is also to be commended for including a provision in the rule which will expedite a conference on this legislation, and I urge support for the rule and the bill.

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

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

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

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

Mr. Speaker, I rise in support of this important initiative to authorize exports of Alaskan oil because it is vital to preserving the independent tanker fleet and the cadre of skilled men and women who proudly sail today under the American flag. There can be little doubt that our Government has a compelling interest in preserving a fleet essential to national security, especially one transporting an important natural resource.

Specifically, section 1 of the bill requires that, other than in specified exceptional circumstances, Alaskan crude exports must be transported by a vessel documented under the laws of the United States and owned by a U.S. citizen.

Mr. Speaker, I am aware that some have raised trade-related questions about this provision, but these issues have already been addressed by the trade experts in the administration, who have concluded that the bill is consistent with our international obligations. In his March 9, 1995, letter, a copy of which is attached to my statement, for example, U.S. Trade Representative Mickey Kantor stated that the bill does not violate our international obligations under WTO/GATT, the relevant OECD Code, or the GATS Ministerial Maritime Decision. In fact, he pointed out that ''the U.S. flag preference provisions * * * actually present opportunities for foreign flag vessels to carry more oil to the United States, in light of the potential new market opportunities resulting from enactment.''

As my colleagues know, current law already requires Alaskan oil to move to the lower 48, Hawaii, and Canada on so-called Jones Act vessels. When Congress authorized construction of the trans-Alaska pipeline system, it established export restrictions that had the effect of ensuring that North Slope crude would move to the lower 48 and Hawaii on U.S.-built, U.S.-owned, and U.S.-crewed vessels. Although the export restrictions have changed over time, there has been no change with respect to the requirement to use Jones Act vessels.

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

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

There are plenty of other examples of cargo reservation world wide. Our Government has entered into bilateral treaties with Latin American countries that preserve government controlled cargoes for national lines. These intergovernmental agreements are supported by pooling agreements among the lines that effectively divide all cargo, not merely controlled cargo, on the UNCTAD 40–40–20 basis, with the 20 percent being accorded to such third-flag lines as are admitted to the pools. Similarly, the French Government reserves for French-flag vessels substantial cargoes. The Act of 30 March 1928, for example, requires that, unless waived, two-thirds of France's crude oil needs be carried on French-flag vessels.

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

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

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

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

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

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

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

GATT

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

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

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

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

GATT GRANDFATHER CLAUSE

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

On its face, however, the proposed bill would not operate in commercial applications ''between points in national waters,'' since it

concerns the foreign trade. The proposed legislation would not amend the Jones Act and this does not jeopardize the grandfathering of the Jones Act by Annex 1A. The conformity of the bill with international obligations of the United States does not depend on this exception, but on the terms of those obligations themselves. As I indicated earlier, the proposed bill does not conflict with Articles III, V or XI of GATT.

OECD CODE

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

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

FCN TREATIES

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

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

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

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

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

I include for the RECORD a letter from Michael Kantor, the U.S. Trade Representative, as follows:

THE UNITED STATES TRADE REPRESENTATIVE, EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, March 9, 1995.

Hon. J. BENNETT JOHNSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR JOHNSTON: This replies to your letter of March 2, 1995, requesting information on the implications of the cargo preference provisions of S. 395 on our obligations under the World Trade Organization and the Organization of Economic Cooperation and Development (OECD). Specifically, you ask if the legislation violates any trade agreements, the potential legal and practical effects of a challenge, as well as its effect on the ongoing negotiations on maritime in Geneva.

As to WTO violations, I can state categorically that S. 395, as currently drafted, does not present a legal problem. Further, we do not believe that the legislation will violate our obligations under the OECD's Code of Liberalization of Current Invisible Operations or its companion Common Principles of Shipping Policy. However, the OECD does not have a mechanism for the settlement of disputes and its associated right of retaliation. While Parties to the OECD are obligated to defend practices that are not consistent with the Codes, the OECD process does not contain a dispute mechanism with possible retaliation rights. (The OECD Shipbuilding Agreement, by contrast, does contain specific dispute settlement mechanisms, although the Agreement does not address flag or crew issues.)

Your letter requests guidance on the implications of S. 395 on the GATS Ministerial Decision of Negotiations on Maritime Transport Services (Maritime Decision) which is the document that guides the current negotiations on maritime in the WTO. The Maritime Decision contains a political commitment by each participant not to adopt restrictive measures that would ''improve its negotiating position'' during the negotiations (which expire in 1996). This political commitment is generally referred to as a ''peace clause.'' Actions inconsistent with the peace clause, or any other aspect of the Maritime Decision, cannot give rise to a dispute under the WTO, since such decisions are not legally binding obligations.

There are, of course, potential implications for violating the peace clause by adopting new restrictive measures during the course of the negotiations. These implications could include changes in the willingness of other parties to negotiate seriously to remove maritime restrictions and might lead to certain parties simply abandoning the negotiating table. But the Maritime Decision does not provide the opportunity for retaliation.

Our view is that the U.S. flag preference provisions of S. 395 do not measurably increase the level of preference for U.S. flag carriers and actually present opportunities for foreign flag vessels to carry more oil to the United States, in light of the potentially new market opportunities resulting from enactment of S. 395. Thus, it would be very difficult for foreign parties to make a credible case that the U.S. has ''improved its negotiating position'' as the result of S. 395.

For reasons I have explained, we are certain that the U.S. flag preference does not present legal problems for us under the WTO. However, in the event any U.S. measure is found to violate our obligations, the WTO does not have authority to require alterations to affected statutes. That remains the sovereign decision of the country affected by an adverse panel ruling. A losing party in such a dispute may alter its law to conform to its WTO obligations, pay compensation, or accept retaliation by the prevailing party.

Finally, we agree with you that it would not be appropriate to include a requirement that ANS oil be exported on U.S.-built vessels.

I trust this information is of assistance to you. Please do not hesitate to contact me or my staff should you need more information.

Sincerely,

MICHAEL KANTOR.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

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

Mr. TRAFICANT. Mr. Speaker, I will not be offering my amendment that requires that these vessels be built in the United States, after further discussion with the chairman, the gentleman from Alaska [Mr. YOUNG], the ranking member, the gentleman from California [Mr. MILLER]. But I will be offering a very simple amendment, one that I think is important, to the substitute offered by Chairman YOUNG. I believe that it is necessary if we are to ensure that this legislation does not cause the loss of American jobs.

Mr. Chairman, in the bill it says, section 1, clause V, if the Secretary of Commerce finds that anticompetitive activity by a person exporting crude oil under the 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 in fact caused sustained material adverse employment effects in the United States, the Secretary of Commerce, in consultation with the Secretary of Energy, may—may recommend to the President appropriate action against such person, which may include modification of the authorization to export crude oil.

My amendment is very simple. It would delete the word ''may,'' and insert the word ''shall.'' This amendment would then require the Secretary of Commerce to take action if there is an energy crisis or if American jobs are being lost as a result of this legislation.

I do not think that we should leave to the discretion of some bureaucrat whether or not these adverse effects on employment and these other issues would require some action. The amendment would compel and require the Secretary to in fact make notice to the President of such actions.

I believe that this amendment has been agreed upon, and it is not a problem at this particular point. But I would just like to say this in closing with my remarks. I think we leave too much discretionary activities to bureaucrats who many times, and this is not painting any of these bureaucrats with a broad brush, but they may not necessarily have as much zeal with some of the connections that they may have in taking some of this action. So in essence, it would change the discretionary may in the bill for such recommendations to shall, and the Secretary would be compelled then to give that information immediately to the President, where such action could be taken in accordance with other actions and activity listed under this bill.

I think it is a commonsense amendment. I support it. I would like to say this. I support the bill. I believe it is good for American jobs, that it in fact maintains certain employment activities we have in the petroleum field right now and creates some new jobs.

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

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

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of this rule. I am pleased to see that the committee has granted Chairman YOUNG's request for an open rule which protects the rights of all Members to offer amendments. I applaud Chairman YOUNG for continuing the tradition of our committee by seeking open rules.

We do not agree, however, on the merits of this legislation. During the consideration of H.R. 70, I will be offering an amendment to restrict exports of Alaska oil to the amounts which are in excess of current consumption on the west coast. The bill as reported by the resources committee restricts the President's authority to protect U.S. interests by forcing him to choose between exporting 100 percent of the Alaska oil or no oil at all. The bill specifically precludes the President from finding that it is in the national interest to establish any volume limitations.

Additionally, Mr. Speaker, I would note that, upon passage of H.R. 70, the rule provides for a motion to bring up the Senate-passed bill, strike the text and insert the House language. While I have no objection to this procedure, I would caution my colleagues that they are buying into much more than they expect in this legislation at a substantial cost to the taxpayers.

The other body has included several matters which will come up in conference which would not be germane under House rules to the subject Alaska oil exports. I am particularly concerned about title 3 of the Senate bill which requires the Secretary of the Interior to grant a holiday on collecting royalties from oil companies which operate in the Gulf of Mexico. This relief is granted whether or not it is needed. For drilling in waters deeper than 800 meters, for example, title 3 would require no less than 82.5 million barrels of royalty-free oil for each lease.

The stated purpose of title 3 is to encourage oil development in deep waters of the gulf. Yet the oil companies are already encouraged without any help from the Government. The last two gulf lease sales have brought in record bonus bids. The gulf is now one of the hottest areas in the world for new exploration.

In my view, mandatory royalty relief would be nothing other than a taxpayer-subsidized holiday windfall for the oil operators in the gulf. This is new corporate welfare at its worst. If title 3 had been in effect just 3 months ago, the royalty holiday would have cost the Treasury at least $2.3 billion from the last lease sale alone.

So, Mr. Speaker, there is much more to H.R. 70 that will be considered in conference than just Alaska oil exports—and there are good reasons that House Members are unaware of the deep water royalty relief issue because:

There is no bill requiring a deep water royalty holiday in the House.

There have been no hearings on this subject in the Resources Committee.

But when we go to conference on H.R. 70, you can rest assured that the other body will insist that we include the royalty holiday in the conference report.

Without amendments to protect U.S. jobs and consumers, H.R. 70 is flawed and should be rejected. But even if we disagree on whether exports of Alaskan oil are in the national interest, I urge my colleagues to look ahead down the road because there is a big taxpayer ripoff headed our way from the conference.

□ 1415

Mr. FROST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 197 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 70.

□ 1418

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 70), to permit exports of certain domestically produced crude oil, and for other purposes, with Mr. BONILLA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

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

The Chair recognizes the gentleman from Alaska [Mr. YOUNG].

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

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Chairman, on the first day of the session, I joined with the gentleman from California [Mr. THOMAS] and a bipartisan group of Members in introducing H.R. 70.

Mr. Chairman, on May 9, the committee heard testimony from the administration, the State of Alaska, California independent oil producers, maritime labor, and other proponents of our proposed legislation. The administration testified in favor of the bill, but indicated that the bill should be amended, first, to provide for an appropriate environmental review, second, to allow the Secretary of Commerce to sanction anticompetitive behavior by exporters, and, third, to establish a licensing system. On May 17, the committee adopted a substitute amendment supported by the administration.

I am pleased to offer today a committee print that has the support of the administration.

The committee print would bring the bill in substantive conformity with title II of S. 395 and includes provisions requested by the administration. In a nutshell, the committee print provides for the following:

ANS oil exports—carried in U.S.-flag vessels—would be authorized, unless the President determined they were not in the national interest.

Before making his national interest determination, the President must consider an appropriate environmental review, as well as the effect of exports on jobs and consumers.

In making his national interest determination (within 5 months of enactment), the President could impose terms and conditions other than a volume limitation on exports.

The Secretary of Commerce then would be required to issue any rules necessary to implement the President's affirmative national interest determination within 30 days.

If the Secretary later found that sustained material oil shortages or sustained prices significantly above the world level had caused sustained material job losses, he could recommend appropriate action by the President against an exporter, including modification or revocation of the authority to export.

Administrative action under the bill would not be subject to traditional notice and comment rulemaking requirements.

As under S. 395, the President would retain his authority to later block exports in an emergency. In addition, Israel and other countries pursuant to the International Emergency Oil Sharing Plan would be exempted from the U.S.-flag requirement.

Finally, the committee print also would require the General Accounting Office to prepare a report assessing the impact of ANS exports on consumers, independent refiners, shipbuilders, and ship repair yards.

Enactment of this legislation would at long last allow exports of our State's North Slope crude oil when carried on U.S.-flag vessels. When enacted, this legislation will allow the State's most important and vital industry to finally sell its products in the global marketplace.

To put the proposed legislation in perspective, I think it would be helpful to explain the origins of current law. The export restrictions were first enacted shortly after the commencement of the 1973 Arab-Israeli War and the first Arab oil boycott. At that time, many people believed that enactment of the export restrictions would enhance our Nation's energy security. Indeed, following the second major oil shock in 1979, Congress effectively imposed a ban on exports. Much has changed since then.

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

Even though imports are up, they come today from far more secure sources than in the 1970's, when energy security was of such a paramount concern. Today, over half of our imports come from the Western Hemisphere and Europe. Mexico and Canada are among our largest suppliers. We not only are less dependent on the Middle East and Africa, but we have stopped buying crude from Iran, Iraq, and Libya. In addition, international sharing agreements are in place and the United States has filled a Strategic Petroleum Reserve with 600 million barrels of crude oil. In short, our Nation is no longer vulnerable to the supply threats that motivated Congress to act in the 1970's.

While we have taken the steps necessary to reduce our vulnerability to others, we have not done enough to encourage domestic energy production. In fact, production on the North Slope has now entered a period of sustained decline.

If I may just digress from my written statement, Mr. Chairman, last month the highest part of our trade deficit, which was the highest we have had in 7 years, was the importation of fossil fuels. In fact, the production on the North Slope has now entered a period of sustained decline. In California, small independent producers have been forced to abandon wells and defer further investments. By precluding the market from operating normally, the export ban has discouraged production in the United States. This bill is intended to change that situation. H.R. 70 would require the use of U.S.-flagged—U.S. crewed vessels, not U.S. built.

May I compliment my good friend, the gentleman from Ohio [Mr. TRAFICANT], for not offering that, because, very frankly, it would have caused us great concern within the shipbuilding industry and within the unions themselves.

Small independent producers have been forced to abandon wells or defer further investments. Faced with glut-induced prices for their own crude, these small businesses have laid off workers, further exacerbating market conditions caused by the long recession in California. By precluding the market from operating normally, the export ban has had the unintended effect of discouraging further energy production. We want to change that situation.

In an effort to quantify the likely production response and to evaluate benefits and costs of Alaskan oil exports, the Department of Energy conducted a comprehensive study last year. In its June 1994 report, the Department concluded Alaskan oil exports would boost production in Alaska and California by 100,000–110,000 barrels per day by the end of the century. The study also concluded that ANS exports could create up to 25,000 jobs as well. The sooner we change current law, the sooner we can spur additional energy production and create jobs in Alaska and in California.

As many Members of this body know, there has long been concern in the domestic maritime community that lifting the ban would force the scrapping of the independent tanker fleet and would destroy employment opportunities for merchant mariners who remain vital to our national security. In recognition of this concern, our proposed legislation would require the use of U.S.-flag vessels to carry exports. The U.S. Trade Representative has assured Congress that this provision does not violate our GATT obligations. Based on the testimony presented to the committee and our own assessment of the issue, we concur with the administration's view that this provision is fully consistent with all of our international obligations.

Our proposed legislation also ensures that an appropriate environmental review will be completed before the President makes his national interest determination. I think it is important to emphasize that in order to be in compliance with the National Environmental Policy Act, the environmental review required under the bill need not include a full-blown environmental impact statement, even if the review determines that some adverse environmental impacts may arise from exporting of ANS oil. As long as those impacts can be mitigated by conditions on exports included in the President's national interest determination, NEPA is satisfied.

We have given the President discretion to have the relevant agencies conduct the type of environmental review considered appropriate under the circumstances. In fact, the procedure set forth in the committee print for making the appropriate environmental review tracks the well-recognized procedure whereby an agency may forego a full environmental impact statement by taking appropriate steps to correct any problems found during an environmental assessment. If the EA does reveal some environmental effects, an agency may take mitigating measures that lessen or eliminate the environmental impact and, thereupon, make a finding of no significant impact and decline to prepare a formal EIS.

In its June 1994 Study, ''Exporting Alaskan North Slope Crude Oil,'' the Department of Energy ''found no plausible evidence of any direct negative environmental impacts from lifting the ANS export ban.'' Under the circumstances, we believe the review procedure established in the committee print—a 4-month study containing appropriate mitigating measures—properly balances the facts known to Congress and our policy objectives. Moreover, it fully complies with NEPA.

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

shipbuilding sector of our Nation. To reduce our net dependence on imports, we can take an important first step by enacting this proposed legislation.

The maritime industry and the oil industry have shown they can work together to promote the common good. We hope we can soon show that the administration and Congress can work together as well to promote our national security, spur energy production, reduce our net dependence on imports, and create jobs.

May I say in closing, Mr. Chairman, this is H.R. 70. They can insert everything after the enacting clause of the Senate bill as it passes the Senate. We will be discussing those things that will be argued today on the floor with the Senate in conference. Keep in mind we are working on a House bill that passed out of our committee pretty nearly unanimously by voice vote, and had strong bipartisan support.

Mr. Chairman, I urge the passage of this legislation and I reserve the balance of my time.

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

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

Mr. MILLER of California. Mr. Chairman, I hope that our colleagues are aware of the historic importance of this legislation. This bill signals the collapse of the oil industries' argument that producing oil in this country is vital to our energy security.

If we can afford to export Alaskan oil to Japan, Taiwan, South Korea and other countries when we are currently refining and consuming the vast majority of that oil on the west coast, then the arguments that we should develop our coastal waters or our wilderness areas ring hollow. When we can afford to export 25 percent of our production at the same time the Nation is importing over 50 percent of our consumption, the notion that imported oil is a threat to our economic security is hard to swallow.

For over two decades, Congress has dedicated Alaskan oil to meet our domestic energy needs—a crucial part of the compromise that allowed expedited construction of the trans-Alaskan pipeline. Since 1977, Alaska oil has provided the majority of oil for refineries in Washington, California, and Hawaii and most of the oil consumed by residents of those States as well as Oregon, Nevada, and Arizona. Tens of thousands of jobs in refining, shipbuilding, transportation, and other businesses are dependent upon the Alaska oil trade.

The only sure winners in allowing exports are one multi-national oil company—British Petroleum—and one State—Alaska. British Petroleum produces about one-half of the North Slope Oil and, if exports are allowed, can substantially manipulate the market prices for independent refineries on the west coast. The State of Alaska will see its revenues increase too, allowing it to continue its role as the State with the lowest personal tax burden and highest per capita spending in the Nation.

The losers in this endeavor are consumers, especially on the west coast, who are likely to pay more for their gasoline in the future. The losers are also the workers in refineries and the transportation sector who will see their jobs sacrificed and exported along with the oil.

I find it ironic that the proponents of exports rely so heavily on the Department of Energy's 1994 study promoting exports. The majority of the House voted to abolish DOE and the Republican majority consistently rejects the conclusions of the Clinton administration on other matters. But more importantly, DOE's study is flawed and based on outdated data.

DOE's projections of all benefits and no downsides from exports are based on its assumption that both a historic glut of supply on the west coast and depressed prices will continue.

But the DOE's assumptions do not reflect current reality. As the State of Alaska's Department of Revenue recently observed, Alaska North Slope oil ''prices at parity can be expected to occur more often in the future as ANS production declines and the most expensive transportation route to the gulf coast via Panama loses tanker traffic.''

In other words, if prices are at or near parity with world market prices and the supply glut on the west coast is diminishing, price increases will be not be absorbed by refiners—as DOE predicts—but will be passed along to consumers and businesses. Since California heavy oil is not an adequate substitute for light Alaska oil, refiners will be forced to look to more expensive, less reliable imported oil as a substitute. These price increases may have negative ripple effects throughout the entire economy.

Let me give you a real life example of why the DOE report is unreliable. DOE projects that up to 25,000 oil producing jobs will be created in Alaska and California by exports. This is remarkable considering there are only 34,000 of these jobs today. This is a questionable conclusion considering DOE assumes that British Petroleum will reinvest 100 percent of its profits from exports in Alaska. BP will give no such assurance, and it is even more dubious when job losses due to exports are disregarded.

Just last month, Pacific Refining Co. in Hercules, CA—which is in my district—announced that Alaska Oil exports are a factor in shutting down and eliminating over 200 jobs.

Mr. Chairman, this legislation purports to take potential job losses and price impacts on consumers into account during a Presidential Review of whether oil exports are in the national interest. However, the President is prevented by the bill from finding that a volume limit on exporting Alaska oil is in the national interest. So the President must chose between all or nothing. Given DOE's fanatical promotion or exports we know already what that decision will be.

I will be offering an amendment to delete the bill's restraint on the President's authority to set export volume limits and to require that the amounts currently refined and consumed in the west coast States are provided first priority with the excess eligible for export. This is an amendment that presents a reasonable compromise and puts the interests of us consumers and workers first.

I urge my colleagues to support my amendment and vote no on final passage of the bill if it fails.

□ 1430

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

Mr. YOUNG of Alaska. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, I rise to engage the esteemed chairman of the Resources Committee in a colloquy.

As the chairman knows, many people are extremely concerned about the environmental and economic impact of this bill. I share many of their concerns, and believe that we must ensure that the public has an adequate opportunity to participate in and be heard on this issue.

As you know, I had intended to offer an amendment that would have required a public comment period, unless the administration gave me a firm commitment to hold a public comment period or hearing before the oil is exported. It is my understanding that, with the chairman's assistance, the administration has now committed to hold at least one hearing before the President makes his national interest determination. Am I correct?

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman will yield. The gentleman is correct, and I would like to thank my colleague for his efforts in this regard. The administration has agreed to hold one or more hearings before the President makes his national interest determination. The bill requires the administration to conduct an appropriate environmental review within 4 months, and the hearings will take place within this process. The public will have a formal means of making its views known directly to the administration.

Mr. METCALF. I thank the chairman for his reassurance.

Mr. YOUNG of Alaska. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. THOMAS], a sponsor of the bill, a great leader who introduced this bill 10 years ago and has worked so diligently and hard. The gentleman deserves recognition for his effort in this great piece of legislation today.

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

Mr. THOMAS. Mr. Chairman, this is a kind of an exciting day for me. It is my own personal corrections calendar, if you will.

The gentleman from California made a number of assertions. Frankly, for 10 years we have been trying to get people to focus on whether or not we should require all of the oil production in Alaska by Government edict to come to the lower 48 States.

Because of geography, the lower 48 States basically are three: Washington, Oregon and California. When you take a look at the population factors on the west coast, overwhelmingly more than 800,000 barrels of oil a day come to California.

I represent the 21st District in California. It is in central California. Contained in that district, ever since I came to Congress in 1978, are 4 of the 10 largest oil fields in the United States, among the top 20 oil producing areas of the world.

The primary holding in this area is a Government holding. It is called the Naval Petroleum Reserve and it is an area that was called Elk Hills.

Let me take you back to the early 1970's and the mid 1970's when we had the scare of the Middle East being able to choke this country by cutting off oil supplies. Unfortunately and regrettably, the Congress, controlled by the then majority party, said that the condition for building a pipeline in Alaska was that all of that oil had to come to the United States.

When they took the Naval Petroleum Reserve and opened it up, it was to be held as a reserve. Well, as you know, when you produce oil, it is not a well with a straw in it. When you open it up, it begins to flow. The Congress also decided to store oil in salt domes, and the Strategic Petroleum Reserve was developed in Texas to be able to get oil in that manner.

The Elk Hills fields are naturally occurring fields. Much of the oil there is heavy oil and it requires heating or a tertiary process, as we talk about it, to bring the oil to the surface. Billions and billions of barrels of oil are involved.

During the Middle East oil crisis, President Ford opened up Elk Hills under the requirement of maximum efficient production, defined as most you could get out of the field. Then along the same time, something called the windfall profits tax was slapped in place.

Let me tell you what happens when Government gets into the economics of oil and the way the Government did in the 1970's.

Government told Elk Hills, produce at your maximum efficient rate, so Elk Hills began pumping oil out, primarily for California consumption because there is no reasonable way to move that oil out of California to the Midwest or the East. But at the same time the Government had said all of the Alaskan oil production had to come to the lower 48, which is basically California.

So here by Government edict you have maximum production of one of the largest oil fields in the world, in California, and by Government edict all the oil produced by one of the largest oil fields in the world in Alaska coming to California.

Obviously you had a depression of the price of oil, so that the production that would have occurred in California because of the increased price for oil did not occur. The continued expansion of Alaska production toward the maximum production of oil there, because of the depressed prices, did not occur.

So I have for the last 10 years been trying to reconcile this ill-conceived Government policy. Who in the world would want to maintain this kind of a ridiculous Government production by edict, which depressed the ability to respond to the energy crisis with domestically produced oil which would have made us more energy sufficient? Who would have said these tankers have to come up and down the west coast of Alaska, Canada, and the United States by Government edict, to threaten our very sensitive environment along the coast? Who in the world would try to maintain this policy? Who is benefiting by this policy?

Guess who benefits? People in California who get a guaranteed, fixed price, depressed, crude product to run through their refineries. And guess where the biggest refineries are? They are in the bay area.

These people are fighting to maintain this hypocritical policy so that they can continue to maintain the record profits because of the margin between what they pay for oil and what they can sell the refined product for. It is just ironic that people stand up in the name of the energy conservation, of national security, of the environment, to try to maintain record profit margins for these corporations.

We are pleased that the Department of Energy, the Department of Transportation, and the Department of Defense came together to do a study.

What they discovered is what we knew for a long time: that in fact this policy does not promote energy security, it puts us at greater risk; that in fact it depresses the ability to produce oil here in the United States, and in Alaska, and it does cost us jobs; and that it is more threatening to the environment to keep this policy in place than to remove it.

We believe that not because a Government study said that, because for 10 years we have known it. I am pleased to say today in the well of the House that I have a statement from the administration that at long last recognizes the simple economics of allowing the marketplace to determine the amount of oil produced and recognizes that there is no question that forcing tankers to ply the Pacific waters is indeed a greater environmental risk than to have some of it find its economic home somewhere other than the lower 48.

I am also pleased to have a letter from the maritime unions. AFL–CIO is in support of this legislation. More than 75 of my colleagues, both Democrat and Republican, have joined us as well.

This bill is long overdue. It is the proper thing to do, because H.R. 1530, the Defense Authorization Act, provides for the privatization of Elk Hills as well. If we are going to produce oil out of a Government reserve at its maximum efficient rate, you should not let Government try to be in the oil business of production and selling.

What we should do is privatize Elk Hills. Along with allowing the Alaskan North Slope oil in H.R. 70 to find its economic home, and privatizing Elk Hills in H.R. 1530, we go a long way toward correcting the crazy economics of oil policy that has been in place for almost 20 years. It is indeed an exciting moment.

I want to thank very much the chairman of the Committee on Resources who, although he comes from Alaska, I know because of his understanding of the way things work would have been supportive of this bill, notwithstanding the fact that he represents the State. It is just a pleasure to work with him to correct a policy that did not augur well for the citizens and the economy of Alaska. It has not augured well for the citizens and the economy of California. Indeed, it has been a tragic mistake for all Americans over the last 20 years. It is a pleasure to support H.R. 70 and correct this problem.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, this legislation should be retitled. It should be retitled ''Let's Not Learn From History,'' because what we are doing here, is we are setting ourselves up again. We are setting ourselves up to rapidly exploit the reserves that exist in Alaska, put pressure on ANWR and other sensitive environmental areas.

I know some people believe in that. They ought to stand up and say that is what they want to do. But worst of all, at a time when we are more vulnerable than ever to Mideast oil and to the blackmail of a Mideast oil embargo, we are about to contract American oil off someplace else.

The House rules prohibit me from mentioning the names of the junior Senator in the other body, from referencing any Member of the other body, so I cannot do that. But let me tell you that people in both bodies in the Congress, which I can reference, have made statements about where we are oil-wise.

This is not a liberal Democrat or somebody that wants to break this historic decision that we have had to protect the resources in Alaska and thereby prevent the pressure for immediate

exploitation of all our reserves. This gentleman says,

Mr. President, there is no question that each day our energy situation is increasingly in peril. In 1973, the year of the Arab oil embargo, we imported 6.3 million barrels per day of crude oil and refined petroleum products. We were 36 percent dependent on foreign oil. Today we are 50 percent dependent on foreign oil.

So where are we? At a time when we are more dependent than ever on the importation of oil from a part of the world that is still politically unstable, we are going to take our oil and we are going to contract it to the Japanese.

What is that going to do? First of all, if there is a crisis, we are going to have to go back and say to the Japanese, ''Gee, we need this oil back,'' which is going to create other problems and complications for the Government. But it will do several things.

It will accelerate the exploitation of Alaskan oil. What does that do? Well, that means the day when America is bankrupt oil-wise is closer. At a time when we ought to be making long-term planning for the proper utilization of our natural resources, we are going to create a fire sale. Let's sell this product off, let's get it out there, let's get rid of it and then we'll be completely dependent on the Middle East or some other part of the world.

There are other places, by the way, where there is oil. There is Kazakhstan that is finding all these great reserves. That is so good an area to operate in, even the oil companies that have found oil cannot get it out of there because of the political situation.

Here we are, not that long after the 1973 oil embargo, and what are we trying to do? We are trying to make the United States more dependent on oil from regions of the world that are politically unstable.

Yes, I think we ought to amend the title of the bill. It ought to be the ''Let's Not Learn From History Act,'' because that is what we are doing here. We are wasting our future, we are endangering our children with this piece of legislation.

Mr. Chairman, I rise in strong opposition to this bill.

H.R. 70 is a sellout of America.

This bill purports to allow the sale of Alaska oil, and it does.

But what the proponents of this bill do not say is that this bill is really selling out the interests of American workers, American consumers, American national security, and the American environment.

And this sellout of America is to benefit British Petroleum and the State of Alaska.

This bill will sellout American consumers, American workers, our environment, and our national security just to allow this huge British company to sell Alaskan oil to the Japanese.

So, the British and the Japanese will win and the Americans will lose.

States that depend on Alaska oil will lose.

States with industries involved with the shipment of Alaska oil will lose.

States with industries involved with the construction and repair of Alaska oil tankers will lose.

It is only the State of Alaska, the British and the Japanese who win.

American consumers will lose out because the export of Alaska oil will increase the cost of oil here at home.

This should not come as a surprise—it is the law of supply and demand.

The less oil we have here at home, the higher the cost to the consumer.

It will not only hurt the consumer at the pump—it will also increase the crude oil acquisition costs of independent refiners.

American workers will lose out because under this bill, the ships that carry Alaska oil do not have to be built in the United States.

Thousands of jobs for American shipworkers will be eliminated.

So, not only will the United States be shipping oil to Japan, we will also be shipping jobs abroad.

Today, ships carrying Alaska oil to the west coast must be built in the United States.

Under this bill, ships carrying Alaska oil to Japan will not have to be built in the United States.

Not only will thousands of shipbuilding jobs be lost.

Hundreds of seagoing jobs aboard tankers carrying Alaska oil to the lower 48 States be lost.

Thousands of ship repair jobs will be lost to subsidized Asian shipyards.

The American environment will lose out in several respects:

First, the export of Alaska oil will increase the demand for domestic oil—and therefore lead to drilling on the California coast and in the Arctic National Wildlife Refuge.

Second, since the United States will have to import more oil from the Middle East, the risks of oil spills on the west coast will increase: bigger tankers will be used, increasing the risk of a spill; with the use of bigger tankers, there will have to be more transfers of the oil at the port, thereby increasing the risk of spills.

Finally, the sale of Alaska oil abroad will also sell out our national security.

Now is not the time to make the United States more dependent on the supply of oil from the Middle East.

Why in the world are we allowing the export of domestic oil when the natural consequence of that is to increase our need to import oil from the countries in the Middle East, including Iran?

Why are we allowing ourselves to become dependent on countries like Iran?

There have been times in the past when the lack of domestic oil forced us to depend on oil from the Middle East.

This amendment will voluntarily make the United States dependent on Middle East oil. That makes no sense.

So, we are sacrificing American consumers, American workers, our environment, and our national security—all for the benefit of British Petroleum and the State of Alaska.

A vote for this bill is a vote for British Petroleum and the State of Alaska—and no one else.

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

Mr. Chairman, I would just like to compliment the gentleman from Connecticut for a great political speech. It had very little meat in it. A lot of, very frankly, assumptions were not true. We know what has happened to the world market of oil. We know the supply and demand. We know there is a glut on the west coast. We know that some people had a sweetheart deal. Very frankly, there are other areas that produce oil.

Mr. GEJDENSON. Will the gentleman tell me what part was not true?

Mr. YOUNG of Alaska. Mr. Chairman, I will not yield. I did not mention the gentleman's name. I did not mention the gentleman's name. I am just going to suggest respectfully, we could drill off the coast of California.

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We could drill off the coast of Florida, Massachusetts, North Carolina. We could do those things. But we have to understand the marketing principle of oil. What has happened here, the only State in the Union which required in 1973, the only State that owns its own oil, was required to transport it to, by law of this Congress, really one market. And as the gentleman from California mentioned, we also required the full maximum production of oil out of Elk Hills. It was a classic example of Government interference in the marketing capability of a resource. And it has been a disaster that has decreased production of our domestic oil producers and made us more dependent.

Let us keep in mind also that there will be, in fact, a different type oil in many cases that will be shipped to the Asian market that has no place in the United States, that is high in sulfur, and is what we call coal oil. There is a market in the Asian countries that do want this oil. It will not be just Prudhoe Bay oil; it will be an Alaskan oil.

Mr. Chairman, we have also heard the statement we are going to exploit. If anything, we have not, very frankly, explored enough, because as I mentioned in my opening statement, the highest trade deficit mark, highest in 7 years, is the importation of fossil fuels that do not come necessarily from the Far East, but other countries, because we killed our domestic production.

This is an attempt to make the marketplace work; an attempt to open other fields and to get some of our independent oil producers back into the field.

So, Mr. Chairman, I suggest respectfully, I know rhetoric is very popular on this floor, that we look at the facts, the people that support it, including this administration. Those that are directly affected support it and it was wrong to begin with and it is time that we lift that ban.

Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. BURR].

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

Mr. BURR. Mr. Chairman, I rise in support of H.R. 70 which lifts the ban on exporting Alaskan crude.

The current ban on exporting Alaskan crude contained in the Energy Policy and Conservation Act, the Export

Administration Act, and the Mineral Leasing Act has several negative impacts. Among other things, it has lead to artificially low prices for heavy crude on the west coast, thereby discouraging some otherwise profitable oil production in California. I believe this bill will lead to increased domestic oil production, increased oil industry related jobs and preserve existing maritime jobs.

The Commerce Committee supports the amendments made by this act to the Energy Policy and Conservation Act and the other relevant statutes, so that Alaskan crude can be exported to the Pacific rim and elsewhere. It is important to note that EPCA is amended only with respect to export of the crude specified in the statute. No other modifications are made. Significantly, the United States obligations under the International Energy Agreement are unaffected by this provision. Finally, because of the legislation's impact on EPCA, I and other members of the Commerce Committee will continue to follow this bill through the legislative process and excessive oversight over its implementation.

I support H.R. 70 and urge my colleagues to do the same.

Mr. YOUNG of Alaska. Mr. Chairman, I reserve the balance of my time.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I commend and thank the gentleman from California [Mr. THOMAS] for all the good work the gentleman has done over the years in advancing legislation and I commend the gentleman from Alaska [Mr. YOUNG] for his efforts too.

As an original cosponsor of H.R. 70, I rise in strong support of the committee's proposed bill. Although current law may have made a great deal of sense in 1973, like many other laws, it is now having the unintended consequences of reduced domestic oil production resulting in job losses in many parts of the country.

We, therefore, should support this legislation and repeal the ban and authorize exports of Alaskan North Slope oil. As reported by the Committee on Resources, H.R. 70 has been endorsed by the Clinton administration. The bill is also supported by small and independent oil producers, including the California Independent Petroleum Association and, in addition, because the bill would require exports to be carried on U.S.-flag vessels, it also has the strong support of maritime labor. The legislation is particularly important to the independent producers who make up a vital element of the industry.

The independent producers testified before the Committee on Resources that current law forces oil from the No. 1 producing State, Alaska, into the number three producing State in the country, California.

By creating this artificial glut, the law continues to depress California heavy crude production. Though no one in 1973 would have predicted that the original export restrictions would force job losses throughout my State, today independent producers are forced to bear the unintended consequences of that action.

The Department of Energy did do a study that many of us support, and a study where some of the conclusions, I think, may be a very compelling argument for this legislation: That oil production, because of the passage of this legislation, will increase by 100,000 barrels per day; that we will see up to 25,000 jobs being created by a result of increase in investment; we will see State and Federal revenues that will increase by hundreds of millions of dollars well into the future.

These benefits can be achieved with little if any impact on consumer prices. When Congress enacted the Trans-Alaskan Pipeline System in 1973, it did not ban exports. Rather, it recognized that exports might some day be in the national interest and as the Department of Energy studies demonstrate, that day has arrived.

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

Some of my colleagues have argued that this is not a good policy to allow for the export of Alaskan oil. But the bottom line is, this policy, if it is enacted, will increase the profitability, it will increase the financial viability of independent oil production, which will increase the productive capacity of oil production in this United States. That clearly contributes to increased energy independence and clearly is good policy.

H.R. 70 will enhance our national energy security, it will create jobs, and it is good policy. I urge my colleagues to vote yes on the pending legislation and against any weakening amendments.

Mr. MILLER of California. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in opposition to this legislation.

Mr. Chairman, the principal inherent in the laws that passed in the early 1970s was a keen awareness of the need for American energy independence, or at least a greater degree of it than existed at that time.

Events that have occurred since then really increased the vulnerability and the concerns that were stated in the early 1970s. It is true that there have not been as severe embargoes as occurred in the early 1970s, but the fact is that today we are importing nearly 50 percent of our crude oil.

Those that argue in favor of lifting this ban somehow come to the logic that if somehow we export oil from the United States, in this case, of course, from the Prudhoe Bay area and from other areas on the North Slope, that that is going to help us build independence. They argue that, in fact, the fact that we restrict the marketplace for this oil only to the United States results in lower prices in terms of Alaskan oil.

Mr. Chairman, I would remind my colleagues, and those that are interested in this topic, that, in fact, all of this oil comes principally off public lands. There may be some private lands; some State and some Native American lands.

Mr. YOUNG of Alaska. Prudhoe Bay is all State lands.

Mr. VENTO. Mr. Chairman, I would argue anyway that it is a public resource area and is something that should ensure to the benefit of our independence with regards to oil and to the leases that are present in this area.

So, the idea that their is some continuity or some connection between the lands that were in this case originally Federal lands, national lands, and that we were looking for a benefit, in fact, some greater degree of independence, and I might say, it has not come at great sacrifice, I do not think, to Native Alaskans or Alaskan citizens or those of the United States, because there are revenues and royalties that have flowed to them that the production in this area, has been, I think according to expectations, it has been good and there has been substantial benefit that has flowed to Alaskans and to others from this.

Mr. Chairman, all we are asking is that the greater degree of benefits be permitted to flow and continue to be available as a backstop of independence to the American people.

I do not think the sponsors of this necessarily have answered that particular question with regards to an increased amount of dependency on imported oil.

Furthermore, of course, at the same time we are arguing that we are arguing for greater and greater areas to be opened up, it seems to me that certainly this change in policy will add additional pressure to Federal public lands in Alaska.

I do not think that the public asks too much in terms of having the use of these Federal resources, when and if they are used, and State resources, indirectly Federal resources, when and if they are used, that there is benefit that flows to the people broadly across the country in terms of energy independence.

Mr. Chairman, we are certainly, I think, in a more vulnerable position today than we were in the 1970s. Hopefully with the conclusion of the Cold War and other activities, we would have greater independence, but I fear that we do not. In fact, many of these areas, some would argue, are even more vulnerable than they were before.

Mr. Chairman, the argument to export this oil and then at the same time to scream that there is a shortage with regards to Alaska, when 90 percent of the coast of Alaska is available for oil,

obviously will tend to put more pressure on the Arctic National Wildlife Refuge and we know the qualities and importance of that area, even though there is only a 1 in 5 chance of finding oil there, there will be greater hue and cry to put pressure on there.

Mr. Chairman, I think that those who are hurt here are the consumers. What is hurt is the environment and what is hurt in national security. The gains in terms of production for those that want the symmetry of some sort of free market in a world where there is not a free market, certainly in oil, is an illusion more than a reality. This is short-term gratification in terms of getting a few more dollars in the hands of those that sell the oil today, but long-term problems.

Mr. Chairman, I do not think that we need a policy that suggests we need to drain and develop all of our oil and resources out of this country first and export it to the Pacific rim. I think there are greater benefits that can be achieved in terms of conservation and other activities that have been spurred, rather than building up and exporting what are essentially U.S. resources and U.S. security.

Mr. Chairman, I speak in opposition to the bill.

As the sponsor of the bill to protect the Arctic National Wildlife Refuge as wilderness, I see today's effort to change the law regarding the export of Alaskan oil to the Far East as yet another way to promote the oil and gas development of the Coastal Plain of the Arctic Refuge. Ending the oil export ban would no doubt increase development pressure for sensitive areas like the Arctic National Wildlife Refuge. As long as the Arctic National Wildlife Refuge is not permanently protected as wilderness, lifting the ban on the export of Alaskan oil is a presents risk for those of us committed to the long-term protection of this special area.

The policy inherent in this measure is short term gratification revenue today but long term problems tomorrow. There are those who see no connection and argue the relationship between lifting the export ban on Alaskan oil and the desire to open the Arctic Refuge to oil development. Perhaps pointing out the publicity in the rationale behind these two proposals will help shed light on my concerns.

The rationale for lifting the export ban on Alaskan oil is that there is so much North Slope production that it can't be absorbed on the west coast. By allowing the export of the so called surplus, Alaska and the oil producers will profit by not having to expend resources and funds to ship American oil to the gulf coast. This means Prudhoe Bay oil will be exported.

The rationale for opening ANWR on the other hand is that the United States is facing a national security risk from oil imports, which now exceed 50 percent of consumption. The thinking is that the country must have Arctic Refuge oil if it's going to protect itself from exploitation. But meanwhile Prudhoe Bay oil is about to be exported.

How is it OK to export oil because there's too much being produced but there's a national imperative to drill for more because the Nation isn't producing enough? In most circles, that's talking out of both sides of your mouth. The debate of these two issues is losing something in translation: common sense. What is really going on is that the consumer, national security, and environmental concerns are receiving short shrift, while the special oil interest get what they want: profit and public resources.

The sacrifice of Alaska's environment in the Arctic and Prince William Sound was not authorized by Congress just to make money for the State of Alaska or British Petroleum, but importantly for the national security and energy independence of the people of the United States. Today, we can look back at the true cost and impact. What works and what doesn't.

One of the most important compromises in securing congressional authorization for the construction of the Alaska pipeline in 1973 was the promise that Alaskan oil would be used only in the United States and never exported. The basis for the promise was that if we are going to sacrifice the Alaskan environment for oil production, all of the oil ought to be used for U.S. domestic consumption.

That was the view then, and it should be borne in mind today. The Coastal Plain of the Arctic National Wildlife Refuge belongs to each of us as citizens of the United States. There will never be another place like the Arctic Refuge in our national lands. Incidentally its of interest that vast stretches of Alaska's coastal waters—an estimated 90 percent—are now available for development, but those who hold the leases often delay and speculate playing the market for better prices or deals to increase their profit too often at public expense. There are many other environmental reasons to keep the ban in place that stand on their own concerning the export of Alaskan U.S. domestic crude oil:

The risk of oilspills would increase dramatically. Ships would be traveling in waters that are usually relatively free of tanker traffic but experience some of the worst weather conditions in the North Pacific. In addition, in the wake of the *Exxon Valdez* spill, Congress passed legislation requiring double-hulled tankers to reduce the risks to the sensitive coast of Prince William Sound. If the tankers for Asian trade turn out to be ''U.S. flagged''—U.S. crews—but not ''U.S. built''—Jones Act—then British Petroleum can avoid the requirement that new tankers be double hulled. This will save millions for BP, but increase the risk of massive oilspills like the *Exxon Valdez.*

In addition, environmental and safety problems plaguing the trans-Alaska pipeline are legion. More than 10,000 safety and electrical violations on the Alaska pipeline have been identified, many of them serious. The ballast treatment facility at Valdez is currently inadequate to handle the tankers that call on it now, and larger tankers for foreign trade would be likely if the ban is lifted.

The oil industry should not be rewarded with higher profits from shipping North Slope oil at the same time it is requesting exemptions from environmental laws. Alyeska, the corporate entity, which runs the pipeline for British Petroleum and the other oil company owners, has for years avoided proper controls and limits on air pollution caused by fumes that are released during tanker loading and recently requested a 12-year delay in meeting air pollution standards for the Nation's largest tanker terminal at Valdez. Lifting the ban would open the door to tankers twice as large. Once we start down this path if appears that the special interests don't quit until they have circumvented most environmental laws and regulations. Lifting the ban on North Slope oil exports would increase sales and enhance revenue for many Alaskans. However, that additional income for a few of our citizens must be weighed against the concerns of the rest of the Nation. Many speculate a few more dollars if the oil is exported, but what of the 1970 promises, and who will answer when a new energy crisis arises and our domestic energy security is pledged abroad? Will we then come stumbling over one another to give short shrift to the sanctity of trade contracts in the face and name of crisis?

Mr. MILLER of California. Mr. Chairman, I yield myself 1 minute just to correct the statement by the gentleman from California who said accurately that most of the major refineries are located in the San Francisco Bay area. That is correct and they are also located in my district.

Mr. Chairman, I say to the gentleman that most of the major refineries are noncommittal on this legislation. I do have two refineries in my district that are opposed to this legislation; one which unfortunately is going to be closed by the time it passes, and the other which is concerned about its supply.

But I want to let the RECORD stand corrected with respect to the large refiners in the bay area. Most of them have been nonfactors in this.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I rise in support of the bill. Somewhere between the analysis of the gentleman from California [Mr. MILLER] and the gentleman from Alaska [Mr. YOUNG] and the gentleman from California [Mr. THOMAS] rests the reality of this particular bill. But all of us have a dog in this fight; not just California and Alaska.

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And there are a couple of points that I would like to point out. Current policy, by all indications, from all analysis, depresses domestic production. Lifting the ban would increase domestic production by 110,000 barrels of oil per day.

All analysis shows this policy, current policy, stifles jobs. Lifting the ban would create as many as 25,000 jobs by the year 2000.

Current policy threatens maritime jobs and functions. Lifting the ban would preserve as many as 3,300 jobs.

Current policy keeps our oil tankers on a target for a scrap heap. Lifting the ban puts those tankers back into service, U.S.-owned vessels, I might add, with U.S. crews.

Current policy limits growth. Lifting the ban would stimulate commerce and growth.

Current policy suppresses revenue and loses money in our country. Lifting the ban would raise revenue by as much as $2 billion for State and Federal governments.

Now, I am not against Alaska doing well, and I would like to see California do well, and as the respective States in our Union do well, the Nation does well. Our policy has been flawed. Current policy is not acceptable, and this is a reasonable attempt to, in fact, increase commerce and create jobs.

With that, I will support this initiative, and as with all other initiatives be taken, as far as amendments, seriously, and my amendment, which would compel the Secretary of Commerce when confronted with problems within the industry, that it would not be discretionary, that the Secretary of Commerce would have to refer immediately to the President those issues for action.

I think the bill provides for an opportunity that those problems be addressed. So, with that, I will support the bill.

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

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

Mr. Chairman, members of the committee, I rise in support of House bill 70. It is rare that I get a chance to speak in favor of a Clinton administration policy initiative, and I do not want to miss that chance today.

I want also to associate my comments with the gentleman from Ohio, who did an excellent job of pointing out what is wrong with current policy. The reason current policy discourages jobs, discourages domestic production, discourages the use of American bottoms and tankers and discourages the maritime jobs that, in fact, this bill will help promote itself because current law is based upon the policy of artificial restraints in the marketplace.

There is a reason why we lost almost 200,000 jobs in Louisiana. There is a reason why the oil and gas industry in America lost nearly 400,000 workers. There is a reason why so many oil and gas jobs have left this country. So many companies are, in fact, investing everywhere else in the world in oil and gas exploration and development and sales.

The reason has been artificial restraints on the marketplace imposed upon the industry by this body and by regulatory bodies here in Washington, DC.

Now, Congress has come to understand that. That is why over the last decade we have begun the process of repealing most of those artificial restraints. It was artificial price supports in the marketplace that led to the gas shortages in this country in the last several decades. It was artificial price penalties in the form of windfall profit taxes, about 90-percent windfall profit taxes, that drove so many companies outside of the arena of American production. it is still artificial restraints upon production led by environmentalists who put limits on offshore development, who will not let us develop the Arctic reserves in the Arctic wildlife national reserve. It is still those artificial restraints which caused so many companies to look elsewhere around the world for opportunities to produce energy, and it is those artificial restraints which have put us in a position today where we are more dependent upon foreign sources of energy than ever in our Nation's history.

The White House has caught on. The administration has figured it out. The gentleman from Ohio gave you the numbers.

Removing this one little artificial restraint will do a lot of good for Alaska production, will do a lot of good for California production, will add one modicum of support for domestic production again here in this country.

There are other artificial restraints we ought to look at. We ought to look at the artificial restraints which make it almost impossible to develop many offshore areas in America, that put off limits large areas rich in hydrocarbon resources in Alaska and other areas of this country.

When we had the 5-year leasing plan before our Committee on Merchant Marine and Fisheries, when we still had a committee, the gentleman representing the administration years ago came forward to tell us there was still going to be maintained in the law moratoriums in drilling offshore. We said ''Why?'' He said, ''Well, we are trying to identify the highly environmentally sensitive areas and the low hydrocarbon areas.'' We asked him, ''Well, if you find an area high in hydrocarbon, low in environmental concerns, will you allow those to be drilled?'' He said, ''Well, not quite. We have got some of those off limits, too.'' He could not explain it except in politics terms.

The bottom line is politics, Federal regulations, artificial restraints have put this country in a vulnerable position today, and today we have an opportunity to at least remove one of those artificial restraints, and removing this one artificial restraint will help to some degree, will help Alaska, will help California, and in the large measure, as my friend from Ohio has pointed out, help us all in jobs again, helps us all in restoring some semblance of domestic incentive to produce again for this Nation.

This is a good bill. I commend it to you. I am proud to cosponsor it. We need to pass it and get it into conference committee. Yes, my friend from California, I hope in conference committee we begin to debate an incentive policy for deep offshore drilling.

If this country ever needs something, it is to turn around the disincentives we have had for decades and create some incentives again to produce for America. We ought to debate that in conference.

Tomorrow I will be filing a bill comparable to Senator BENNETT JOHNSTON's bill on the Senate side to do just that. It is time for us to recognize that America cannot remain dependent upon foreign sources, that incentivizing the industry here at home makes sense, and removing artificial barriers to production, exploration, development, and refining in this country make good sense for this country, too.

I hope never again to have to vote to send young Louisiana boys and girls to war in the Persian Gulf because they could not get a job in America producing energy for this country. It is time we start turning that around.

Mr. YOUNG of Alaska. Mr. Chairman, I yield 3½ minutes to the gentleman from California [Mr. THOMAS].

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

Mr. THOMAS. Mr. Chairman, I do want to underscore the fact this legislation will produce revenue to the United States, increase oil production and, in fact, produce additional jobs.

The Congressional Budget Office, the nonpartisan Congressional Budget Office, provides figures which support all of those allegations.

Let me just for a minute or two talk about the economics of oil. I know the gentleman from Minnesota and others are absolutely flabbergasted with the logic that if you allow North Slope oil to find its economic home, that policy would, in fact, increase production in both Alaska and California and enhance national security.

To support the comment of the gentleman from Louisiana about Government getting itself involved in areas where it should not involve itself, I want to mention that just a few years ago, Congress in its wisdom passed a so-called windfall profits tax. That did not produce one penny of windfall profits in my area. What it did do was destroy a portion of the oil production in my area.

For example, I talked about heavy oil being produced in our area. You have to heat boilers to drive steam into the ground to allow this heavy oil to come to the surface. There were a number of small refineries that would take the crude oil across the street, down the road from where it was produced. They would refine it only lightly, pull the lights off the top, sell kerosene and other lights at a profit, send the fuel oil or bunker oil back to the boilers to be burned. That was a really nice working arrangement that gave people some jobs and enhanced the oil's value.

When the windfall profits tax was passed, since you were charged a tax if that crude oil left your property, what happened was the producers burned crude oil in their boilers. We did not get the small refineries pulling the lights off. They went out of business. We, in fact, produced fewer Btu's with the dirtier residue because Government told them that was the way they were supposed to conduct their business. It did not tell them directly to do that, but the economics of the situation dictated it.

I would tell the gentleman from Minnesota it is not logic, it is economics

that we are dealing with here. When you tell people in Alaska they can only sell their oil to the lower 48, it means Washington, Oregon, or California. You cannot sell it to the East Coast, because that oil would have to pass through the Panama Canal and go by the second largest producing State in the Union, Texas, and the fourth largest oil-producing State in the United States, Louisiana, before it got to the East Coast.

Oil is a fungible commodity around the world. Contrary to what the gentleman from Connecticut said, we are not saying this oil has to be sold to anybody. That is the old policy. The new policy in H.R. 70 is it will find its economic home. If Californians or Washingtonians bid more than anybody else, it will come to the lower 48. If Japan bids more, it goes to Japan. Japan needs the oil. They would have paid sufficient price to get it.

Where were they getting oil before that? Probably from the Middle East. The oil going from the Middle East to Japan now does not go to Japan. The Middle East folks are looking for a home for their oil. They will turn toward Europe. The oil going to Europe, you see, from the Middle East now puts a pressure on the European oil in the North Sea. That North Sea oil needs to find a home. Guess what, it can go right across the Atlantic to the East Coast. You can wind up getting more oil at a cheaper price on the East Coast if you open up the whole question of where oil goes.

Do not send it where the Government wants it to go. Send it where economics should have it go. You will produce more oil in California, you will produce more oil in Alaska, and we will be more energy self-sufficient.

Mr. MILLER of California. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. FARR].

Mr. FARR. Mr. Chairman, I praise my colleague from California, Mr. MILLER, who has been a long player in this issue of the protecting of the environment on the California coast.

But I rise in support of this bill. Although some environmentalists oppose ending the ban, the Department of Energy study shows that, indeed, if you lift this ban, it will have an environmental benefit for the State of California. The only ban on exportation of oil in the United States drilled anywhere where there is oil is on Alaska, and because of that ban to foreign countries, it must come to California. It comes in supertankers down the west coast, and when the Alaskan oil spill occurred, we took a look in the State of California about what would it mean if we had a spill like that magnitude on the coast. The area most vulnerable to a spill is the district I represent, along Big Sur and the Santa Cruz-Monterey Bay coastline. The resources along that coastline are so valuable you could not put a price tag on them.

It became of interest to a lot of people to say, ''Look, how can we mitigate any issue relating to oil tanker traffic in creation of the National Marine Sanctuary?'' They have asked the tanker carriers to go out to 60 miles. One of the carriers, ARCO does that on a regular basis because a 60-mile buffer on the coast gives them at least some buffer zone if any accident should occur.

So, by lifting this ban it essentially says that oil can be exported where there is a market, where the refineries are.

Japan is the logical buyer of that oil and the processor of that oil.

So I rise in support of this issue. From an environmental standpoint, I think it is going to be a better management of the delicate resources along the coast, and there is a secondary benefit, and that is that California is a large oil-producing State. Monterey County is a very environmentally sensitive county. It has the fifth largest oil-producing field in the State of California.

So if we increase the oil production onshore, which the environmental community has already indicated we ought to go onshore before offshore, and I have led successful battles to prevent offshore oil drilling, we will, indeed, allow more onshore production, which will increase the local revenues and be a benefit to the local counties.

This is a win-win for jobs for California, revenues for the counties, for the environment. I support this bill.

Mr. Chairman, ending the export ban for Alaskan oil is clearly a critical issue for the State of California. Hundreds of thousands of barrels per day of Alaskan crude come to California, with profound effects on California's oil market. I support this committee's efforts to examine in greater detail the effect of this current practice, and the possible ramifications of ending the ban on Alaskan oil exports.

Many have discussed ending the ban in terms of its economic effects. This is clearly an important factor: California is the third largest producer of crude in the United States, and any change of policy which benefits California oil producers will have a profound effect on California's economy, job creation in the region, and tax revenues at both the State and Federal level.

In addition to economic effects, however, we must also examine how ending the oil export ban would affect both the natural environment and U.S. workers. Ending the ban may be beneficial for both the environment and employment if it means less oil tanker traffic along the California coastline, less pressure to develop in the Arctic National Wildlife Refuge, and secure shipping jobs and increased employment in California.

In reviewing H.R. 70, we should take into consideration the testimony not only of those who are experts in the field, but those who would be most affected by removing the ban. I appreciate the testimony of those who have come before the committee today, including Deputy Secretary William White from the Department of Energy, representatives from labor organizations, and members of the California oil industry. I look forward to further debate in the committee on this important legislation.

Mr. MILLER of California. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. In responding to my friend from California, who said this is not logic, it is economics, I would probably just say I could rest my case at that particular basis.

But the fact is I understand that the oil is restricted to the continental United States, that the price of the oil is impacted, but I think that is a tradeoff in terms of the issue of energy security.

We have gone through quite a bit of expense, whether it is Strategic Petroleum Reserve and other efforts.

I can hardly wait for the next time that we have a crisis and we will be tripping over one another here to deal with the so-called sanctity of contracts in terms of free markets. There is not a free market in oil.

□ 1515

It is greatly impacted by a variety of different nations that have, in fact, conspired on a regular basis to try to limit and to raise the price. I know that it is very important to some in the Chamber here to raise the price of oil. They see it as a benefit in terms of exploration and development, to put it kindly. There are others that might see it as some more money in their pocket, to put it not so kindly.

So I would just suggest this policy is actually working. I appreciate the fact that oil tankers might spill oil if they are carrying it close to coast, and better to develop it on coast. We are really running that risk, and we face that all the time.

Mr. MILLER of California. Mr. Chairman, I yield 4 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, I rise today to speak on H.R. 70, a bill that amends the Mineral Leasing Act to permit exports of Alaska North Slope oil. Since 1973 when Congress enacted the Trans-Alaska Pipeline Authorization Act in wake of the Arab-Israeli war and the first oil embargo, ANS oil has been dedicated solely for domestic uses, as has been pointed out.

Over 20 percent of the oil produced in the United States, which currently amounts to about 1.6 million barrels a day, comes from the Alaska North Slope. The oil is transported by tankers, as has been indicated, to refineries on the West Coast, Hawaii, and other domestic destinations. The tankers that ship ANS oil are required under the Merchant Marine Act of 1920—Jones Act—to be U.S. built, flagged and crewed, which I strongly support.

Mr. Chairman, my primary concern with exporting ANS centers on its effects in Hawaii, as my colleagues can well imagine. Hawaii was an energy market that is uniquely different from all the other States in the Union. The State of Hawaii depends on imported oil for over 92 percent of its energy supply, a large share of which comes from

Alaska. Currently, Hawaii leads the Nation in energy costs. A recent survey found that the average price for a gallon of gasoline in Hawaii was $1.76. The nationwide average was $1.33.

In June 1994, the U.S. Department of Energy released a study which has been mentioned as well. It is my understanding that the study concludes that permitting exports would benefit the U.S. economy which I do not propose to debate, yet Hawaii was not even mentioned in the report. Thus, any attempt to make assumptions on Hawaii's consumers and economy based on the DOE study would be inaccurate and perhaps misleading. I was pleased to note during the committee process the gentleman from Alaska [Mr. YOUNG], the chairman of the Committee on Resources, has been very willing to accommodate the concerns raised by myself on behalf of Hawaii consumers. At this point, I would like to enter into a colloquy with the gentleman from Alaska regarding an amendment I offered in the committee.

As the chairman will recall, during markup, the Committee on Resources adopted by voice vote an amendment very important to the citizens of Hawaii. As further modified and improved under the committee print, the amendment would ensure that, before making the required national interest determination, the President would specifically consider the likely impact of Alaskan oil exports on consumers, especially in Hawaii and Pacific territories. Because Hawaii has an energy market that is unique and depends on imports for over 92 percent of its energy supply, a large share of which comes from the Alaska North Slope, it is essential that the President satisfy himself that exports will not harm consumers. I understand the chairman shares my concerns and would be willing to work with us in the future should any unanticipated problems develop

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. ABERCROMBIE. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I want to compliment the gentleman on his hard work brining this to my attention. The gentleman is absolutely correct. The committee has been very sensitive to the concerns of the consumers of Hawaii as a result of the actions from the gentleman. Knowing of these concerns, I supported his amendment in committee and further revived the text of the committee print to insure that the President will consider the impact of proposed exports on consumers in noncontiguous States before making his national-interest determination. As the gentleman will recall, the committee print also established a mechanism for the President to monitor supply and price developments. The committee print provides the President with the power to modify or revoke the authority to export in appropriate circumstances.

Again let me assure the gentleman from Hawaii [Mr. ABERCROMBIE] that it is in the intent of this legislation to cause no harm to consumers in Hawaii. I will be glad to work with him in the future to address any problems that arise but otherwise cannot be adequately addressed in the procedures included in our legislation.

Mr. ABERCROMBIE. Mr. Chairman, may I say in conclusion to the gentleman from Alaska that Hawaii and Alaska share unique difficulties and opportunities, and I am very pleased to be working with him.

The correspondence between myself and the Department of Energy regarding Hawaii's energy situation, clarifying the intent of the amendment, and the understanding that the Department of Commerce monitoring responsibilities required in H.R. 70 evaluate consumer impacts will be included in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 6, 1995.

Hon. HAZEL R. O'LEARY,
Secretary of Energy, U.S. Department of Energy, Washington, DC.

DEAR SECRETARY O'LEARY: On May 17, the House Committee on Resources reported H.R. 70, a bill that amends the Mineral Leasing Act to permit exports of Alaska North Slope oil. The committee reported substitute contains an amendment which I offered that was adopted by voice vote. The purpose of the Abercrombie amendment is to require the President to make a determination prior to the exporting of crude oil from the Alaska North Slope that the activity will not have an effect which is likely to harm consumers in noncontiguous states.

Hawaii has an energy market that is uniquely different from the other states in the Union. The State of Hawaii depends on imported oil for over 92 percent of its energy supply, a large share of which comes from Alaska. Currently, Hawaii leads the nation in energy costs. A recent survey found that the average price for a gallon of gasoline in Hawaii was $1.76. The nationwide average was $1.33. In addition, the neighbor islands already have some of the highest costs in terms of electricity production. In particular, Maui and the island of Hawaii rely heavily on fuel oil processed from the Alaska North Slope.

In June 1994, the U.S. Department of Energy (DOE) released a study on ''Exporting Alaskan North Slope Crude Oil: Benefits and Costs.'' It is my understanding that the study concludes that permitting exports would benefit the U.S. economy. Yet, Hawaii was not even mentioned in the report. Thus any attempt to make assumptions about Hawaii's consumers and economy based on the DOE study would be inaccurate and misleading.

Senator Murray offered an amendment that contained language similar to the Abercrombie amendment. The Murray amendment requires the President in consultation with the Attorney General and the Secretary of Commerce to examine the effects of exporting crude oil on independent refiners and adverse employment consequences in the United States. The Murray amendment was adopted in the Senate. However, there was not sufficient time to review the Senate language prior to the mark-up of H.R. 70 in the House Committee on Resources. In addition, the Murray amendment did not address harm to consumers.

As you may know, the Dooley/Tauzin substitute to H.R. 70 was not available until the day before the full Committee mark-up preventing any consensus on final language of the Abercrombie amendment. The Abercrombie amendment is a work in progress that was written to protect consumers in noncontiguous states. The language contained in the Abercrombie amendment was adapted from the testimony of William H. White, Deputy Secretary of Energy, presented to the Committee on May 9. As a result, I would greatly appreciate the Department of Energy's interpretation and analysis of the Abercrombie amendment prior to the consideration of H.R. 70 by the House of Representatives. A copy of the amendment is enclosed for your review.

Also, it is my understanding that the Secretary of Commerce, under the authority of the Export Administration Act, will administer the export license of Alaska North Slope crude oil. It is vital that one of the conditions attached to the export of crude oil at the front end include a proviso that the activity will not have an effect which is likely to harm consumers in noncontiguous states. As currently contained in H.R. 70, I would like a written explanation of the mechanisms and criteria to be utilized by the Department of Commerce in the continual monitoring process regarding the export of Alaska North Slope oil as it relates to consumers, particularly as it pertains to consumers in noncontiguous states.

Thank you for your prompt attention to this matter. I look forward to your response.

Sincerely,

NEIL ABERCROMBIE,
Member of Congress.

Enclosure.

On page 2, insert after line 6 the following:

(C) shall consider 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 that would cause sustained material adverse employment effects in the United States or that would cause substantial harm to consumers in noncontiguous states.

THE DEPUTY SECRETARY
OF ENERGY,
Washington, DC, June 30, 1995.

Hon. NEIL ABERCROMBIE,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN ABERCROMBIE: Thank you for your letter of June 8, 1995, to Secretary O'Leary on the subject of Alaska North Slope (ANS) crude oil export legislation now under consideration in the House.

The Department of Energy certainly is aware of Hawaii's dependence on petroleum for nearly all of its energy needs. Although we did not consider the impacts specific to Hawaii of permitting ANS exports in our 1994 report, we have followed and will continue to follow Hawaii's energy situation, including consumer prices for petroleum products, with data collected and published by DOE's Energy Information Administration (EIA) and with other privately collected statistics. Our recent review of Hawaii's energy situation shows the magnitude of the State's heavy reliance on oil, and some of the possible implications of exporting ANS crude oil:

Petroleum products refined at the State's two refineries provide about 98 percent of Hawaii's energy needs. Alaskan North Slope crude oil provides 45 percent of the crude oil supply to these two refineries.

Hawaii consumes about 125,000 barrels per day of petroleum products distributed among

residual fuel oil (38%), jet fuel (22%), gasoline (20%), No. 2 fuel oil (12%), and other products (8%) (See Figure 1). Residual fuel is the largest petroleum product because most of Hawaii's electricity is generated using this product.

Gasoline consumption in the State is about 25,000 barrels per day. Gasoline prices in Hawaii are substantially higher than California and the national average, while the prices of other petroleum products are only slightly higher (See Figure 2). The differences in prices appear to represent competitive conditions in Hawaii: private citizens depend on gasoline that is supplied by only two refiners while commercial and industrial consumers can obtain other products from multiple sources.

The impact on Hawaii's consumers from a change in the ANS export situation should be modest. If West Coast ANS oil prices rise by $1.20 to $1.60 per barrel (3 to 4 cents per gallon) as estimated by the DOE in its June 1994 export study, and ANS crude oil remains 45 percent of Hawaiian refinery supply, the additional production cost amounts to about 1.3 to 1.7 cents per gallon of product.

If past performance is any guide, this additional cost to the Hawaiian economy will have negligible impact. Figure 3 indicates that Hawaii's economic growth has been relatively insensitive to crude oil prices. Between 1977 and 1981, oil prices more than doubled, yet Hawaii's gross state product growth substantially exceeded the national average. Even during the latter part of the 1980s through 1992, when crude oil prices were again volatile, Hawaii's economy grew faster than the U.S. as a whole.

Your amendment to H.R. 70 would add a third factor that the President must consider in determining whether permitting exportation of ANS crude oil is contrary to the national interest. Specifically, the amendment would require consideration of whether those persons exporting ANS oil would be likely to engage in anticompetitive activity that would cause significant adverse employment effects in the U.S., or substantial harm to consumers in Hawaii. Full consideration of these important issues is consistent with a determination concerning our national interests in permitting ANS exports.

It is our understanding that the Department of Commerce, in carrying out its monitoring responsibilities under H.R. 70, will coordinate closely with DOE. In particular, the agencies would monitor readily available petroleum market data for possible oil supply shortages or sustained above-market oil prices, and evaluate the consequential consumer impacts, in Hawaii and elsewhere in the U.S. It is our expectation that the two agencies will rely on data collected by EIA, the Bureau of Economic Analysis, the Bureau of Census, and private organizations.

We look forward to working with you and your staff further on this important issue.

Sincerely,

BILL WHITE.

Mr. MILLER of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I rise in strong opposition to this foolish attempt to sell out America's resources and put our marine life, our fisheries, and our air at serious risk.

Mr. Chairman, I represent 140 miles of Marin and Sonoma County coastline in California—beautiful coastline with valuable marine resources, which would be permanently destroyed, if those who want to sell out our Nation's natural resources to the special interest have their way.

Lifting the ban on Alaskan oil exports poses significant environmental risks without offering any benefits. Not only would this bill put pristine Alaskan wilderness and valuable fisheries at risk, it would also increase the risk of devastating oil spills off the California coastline.

Mr. Chairman, this is simply not tolerable.

The people of my district will not stand for such short-sighted and dangerous policy as proposed by this bill. We cannot permit our coastal waters to be fouled by the damaging effects of oil drilling and transportation. We cannot put our marine life, our fisheries, and our air at serious risk.

I urge my colleagues to join in the effort to stop the sell out of our precious resources—our livelihood and our environment—by voting against this bill.

Mr. MILLER of California. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself 10 seconds before I yield to the gentleman from Pennsylvania [Mr. GEKAS].

I am amazed that the previous speaker would talk about the environment when in reality she has the tankers going right by her front door—of Alaskan crude oil that can possibly spill—and that is what this report says, so I cannot quite figure out the analogies of why are supposed to be environmentally safe to paint those big ships by their front door and yet say they are going to protect their coast. I just cannot figure that.

Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, when I first came to the Congress, I had to explain time and time again to different entities in our constituency why we are 50 percent, back then, dependent on foreign oil for our standard of living here in this country. So I started the litany of explanations. We used to have oil depletion allowance, I said. Now that has been wiped off the books. That gives a disincentive for people, our fellow Americans, for drilling for oil in our own soil. I said on top of that that we have a ban on Alaskan exports and a ban on fullest development of Alaskan oil resources, and I went on to say, and then there is a ban on offshore drilling.

Now my colleagues can understand why I said back then why we are 50-percent dependent on foreign oil.

Now what have we done since then?

We have come to a point where we are 52-percent dependent on foreign oil. So the only question that should be raised and asked by Members of Congress as they approach the vote on this piece of legislation is this: Will our dependence on foreign oil increase or decrease as a result of this legislation?

Vote ''yes'' on the bill offered by the gentleman from Alaska.

Mr. FAZIO of California. Mr. Chairman, I rise in support of H.R. 70 to lift the ban on Alaskan oil exports. This legislation will encourage oil production in my home State and in Alaska in a reasonable fashion. To promote jobs and energy security, I urge my colleagues to vote yes.

Congress was appropriately concerned in 1973 about ensuring that Alaskan oil be available for domestic consumption. Given the fundamental changes that have occurred in the world market, however, the time has come to evaluate this policy in a new light.

Among the changes in the world oil market is the diminishment of OPEC and its power over the price of oil. This has helped to diversify our supplies from other countries such as Mexico and Canada. We also have taken the precaution of building up the strategic petroleum reserve to protect us against the monopolistic threats of the 1970's.

Now is the time to be concerned about our domestic energy production and ensuring that small independent producers remain viable. In order to ensure that these small producers, particularly those in California, maintain production and create jobs that need a better economic return on their investment.

I urge my colleagues to support this measure which is a step toward improved national security and sustainable domestic production.

Mr. POSHARD. Mr. Chairman, I rise in strong support of this legislation and salute the authors for their hard work in bringing it to the floor for a vote today.

I am a cosponsor of the bill, and, in my capacity as cochair of the congressional oil and gas forum, have supported lifting the ban on Alaskan North Slope oil. I also thank the administration for its support of the legislation.

Our domestic oil and gas industry is working hard to survive in a highly competitive marketplace. In the 19th Congressional District of Illinois, which I am privileged to represent, we have independent operators who are struggling mightily to run their businesses in a profitable manner. The difficulties encountered by this industry have impacted on the small towns and villages in our area which are very dependent on the oil industry for jobs and economic activity.

Lifting the ban on ANS oil will help create new jobs and will also bring revenue into the Federal treasury. That is a combination which is worthy of support and I strongly encourage my colleagues to vote in favor of lifting the ban.

Mr. CALVERT. Mr. Chairman, I rise to join my colleagues in support of H.R. 70.

Whether or not the ban on Alaskan oil exports made sense in 1973, it is having harmful and unintended consequences today. This ban has effectively forced Alaska to sell the bulk of its production in my home State of California and has severely damaged our oil and gas industry.

Left in place, the ban will ensure a further decline in the production of crude oil in Alaska and California, resulting in thousands of lost jobs.

For the small businesses that make up the bulk of the oil and gas industry in California, this legislation is vital to their future. If they can sell heavy crude oil into a market that no longer is distorted by artificial restraints, they will have a future producing oil.

In recent weeks, prices have been edging down. Today, Kern County heavy crude was posted at $13.75 a barrel.

We need to do something to help get them back to the levels at which significant investments will be made.

Many of the independent oil producers have told me they will begin hiring the minute this bill is enacted. So the potential for job gains is quite real.

I strongly urge my colleagues to support H.R. 70 and provide the oil and gas industry of my State with relief.

Mr. BENTSEN. Mr. Chairman, I rise in support of H.R. 70, to lift the current ban on Alaskan oil exports.

During the late 1970's, worldwide concern over crude oil shortages prompted our Government to change its policies regarding the domestic production of oil. World oil markets have changed dramatically since then.

Although the perception persists that we are dependent on oil from Iran, Iraq, Libya, and other hostile countries, Canada and Mexico, our reliable neighbors to the north and south, are among our largest suppliers of imported oil today. In addition, to avert the unlikely event of a future oil crisis, we have placed nearly 600 million barrels of oil in our strategic petroleum reserve.

While we have done much to prevent an oil import crisis, little has been done to encourage domestic oil production and sales abroad. By lifting this ban, we would allow the market to determine the price and buyer for surplus crude oil. We would also promote increased international trade during a time when our trade deficit continues to widen—a deficit partly based on our massive importation of fossil fuels.

According to a study completed by the Energy Department, lifting the export ban would increase our production of crude oil by as much as 110,000 barrels per day. This increase would also result in increased revenue, as much as $2 billion, for Federal and State governments. According to the Department, 25,000 jobs in the oil industry would be created and over 3,000 jobs in the maritime industry would saved. Ultimately, the lifting of the ban will lead to sustained economic growth for the State of Alaska and the Nation.

It is time for the Federal Government to take action to increase our opportunities abroad and to increase investment at home. This legislation achieves these goals. I urge my colleagues to support and end to the ban on Alaskan oil exports.

Mr. METCALF. Mr. Chairman, I rise in opposition to the bill.

Does anyone really believe that exporting oil from the United States will decrease our dependence on foreign oil? It will increase our dependence.

It was argued that current law has produced a glut of gasoline on the west coast. We haven't noticed. I simply do not believe that my constituents are paying too little for gasoline. I paid $1.42 a gallon for unleaded gas last Saturday in Everett. We have endured a gasoline price increase of more than 20 cents in the past several months.

The United States is clearly dependent on imported oil. But if we don't have enough oil here, why are we selling oil to nations in Asia? Who do you think is going to profit from these exports? A foreign corporation, British Petroleum, will profit handsomely—as will Alaska.

While the benefits or exporting this oil are being debated in corporate boardrooms, I fear my constituents may have to pay even higher prices at the pump.

Mr. Speaker, this bill just does not make good sense in Washington State. Further, because of possible price increases, it does not make sense anywhere on the Pacific Coast. I predict that we will not have adequate supplies of oil for west coast refineries, at prices we'll be comfortable with. I intend to vote ''no'' and urge my colleagues to do the same.

Mrs. MINK of Hawaii. Mr. Chairman, I rise in strong opposition to H.R. 70. Lifting the ban on Alaskan North Slope [ANS] crude oil will heavily burden the State of Hawaii by augmenting U.S. dependence on foreign oil and dramatically increasing consumer prices. Because Hawaii consumers already pay the highest gasoline prices in the Nation, to allow gasoline prices to increase further would be disastrous for Hawaii's economy.

Industry experts say that lifting the ban could increase wellhead prices for ANA by more than $2 per barrel, depending on the amount exported. Oil refineries in my State are designed to run on 60-percent crude oil. More than half of the crude oil processed in Hawaii's largest refinery run by BHP Petroleum Americas [BHP] is ANS crude, with the remaining coming from Pacific Basin countries. BHP states in a letter to me that should Hawaii's refineries be charged increased costs for ANS, ''Refiners will be forced to pass along that increased cost to consumers.'' The letter further states, ''In addition to paying increased prices, the supply of ANS crude oil to Hawaii and the U.S. Territories would be reduced.'' The removal of the ANS export ban would be expected to increase the supply of ANS crude to Pacific rim countries—oil that would otherwise come to Hawaii. It is highly irresponsible, in a time when the United States is importing nearly half of its petroleum, that American export policy would be changed to allow increased exportation of domestic crude oil.

Similarly, this legislation would burden west coast States by increasing consumer prices for those States and abandoning these States in their need for domestic oil. According to BHP, ''If the ban were lifted, we believe we would see no increase in U.S. oil production but we would see an increased U.S. dependence on Persian Gulf oil.'' Because foreign-owned British Petroleum [BP] holds the monopoly on the sale of ANS crude oil to the west coast, and these States have no substitute supplier, BP would have the ability to squeeze availability of ANS to these States and charge higher prices to refiners. West coast refineries, like Hawaii refineries, do not have the capacity to simply absorb these increased costs and will be forced to raise their prices.

Last, lifting the ANS export ban poses serious environmental concerns for the Pacific Basin. New export routes from Alaska to Japan would jeopardize the safety of Pacific fisheries and conservation areas that could be subject to *Exxon Valdez.* Growing demand for ANS crude oil would also increase harmful drilling, especially within the Arctic National Wildlife Refuge. In 1973, when Congress voted to allow ANS oil production, I voted for this export ban that ensured that such oil exploration and development would be for domestic purposes only. An overturn of the ban is an outright abrogation of Congress' original intent regarding the ANS oil supply.

I urge my colleagues to cast their votes in opposition to this harmful, shortsighted legislation which would have tragic effects for the Nation as a whole, and especially for the State of Hawaii.

The CHAIRMAN. All time for general debate has expired. The committee amendment in the nature of a substitute printed in the bill shall be considered by sections as an original bill for the purpose of amendment, and pursuant to the rule each section is considered read.

During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member offering an amendment that has been printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by the resolution.

The Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of question shall not be less than 15 minutes.

The clerk will designate section 1.

The text of section 1 is as follows:

H.R. 70

SECTION 1. EXPORTS OF ALASKAN NORTH SLOPE OIL.

Section 28 of the Mineral Leasing Act (30 U.S.C. 185) is amended—

(1) by amending subsection (s) to read as follows:

''EXPORTS OF ALASKAN NORTH SLOPE OIL

''(s)(1) Subject to paragraphs (2) through (6) of this subsection and notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652) may be exported 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 the enactment of this subsection; and

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

''(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), 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 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, in consultation with the Secretary of Energy, may recommend to the President appropriate action against such person, which may include modification of the authorization to export crude oil.

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

(2) by striking subsection (u).

The CHAIRMAN. Are there any amendments to section 1?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the Nature of a Substitute Offered by Mr. YOUNG of Alaska: Strike all after the enacting clause and insert the following:

SECTION 1. EXPORTS OF ALASKAN NORTH SLOPE OIL.

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

''EXPORTS OF ALASKAN NORTH SLOPE OIL

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

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

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

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

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

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

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

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

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

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

SEC. 2. GAO REPORT.

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

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

Mr. YOUNG of Alaska (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. YOUNG of Alaska. Mr. Chairman, I rise to offer an amendment in the nature of a substitute. The substitute has the support of the administration and many other interest groups.

The amendment brings the bill in conformity with title 2 of S. 395. In a nutshell, it would, among other things:

Allow exports to be carried in U.S.-flag, U.S.-crewed vessels.

Require the President to make a national interest determination.

Require the President to conduct an environmental review, as well examining the effect of exports on jobs, consumers and supplies of oil.

The President could impose terms and conditions other than a volume limitation.

The Secretary of Commerce would be required to issue any rules necessary to implement the President's finding within 30 days.

If the Secretary found drastic oil shortages or price increases, he could recommend actions, including modification and removal of the authority to export.

Actions under this bill would not be subject to traditional burdensome notice and comment rulemaking requirements.

The President would retain his authority to block exports in times of emergency.

Finally, the substitute would also require the GAO to prepare a report assessing the impact of ANS exports on consumers, independent refiners, shipbuilders and repair yards.

I urge support for the amendment in the nature of a substitute.

AMENDMENT OFFERED BY MR. TRAFICANT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF ALASKA

Mr. TRAFICANT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT to the amendment in the nature of a substitute offered by Mr. YOUNG of Alaska: On page 4, line 5, strike ''may'' and insert ''shall''.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, the language in the bill gives the Secretary of Commerce the discretion when the Secretary, for example, would define under section 1, clause 5, if the Secretary would find that an anticompetitive activity by a person exporting crude oil under the authority of this subsection has caused crude oil supply shortages or sustained crude oil price significantly above world market levels and would further find that these supply shortages or increases of prices have caused adverse employment effects in the United States, that the Secretary of Commerce, in consultation with the Secretary of Energy, may, may recommend to the President appropriate action against such person, et cetera. The Traficant amendment says that this should not be a discretionary process, and when the Secretary uncovers and discovers this type of an adversary impact from this legislation, that the Secretary shall, in fact, recommend to the President, not may in fact recommend.

I do not want the decision of whether or not to take action to be left to the discretion of some bureaucrats in the Commerce Department. If American jobs are being lost or subject to an adverse impact, the Secretary under this legislation should be required to, in fact, take immediate action.

That is the general nature of the legislation. It is simply changing the discretionary may to a compelling shall in that regard.

Mr. Chairman, I yield to the distinguished gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I am so impressed that the gentleman from Ohio has made me accept his amendment with great happiness and joy. It makes great sense. We should have put it in to begin with, and I thank the gentleman for offering it.

Mr. Chairman, we do accept the amendment.

□ 1530

Mr. TRAFICANT. I yield to the distinguished gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, I want to commend the gentleman from Ohio. The gentleman has worked with us on a number of amendments, and it was a pleasure to operate in a process of discussion, in which we were trying to perfect amendments, instead of trying to create an amendment that would gut the bill. I want to thank the gentleman for his cooperation.

Mr. TRAFICANT. Mr. Chairman, I ask for an ''aye'' vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT] to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG].

The amendment to the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Are there further amendments to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG]?

AMENDMENT OFFERED BY MR. GEJDENSON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF ALASKA

Mr. GEJDENSON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GEJDENSON to the amendment in the nature of a substitute offered by Mr. YOUNG of Alaska: Page 3, line 8, add the following after the period: ''In the event that vessels so documented cannot be used to transport any of the exported oil, the authority granted by paragraph (1) shall terminate immediately.''.

Mr. GEJDENSON. Mr. Chairman, I would hope the sponsors of the bill would support this amendment. This amendment takes them simply at their word that their confidence that American crews and bottoms would be used to export this oil will in fact become the case. Under the legislation, it is their argument that they will use American merchant mariners to ship this oil.

What this amendment simply says is that if under any of the international agreements that we have, that this provision is struck and American bottoms and merchant mariners are not used, that would stop the shipment of the oil until we could resolve this issue.

Part of the way the proponents of this legislation have been able to sell this, at least to some of the Members of this House, is by convincing them that Americans will move the oil. They assure us continuously that that will withstand any challenges.

Well, if they are that confident that they are going to be able to fulfill this pledge, then I would hope the gentleman from Alaska [Mr. YOUNG] would be willing to accept this amendment, unless, of course, he is not confident that the language in the legislation will withstand any and all legal challenges. If that is the case, then the gentleman is also telling Members of this body something about this legislation and the commitments within.

Again, Mr. Chairman, I say that this is dangerous legislation. It endangers our national security, and it endangers the environment.

The gentleman from Alaska is doing the right thing as an Alaskan, possibly. It will benefit the State of Alaska; it will benefit oil companies, without any question, around this country. It does not work in the best interests of the United Sates, and it is questionable whether it will work in the best interests of American mariners, in that unless we are hearing there is support for the amendment, I would have to be left with the impression they are not even confident that this small commitment to American workers will be sustained.

Mr. Chairman, this bill, H.R. 70, requires that all ships exporting Alaska oil be U.S.-flag ships.

That provision in the bill is a clear response to the concerns raised regarding the employment of American merchant mariners.

In this bill, British Petroleum makes a deal with U.S. merchant mariners: Congress will allow the export of Alaska oil and you, American workers on ships, will continue to have jobs on the ships carrying the oil abroad.

I would hope that the sponsors of this bill would support the amendment that I am now offering.

My amendment simply ensures that U.S. merchant mariners get the protection the bill's sponsors say they intended to provide.

This is a very simple amendment.

Under this amendment, should British Petroleum as the leading exporter of Alaska oil, (or anyone else) renege on its commitment that ships exporting Alaska oil be U.S.-flag ships, then Alaska oil could not be exported.

So, if British Petroleum does not fulfill its end of the bargain with Americans working on ships carrying Alaska oil, then such oil cannot be exported.

For example, if the U.S. Government and British Petroleum abandon the U.S.-flag requirement because it interferes with a treaty or other international obligation, then Alaska oil could not be sold abroad.

Alaska oil could still be sent to California and other domestic destinations where U.S. seamen would have jobs in the ships carrying the oil.

If the commitment in the bill to American merchant mariners is real and enforceable, then the proponents of the bill should wholeheartedly support this amendment.

After all, the amendment is only ensuring that their commitment to these working Americans is fulfilled.

The bill's proponents have minimized the potential problems with complying with the commitment to American merchant mariners.

They have said that our international trade obligations are not violated and that there will be no problem complying with the requirement that ships carrying Alaska oil be U.S.-flag ships.

If that is the case, then they should support my amendment.

If there is a risk with compliance, and those wanting to export Alaska oil cannot fulfill their end of the deal, then American workers should be protected.

Once again, I am hopeful that the supporters of this bill would support this amendment.

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

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

Mr. MILLER of California. Mr. Chairman, I would rise in support of this legislation. As the gentleman knows as a member of the committee, when we

discussed this legislation in committee, this was one of the major tenants of the acceptance of this bill, I think on a bipartisan basis, was that this oil would be carried in American transportation and would provide jobs for those individuals who are currently engaged, and hopefully if production is increased under this legislation, that were engaged in the transportation of oil now to the lower 48, they would continue to be utilized.

Some people have suggested that that would raise trouble with international trade agreements. If that is the case, then we have to rethink what it is we have told people the benefits of this legislation will or will not be. Certainly we would have to rethink the arrangement by which we are then engaging in the export of that oil, should that ever happen.

I think the gentleman's amendment is a good fail-safe amendment for those who have been supporting against their historical positions of opposition to this legislation, that they would in fact be protected and that a deal is a deal, as the gentleman has said. I would hope that we would support this amendment.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. Chairman, this is a very mischievous amendment. Just think of the term ''terminate.'' Terminator I, Terminator II. This is exactly what this does to the bill. Let us not kid ourselves.

The bill is very self-explanatory. It says exports will be only on U.S.-crewed, U.S.-flagged vessels. That is in the bill. If it is not on U.S.-crewed or U.S.-flagged vessels, in fact there would be no oil export.

What happens? Let us say that all the vessels for some strange reason became totally occupied, absolutely occupied, and we had to move the oil because the storage was not available, and we put it on one ship that was not, then the whole thing is terminated. We might as well go home. That is really what it does. Look at that word ''terminate,'' very smartly put in there.

I want to suggest this amendment, as I say, is very mischievous and, by the way, not supported by any of the maritime unions. We worked closely with the maritime unions, closely with the Shipbuilding League, very closely with everybody involved in this issue, asking for their input, asking for their suggestions, and we have suggested very nearly everything they have suggested within the realities of other laws, such as GATT, international trade, et cetera, et cetera. We have done that.

To have this amendment offered at this time, very frankly, with all due respect to my good friend from Connecticut, it causes me great, great anguish to have this presented as one that says well, this is just another fail-safe part of this bill. As a backup to what you say, it says it in the bill. The bill is very clear. It is there.

By the word ''termination,'' it is absolutely a killer amendment, and I urge that it be defeated.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

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

Mr. GEJDENSON. Mr. Chairman, I would be happy to find other terminology for the gentleman. But the basic issue here is in the gentleman's legislation there is no remedy for American workers and American shippers, if that rule is out.

Mr. YOUNG of Alaska. Mr. Chairman, reclaiming my time, there are all kinds of remedies, the Secretary of Commerce, the President of the United States, the Congress itself. Let us not kid ourselves. There are so many safeguards in this. This is the only State in the United States that has this ban put upon it.

This is a mischievous amendment. I do not blame the gentleman. The gentleman did not support the bill in the committee, he talked against the bill in the general debate, he wants to defeat the bill, and I understand why he offers the amendment. I compliment him for that. This is a mischievous amendment that should be soundly defeated.

Mr. THOMAS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the chairman of the committee indicated, we worked with a number of Members to either resolve their concerns about the bill or worked with them on the amendments that they proposed. The gentleman from Ohio, the gentleman from Hawaii, the gentleman from Washington are good examples.

The rule underlying this debate indicated that to the extent possible, we wanted people to preprint their amendments in the CONGRESSIONAL RECORD. Obviously, the gentleman from Connecticut, for whatever reason, did not make the preprint date. I saw this amendment just a few moments ago, and, of course, we are trying to figure out exactly what it means.

Apparently in the gentleman's amendment, and I will assume that the gentleman is offering it in good faith, if there is any deviation from the U.S.-flagged, U.S.-staffed ship, the entire legislation is terminated immediately.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman form Connecticut.

Mr. GEJDENSON. Mr. Chairman, I will be happy to change the language.

Mr. THOMAS. Mr. Chairman, reclaiming my time, I would have loved to have worked with the gentleman over the last 3 months that this bill has either been in front of the committee, of which he is a member, as the ranking member pointed out, and to which he did not offer this amendment or any of the last several weeks after the bill passed the committee when we were working on the legislation, if he felt this burning desire to come up with the proposal or any time last week when he knew this was possibly to be scheduled for floor debate. He did not seem to want to work on an amendment at that time. But now, not only at the 11 hour, but half past midnight when we are debating the bill, he comes to the floor and says he has an amendment on which he would like to work with us.

What you need to know is that the exceptions in the bill cover all situations. U.S.-flagged and staffed vessels are required, with the exception of cases covered in any international agreements that we have entered into prior to 1979, and under the provisions of the Oil Emergency Act because, as you will recall, a number of nations were concerned about their ability to get oil if the unstable area of the Middle East, as the gentleman from Connecticut described it, actually denied them oil. We have a number of agreements on an emergency basis in which we will move oil on an as-needed basis.

Obviously the President in his wisdom, in trying to assist nations who are being crippled by someone else's oil blackmail, will certainly take into consideration this legislation. But the President as Commander in Chief and the President of this country will make decisions as he sees fit in times of emergency.

It is absolutely ludicrous to offer an amendment at this time that says if you do not stick to one provision of the bill, notwithstanding the emergency provisions or the international agreement provisions, that the act itself will terminate.

I think we need to read the amendment the way in which I now believe it was presented, and that is as a pernicious amendment by the opponent of the legislation in an attempt to not only weaken it, but indeed to defeat it.

I would ask that we reject the gentleman from Connecticut's first amendment, as I understand it.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I think there are some fundamental issues here being avoided. First, it is clearly not half past midnight. It is about 20 of 4. It is the middle of the day. We are not under a lot of pressure. We have a piece of debate here that I think, frankly, maybe we should have dealt with earlier, but I think what you are trying to do is avoid the merits.

The merit is this: If we have an international body, which we are members to, throwing out the guarantee to American workers, then there is no protection for those workers and you have sold them a bill of goods.

Again, I commend the gentleman from Alaska. He has taken care of his constituents; people on this floor are

taking care of oil companies. I am talking about the rest of America, the people that depend on the reserves up there, the people who paid for Alaska in the first place. The gentleman from Alaska would be speaking Russian today, not English. This country went to great lengths to secure that area. The rest of America has a right to be protected in this legislation, workers, environmentalists, and consumers.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for his remarks, and again I would hope that the committee would support the passage of the Gejdenson amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GEJDENSON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment will be postponed.

Mr. DICKS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the distinguished chairman of the committee.

Mr. Chairman, the version of the Alaskan oil export legislation which was passed in the other body as S. 395, included as section 206 an amendment to the Oil Pollution Act of 1990 to provide for a vessel in the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca to assist in towing and oilspill response efforts. H.R. 70 as reported by the Resources Committee does not contain a similar provision.

I had been prepared to offer an amendment to H.R. 70 concerning this issue, but as you know our rules are different from those of the other body and I have been advised by the Parliamentarian that such an amendment would be ruled out of order as nongermane. Accordingly, I am hoping that this is a matter that can, with the assistance of the chairman, be addressed in conference.

□ 1545

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I understand and appreciate the interest of the gentleman from Washington in this issue of importance to his district.

May I say the gentleman has talked to me about this. He has done an excellent job in the past and into the future representing his district concerning this issue.

We have discussed it. We will be discussing it in conference. The gentleman will be working very closely with me in the conference, and I hope we will be able to address his concerns as well as the State of Washington, especially with the State of Alaska working in conjunction.

Mr. DICKS. Mr. Chairman, I thank the chairman for his assistance.

The CHAIRMAN. Are there additional amendments to section 1?

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF ALASKA

Mr. MILLER of California. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California to the amendment in the nature of a substitute offered by Mr. YOUNG of Alaska:

Page 1, line 6, strike ''paragraphs (2) through (6)'' and insert ''paragraphs (2) through (7)''.

Page 2, line 19, strike ''(other than a volume limitation)''.

Page 4, line 11, strike the closing quotation marks and period.

Page 4, after line 11, insert the following:

''(7) The total average daily volume of exports allowed under this subsection in any calendar year shall not exceed the amount by which the total average daily volume of oil delivered through the Trans-Alaska Pipeline System during the preceding calendar year exceeded 1,350,000 barrels per calendar day.''.

Mr. MILLER of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNG of Alaska. Mr. Chairman I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 40 minutes, with the time to be equally divided and controlled. This was the suggestion of the gentleman from California, and I think it is an excellent suggestion.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. MILLER] will be recognized for 20 minutes, and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

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

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

Mr. Chairman, I offered this amendment in committee along with our colleague, the gentleman from Hawaii [Mr. ABERCROMBIE], and the gentleman from Washington [Mr. METCALF]. It represents what I believe is a reasonable compromise which will allow Members to support exports as long as the needs of the United States are taken care of first. That is the intent and the purpose and the result of this amendment.

This amendment does two things: First, it deletes the bill's unjustified restriction that the President cannot determine that a volume limitation on exports is in the national interest. Obviously, at some point, with some unforeseen circumstances, the President may conclude that and he ought to be given the powers to so decide. Second, the amendment provides that exports of Alaska oil are authorized but only in amounts produced in excess of what is currently refined and consumed on the west coast.

This amendment speaks to the current consumption figure of 1.35 million barrels per day which is the amount of Alaska oil used in Washington, Oregon, California, Hawaii, Nevada, and Arizona. Under current production levels in Alaska, my amendment would allow up to 250,000 barrels a day to be exported. This is significantly in excess of the 140,000 barrels projected by the Department of Energy and the State of Alaska as likely for export, as they have presented testimony when we were considering this bill in the committee.

What this amendment does in effect is to allow the oil which is currently produced but not used on the west coast to be exported. This is the oil that is sent to the gulf or to other designations at significant extra expense. It is the oil that makes up the most economic sense for us to export to foreign nations.

What this amendment does not do, unlike the bill, is to allow British Petroleum to manipulate the price and supply of Alaska oil for the west coast usage. This is an amendment which protects U.S. jobs and consumers. It allows exports if and when they do not come at the expense of our citizens. It neither denies profits to British Petroleum nor revenues to the State of Alaska. It is a reasonable compromise, and I urge its adoption.

This amendment reflects the changes that have taken place since the study that was conducted to justify this legislation and that is the Alaska oil is now essentially at parity or finds itself more often at parity with the world price of oil than when it does not. And the so-called glut on the west coast that was available is essentially evaporated and the margins that Members keep referring to with respect to west coast refiners has essentially evaporated because of the change in the demand for energy products on the west coast.

Those margins, the evaporation of those margins, the narrowing of those margins are the same whether it is an independent refiner or whether it is one of the larger refiners. It is just simply a change in the world energy picture.

Early on in the development of north coast, North Slope oil coming out of Alaska, a huge amount, because of the requirement that it could not be exported, a huge amount was sent to eastern markets through the Panama

Canal. That oil essentially now, much of it, has been backed out of that market because it is really not competitive and because of the increased demands on the west coast as what was previously considered a glut has disappeared.

So we now find ourselves in a situation where this very substantial amount of the oil that is currently produced in Alaska is, in fact, needed. It is needed on the west coast because it cannot be readily substituted by oil from the, by the central valley, although that can make up part of it.

So what we would do is, without any impact on price, we would simply make sure that those West Coast users are held harmless as to the supply. That supply would be made available to them not at preferential prices; it would be made available to them at the world price. If they were not prepared to pay, if there becomes in fact a premium price on Alaska oil, in Singapore, in Japan, in Malaysia, in Korea, and they can sell that oil to that market and West Coast users do not want to bid that price for it, they will simply lose out.

So the marketplace will continue to work in terms of the economics of the price of oil. In fact, as we know, when we started this venture many years ago, it was believed that there was a domestic price of oil and a world price of oil. As we know today, there is only one price of oil essentially, and that is the world price of oil.

That does not matter whether you are Sadam Hussein, whether you are Iran, whether you are the Russians or you are the domestic developer within the United States, that is the price of oil. This honors that, the economics of the energy business with respect to that, but it does make sure that those people who have come to rely on this oil for domestic uses are in fact held harmless from this. As a market, if in fact the market continues to grow, if in fact the pipeline was ever put back to its full utilization in excess of about 2, 2.5 millions barrels of oil a day, all of that would be eligible for export.

So I think this in fact provides the best of both worlds to make sure that American economic interests and the customers are taken care of first and then certainly free to export whatever is available over and above that.

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

Mr. YOUNG of Alaska. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, the amendment of the gentleman from California is interesting. He talks about a world price for oil. I just have to say that, representing the oil patch, I would have to ask him what he means by world price for oil.

Is it the price that the Federal Government charges for Elk Hills oil which has to cover the cost of sending it by pipeline to the strategic petroleum reserve? Is it the price of west Texas crude that gets to move through pipelines and through shipping that does not cross the Panama Canal? Frankly, you have to take a look at the price of oil and include the cost of delivering that oil as well.

The issue in front of us is whether or not we should lock into a fixed amount on a given year and say that you can only export the amount of oil above that fixed amount.

First of all, let us understand that because of the policy that has been in place for 20 years, the Alaska fields are declining fields. In addition to that, they have yielded their production as many fields have around the world and what we need to do is make sure we open up more fields.

The idea was that if we could bring the true economic value to Alaska for that oil, they might in fact develop more fields. But what we have here is an amendment that locks in a fixed amount that comes to the lower 48.

When we look at the Department of Energy's study, it shows that 1994 is about 1,600,000 production; 1995, beginning to drop. And by the year 2000, in either the pessimistic or the optimistic case, you have clearly reached the oil amount that is in the amendment of the gentleman from California.

I think we need to do a little truth in packaging here.

What this amendment does is guarantee oil continues to come to California. The whole purpose of this bill is to allow oil to find its economic home. If you put on a volume limit, you automatically affect the price. You cannot deliver in essence an amount of oil that would have violated this figure to a Far Eastern area or any other place because of the restriction placed by this amendment. What we are trying to do is to remove Government restrictions.

I think that what we need to take a very long look at is what would happen if refineries on the West Coast would have to pay closer to the world price for oil.

In the study it says: The appropriate conclusion is that the gross marginal differential between PAD 5, which is Alaska oil, and the Nation as a whole would amply support an increase in crude oil prices of $1.50 to $2 per barrel without necessarily causing an increase in consumer prices.

If you can increase the price for crude oil and you do not increase the price of gasoline to consumers, what happens? In the middle between the crude oil and the consumer are the refineries. Frankly, the refineries, located in the gentleman's district, have enjoyed an enormous benefit over the years. The July 21 edition of the Wall Street Journal says: Tosco Corporation, located in the gentleman's district, net income surged 43 percent in the quarter. The petroleum products company attributed the net increase to improved refining margins.

It is the difference between the price of crude oil and the price of gasoline.

These people have been living off of an artificial market for years. The amendment of the gentleman from California wants to continue that artificial market. The gentleman wants a fixed amount that has to come. You try to negotiate a world price for oil when you know by Government edict there is a fixed amount that has to come. You break the economics. You do not have a world price for oil. You have somebody over a barrel, and it is the Alaska oil producer and the American consumer.

It is about time we ended the sweetheart deal for the refiners. That is exactly what the gentleman's amendment tries to prevent. It tries to perpetuate a sweetheart deal. This legislation changes it.

This amendment should be defeated.

Mr. YOUNG of Alaska. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in opposition to the Miller amendment.

I think we really need to step back and ask why are we here today. Why are we on the verge of passing H.R. 70? We are here because of a policy of the past which placed limitations on the utilization of oil produced in Alaska. We have a policy in place which is forcing the crude which is being produced in Alaska to be refined on the West Coast. This has obviously had the adverse impacts in parts of California and other parts of the country of diminishing the amount of oil being produced there and also of having adverse economic impacts.

What this amendment is doing is pretty much just the same. It is saying that we will allow for some exportation of oil, but we are still going to continue Government policies which arbitrarily state that you cannot export any oil except for that that is over the 1.35 million barrels per day.

□ 1600

Mr. Chairman, We do not know what the future will hold. However, there is one constant. If we have the faith in the market system, the marketplace will dictate where oil was produced, whether it be in Alaska, in California, or in many other parts of the world, where it will be utilized. The bottom line is that if the refiners on the West Coast that are currently using Alaskan crude oil, if they are willing to pay the market price for that crude oil, that oil will flow to those refiners, as it is today. They might have to pay just a little more of that to reflect what the real market price for that crude oil will be.

If we place this amendment in place, Mr. Chairman, we are once again putting up an arbitrary restriction or impediment to how the marketplace should work. Clearly, that is not good policy. We also have provisions within the legislation which I think address some of the concerns of the gentleman from California [Mr. MILLER]. That is, if we do find that any oil producer or exporter of oil is engaging in any type of activity which could have an adverse

impact on consumers or refiners, the Secretary of Commerce is then authorized to take actions and impose sanctions against that export. Therefore, I think we have the safeguards in place which will ensure that consumers and refiners are not adversely impacted.

Mr. Chairman, I think this country will be far better served if we embrace a policy which is predicted on the marketplace providing the best determination to where oil produced in Alaska should go.

Mr. MILLER of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO, Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, as the gentleman from California [Mr. MILLER] was explaining his amendment, he pointed out that this legislation removes the ability of the President to put in place any type of limitations in terms of the volume limits with regard to the exportation of oil. He takes that away.

Of course, what the gentleman from California [Mr. MILLER] does beyond that is, he recognizes and gives the Chief Executive the right to put in place some limitations, and, of course, provides, the second part of his amendment, provides for an assurance of 1.3 million barrels a day that is first sent to the lower 48, and then the amounts over that amount could be exported. So he is trying to recognize one of the shortcomings, I guess, in terms of the North Slope oil, and some of the effect on the market, but at the same time trying to meet what is obviously a significant domestic need on the Pacific coast.

Obviously, Mr. Chairman, the workability of the regulations and the law that exist in this instance are not perfect, nor is the global oil market perfect. We are hardly dealing with the handiwork of Adam Smith here in terms of the economy.

I noticed that the opponents seem to marshal often very obtuse arguments to defeat or to reinforce what is in the bill, sort of extreme situations, but I do not think we have to really do much guessing in order to understand that the way that the volatility of this market in the last 30 years has gone has caused great distress and significant impacts on our market. Look at the terms ''oil shock,'' the ''energy crisis'' in the 1970's.

The last two decades are replete with problems that have grown out of the shortfalls in terms of the marketplace. I just think that we should, obviously, retain in the President's control the ability to have flexibility with regard to the export from these lands.

Mr. Chairman, the tradeoff here that occurred with these State and Native American lands and other Federal lands where oil was flowing from in Alaska was that we would sacrifice these resources in an effort to try and provide security in terms of energy in the lower 48. Today we are even more vulnerable, but this has provided some stability, some constancy with regard to oil and energy policy on the West Coast and throughout the country.

Now, of course, in the name of a more perfect market, in the name of trying to develop this, the excuse here is that we are going to actually unleash and develop more and more of our domestic oil because this price is being held down. Admittedly, it is lower in these instances than it would otherwise be if it were completely open and we were bidding against many other countries in the Pacific Rim. I do not think there is any question about it; but I do not necessarily think that that has happened, and constantly not, despite the Energy Department study, translated into higher costs in terms of the marketplace. After all, we have seen oil go from $10 a barrel all the way up to somewhere in the high thirties at various times in the market. That is not exactly because of this particular problem.

Now we are talking about here much smaller, finite, or much smaller amounts of change that have occurred between this particular type of sour crude oil that exists in this instance that is being discussed. I think the issue here, obviously, is being pushed by those who want a higher price, who are not concerned today, and I would say to my friends, and many of them served here during periods and have put up with this role in terms of energy shortfall, that clearly this is something that is being shunted aside.

I think the Miller amendment brings us back and gives us the opportunity to export but at the same time meet the domestic needs, to have both. We have, in essence, allowed for the opening of these areas, to provide the security. I think we still need that. I think we can still do that. I think there is a role.

Some would take the Federal Government out of any type of policy role here. I am not a new Federalist, I am not a new Confederate, I am an unreconstructed Federalist and feel that the Federal Government is the only entity that can basically deal with this.

We go through all sorts of arguments here in terms of U.S. bottoms and other issues which I think will provide for circumvention, I might say, of many of the policies and goals that are stated here in the legislation. I would hope that the Miller amendment could be and should be accepted by the proponents of this if they mean what they have said in regard to this issue. Obviously, there is opposition to it.

I thank the gentleman from California for yielding time to me.

Mr. MILLER of California. Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I believe the gentleman from California [Mr. MILLER] has the right to close on his amendment.

The CHAIRMAN. The chairman of the committee has the right to close.

Mr. MILLER of California. Mr. Chairman, I have no further requests for time, I think the amendment is necessary, and I yield back the balance of my time.

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

Mr. Chairman, I rise in opposition to the amendment. This amendment was offered in the committee. It was defeated 24 to 11. I believe it is a deal killer. It was designed to block export volumes by giving the President limited authority to place a volume cap on exports. The export ban requires 1.6 million barrels of oil produced today be shipped to the West Coast. This again is a cap, it is a requirement, it will affect the California production area, it will not give us the jobs. This is opposed, frankly, by the administration. As the gentleman from Louisiana says, I agree with this administration, but the previous administration also said the same thing: This again interferes with the marketplace.

It is my belief that it will not do everything we want it to do if we adopt the amendment, so I strongly oppose the amendment, and urge ''no'' on the amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. MILLER] to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MILLER of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from California [Mr. MILLER] to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG] are postponed.

Are there any further amendments to the bill?

AMENDMENT OFFERED BY MR. METCALF TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF ALASKA

Mr. METCALF. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. METCALF to the amendment in the nature of a substitute offered by Mr. YOUNG of Alaska: Page 4, line 11, strike the closing quotation marks and period.

Page 4, after line 11, insert the following:

''(7) Any royalty accruing to the United States with respect to any oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652) may be paid in oil. The Secretary of the Interior shall offer any such oil accruing to the United States for sale to independent refiners located in Petroleum Allocation for Defense District V for processing or use in refineries within such District and not for resale. Such offers shall be made from time to time for such volumes and for such periods as the Secretary deems appropriate, and sales shall

be conducted by equitable allocation at fair market value among eligible independent refiners. The term 'independent refiner' means a petroleum refiner which, in the preceding calendar year, obtained, directly or indirectly, more than 70 percent of its refinery input of crude oil from producers which do not control, are not controlled by, and are not under common control with, such refiner.''.

Mr. METCALF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. METCALF. Mr. Chairman, I offer for my colleagues' consideration my amendment to the Alaskan oil export bill.

Many of my constituents are concerned about potential increases in gasoline prices if oil exports are expanded. Refiners in Washington are particularly dependent on Alaska as a source of oil.

My amendment would ensure that Northwest refineries have access to ''royalty'' oil from Federal lands in Alaska. If oil exports increase the price of gasoline, the increased demand could stimulate greater production—and Northwest refineries must have access to the oil.

Current procedures allow Northwest refineries to acquire royalty oil. My amendment would simply codify these procedures and give them the force of law—thus guaranteeing access to future oil production.

I would also like to thank the chairman of the Resources Committee for his consideration and support on this important issue.

The CHAIRMAN. Does any Member seek to be recognized in opposition to the amendment?

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment would provide for the sale of oil. The volume of oil currently produced on Federal lands in Alaska is very minimal. This amendment in fact would really look to the future if something were to occur on Federal lands in Alaska. I want to stress again, this oil that we are talking about is on State lands. It is our oil.

Very frankly, I do not see any harm in the amendment. I have one question to ask the author of the amendment, because after reading the amendment the only thing is, when does this kick in? When does that royalty oil kick in, if I may ask the gentleman from Washington?

Mr. METCALF. Mr. Chairman, will the gentleman yield?

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

Mr. METCALF. Mr. Chairman, I would tell the gentleman, it would be as the new oil would be available.

Mr. YOUNG of Alaska. Mr. Chairman, I would ask, is the price of gasoline the factor? What kicks it in as far as getting the royalty oil? Does anybody know, because it is not clear in the amendment.

Mr. METCALF. Mr. Chairman, I am not absolutely sure.

Mr. YOUNG of Alaska. Mr. Chairman, I am not going to oppose the amendment at this time. I do compliment the gentleman from Washington in his efforts, because he has brought this to our attention, and more so than California, because they do not have oil fields in other areas, of the need for a constant supply of oil, I can just about guarantee everybody in this room, because it is not just BP that has ownership of this oil. ARCO ships all of its oil to the west coast. That is where it has occurred. The Exxon areas, part is shipped to the west coast. The only people really right now who will have any oil available will be BP.

Mr. Chairman, I am inclined to accept the gentleman's amendment at this time, and we will be discussing the trigger date and conference, and seeing if there is a possibility we can further define that.

Mr. METCALF. I thank the gentleman from Alaska.

Mr. THOMAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would ask the gentleman from Washington or anyone who understands this amendment, that I have some questions on the amendments. On line 5, it says, ''The Secretary of the Interior shall offer any such oil accruing to the United States.'' From time to time, the United States receives oil in lieu of royalties.

What this amendment says is that when the United States get oil in that fashion, royalty oil is the common term, that the Secretary of the Interior ''shall offer'' any such oil accruing to the United States, and the Secretary of the Interior not only shall offer such oil, they must make it available to independent refiners located in pad 5. Such offer shall be made from time to time for such volumes and such periods as the Secretary deems appropriate, so the Secretary can control the volume and the period, and sales shall be conducted by equtable allocation at fair market value among eligible, independent refiners.

As I read this amendment, Mr. Chairman, it is yet again an attempt to carve out a market for a particular group of folk. These are the independent refiners. They are the ones who for years have received the blessing of oil directed to the lower 48. Now we have a group of refiners who call themselves independent refiners. They want to take such royalty oil as comes to the United States, ''shall offer any such oil,'' a mandatory offering to a particular group, the independent refiners.

Mr. Chairman, my belief is that this is one of the fallback positions offered by the refiners. If they cannot stop the bill, then they want a fixed amount of oil available to them in the marketplace, the gentleman from California, Mr. MILLER'S amendment. If they cannot get the fixed amount of oil, 1,350,000 barrels a day, then they want the royalty oil guaranteed only to them, and the Secretary of the Interior shall offer such sales only to the independent refiners.

Here we go, with the fallback for a particular group of people to try to get a continuation of the current structure, which is, these people benefit by government policy.

H.R. 70's underlying premise is that no one should benefit by government policy. The marketplace should determine the price. Our opposition to the Miller amendment was based upon the marketplace determining the price, and the marketplace should determine volume.

The amendment of the gentleman from Washington [Mr. METCALF] appears to this gentleman from California to be a smaller, narrow attempt, but nevertheless, an attempt to have government dictate who gets what in the marketplace. On that basis, Mr. Chairman, I would oppose the amendment offered by the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Washington is recognized for 5 minutes.

There was no objection.

Mr. METCALF. Mr. Chairman, what this does is codification of what is currently the government policy, and it would apply to future increases.

Mr. Chairman, this bill says it is going to increase oil production. If it does, this puts into the law the policy that we have relative to that increased production.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

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

□ 1615

Mr. THOMAS. The problem I have with the gentlemen's amendment, is that it codifies it, it puts it into law. But what it puts into law, is a special benefit for a particular group. Independent refiners are the only ones who get the opportunity to bid on the royalty oil. No one else is allowed to bid. This is one more attempt to create a special relationship under the law.

I thank the gentleman for yielding.

The CHAIRMAN pro tempore (Mr. LINDER). The question is on the amendment offered by the gentleman from Washington [Mr. METCALF] to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG].

The amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. GEJDENSON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF ALASKA

Mr. GEJDENSON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GEJDENSON to the amendment in the nature of a substitute offered by Mr. YOUNG of Alaska: Page 2, line 21, add the following after the period: ''In no event may oil be exported under this paragraph before the end of the period within which the President must make his national interest determination under this paragraph.''.

Mr. GEJDENSON. Mr. Chairman, with the new inclination of the gentleman from Alaska [Mr. YOUNG] toward accepting amendments, I would hope he would read and accept this one. In the bill as it is drafted, we would have the President making a determination as to the impact of the export of this oil after the fact.

It says first we start shipping this oil and signing contracts with people in the Pacific rim. Then the President is going to take a look at it and find out if there is a problem. If there is a problem, we will already have contracts for sending this oil out there.

A number of gentlemen on the floor have indicated the administration is with them. So they are not facing a hostile administration. It seems to me unless again this is some window dressing in their language and they are not concerned with either the environment or our national security, that at minimum they would be ready to accept this amendment which simply says that, yes, as they wrote it, the President ought to do an assessment on what this change in the law would do to the United States but he ought to do that assessment before contracts are signed with people to ship this oil elsewhere. I would hope that the gentleman from Alaska [Mr. YOUNG] could support this very limited amendment to try to improve what I think is a bad bill.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the last word.

Mr. Chairman, hope of all hopes, and wishes of all wishes, I do oppose the amendment.

The administration adamantly opposes the amendment. The administration has said they support the committee substitute. We have worked with them. It gives the President the flexibility he wants. Very frankly why should Congress mandate a bureaucratic delay? If the President, and that is what were saying, finds that this is an appropriate thing, why hold his hand for 5 months when he does not want it? That is like asking a girlfriend out on a date when she does not want to hold your hand. You are not going to get anywhere.

Let's face up to it. I suggest respectfully the amendment is very frankly not supported by anyone I know other than the gentleman from Connecticut. I urge the defeat of the amendment.

Mr. THOMAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do want to commend the gentleman from Connecticut on the effort that he is making with this amendment because it sounds extremely reasonable, that until the President makes his determination, we should not export any of the oil. The problem of course is, perhaps the gentleman from Connecticut has not read the amendment in the nature of a substitute offered by the gentleman from Alaska, the chairman. The gentleman from Alaska and this gentleman from California indicated that the administration supports the substitute as written. The substitute as written says that the finding that the President shall make is a negative finding; not a positive one that they should export oil but, in fact, a negative one that they should not.

The gentleman from Connecticut is now saying, notwithstanding the fact that the administration supports the legislation and that the Presidential determination is a negative one, no oil should be exported until the President makes his determination, which is, under the substitute, a finding that they should not export any oil.

I think when we come full circle, all this is, is, an attempt once again to offer an amendment for purposes that the gentleman from Connecticut well knows are not in the best interests of moving this bill forward and therefore not in the best interests of labor, energy production, or consumers in this country. I would ask that Members oppose the amendment of the gentleman from Connecticut.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG].

The amendment to the amendment in the nature of a substitute was rejected.

Mr. YOUNG of Alaska. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BUNNING of Kentucky) having assumed the chair, Mr. LINDER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 70) to permit exports of certain domestically produced crude oil, and for other purposes, had come to no resolution thereon.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 5 p.m. today.

Accordingly (at 4 o'clock and 23 minutes p.m.), the House stood in recess until 5 p.m.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LINDER) at 5 o'clock and 2 minutes p.m.

EXPORTS OF ALASKAN NORTH SLOPE OIL

The SPEAKER pro tempore. Pursuant to House Resolution 197 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 70.

□ 1704

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 70) to permit exports of certain domestically produce crude oil, and for other purposes, with Mr. LINDER (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG] was pending.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

Pursuant to the rule, proceedings will now resume on those amendments to the amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG] on which further proceedings were postponed in the following order: the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON], and the amendment offered by the gentleman from California [Mr. MILLER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series, including the underlying amendment in the nature of a substitute offered by the gentleman from Alaska [Mr. YOUNG] if ordered without intervening business or debate.

AMENDMENT OFFERED BY MR. GEJDENSON

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 278, answered ''present'' 1, not voting 38, as follows: