

ALASKA
PIPELINE
FEDERAL
CONFERENCE

AMENDING SECTION 28 OF THE MINERAL LEASING ACT
OF 1920, AND TO AUTHORIZE THE TRANS-ALASKA
PIPELINE

OCTOBER 31, 1973.—Ordered to be printed

Mr. MELCHER, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 1081]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

TITLE I

SECTION 101. Section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (39 U.S.C. 185), is further amended to read as follows:

“Grant of Authority

“SEC. 28. (a) Rights-of-way through any Federal lands may be granted by the Secretary of the Interior or appropriate agency head for pipeline purposes for the transportation of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom to any applicant possessing the qualifications provided in section 1 of this Act, as amended, in accordance with the provisions of this section.

“Definitions

“(b) (1) For the purposes of this section ‘Federal lands’ means all lands owned by the United States except lands in the National Park

System, lands held in trust for an Indian or Indian tribe, and lands on the Outer Continental Shelf. A right-of-way through a Federal reservation shall not be granted if the Secretary or agency head determines that it would be inconsistent with the purposes of the reservation.

"(2) 'Secretary' means the Secretary of the Interior.

"(3) 'Agency head' means the head of any Federal department or independent Federal office or agency, other than the Secretary of the Interior, which has jurisdiction over Federal lands.

"Inter-Agency Coordination

"(c)(1) Where the surface of all of the Federal lands involved in a proposed right-of-way or permit is under the jurisdiction of one Federal agency, the agency head, rather than the Secretary, is authorized to grant or renew the right-of-way or permit for the purposes sets forth in this section.

"(2) Where the surface of the Federal lands involved is administered by the Secretary or by two or more Federal agencies, the Secretary is authorized, after consultation with the agencies involved, to grant or renew rights-of-way or permits through the Federal lands involved. The Secretary may enter into interagency agreements with all other Federal agencies having jurisdiction over Federal lands for the purpose of avoiding duplication, assigning responsibility, expediting review of rights-of-way or permit applications, issuing joint regulations, and assuring a decision based upon a comprehensive review of all factors involved in any right-of-way or permit application. Each agency head shall administer and enforce the provisions of this section, appropriate regulations, and the terms and conditions of rights-of-way or permits insofar as they involve Federal lands under the agency head's jurisdiction.

"Width Limitations

"(d) The width of a right-of-way shall not exceed fifty feet plus the ground occupied by the pipeline (that is, the pipe and its related facilities) unless the Secretary or agency head finds, and records the reasons for his finding, that in his judgment a wider right-of-way is necessary for operation and maintenance after construction, or to protect the environment or public safety. Related facilities include but are not limited to valves, pump stations, supporting structures, bridges, monitoring and communication devices, surge and storage tanks, terminals, roads, airstrips and campsites, and they need not necessarily be connected or contiguous to the pipe and may be the subjects of separate rights-of-way.

"Temporary Permits

"(e) A right-of-way may be supplemented by such temporary permits for the use of Federal lands in the vicinity of the pipeline as the Secretary or agency head finds are necessary in connection with construction, operation, maintenance, or termination of the pipeline, or to protect the natural environment or public safety.

“Regulatory Authority

“(j) Rights-of-way or permits granted or renewed pursuant to this section shall be subject to regulations promulgated in accord with the provisions of this section and shall be subject to such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, operation, maintenance, use, and termination.

“Pipeline Safety

“(g) The Secretary or agency head shall impose requirements for the operation of the pipeline and related facilities in a manner that will protect the safety of workers and protect the public from sudden ruptures and slow degradation of the pipeline.

“Environmental Protection

“(h) (1) Nothing in this section shall be construed to amend, repeal, modify, or change in any way the requirements of section 102(2)(C) or any other provision of the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852).

“(2) The Secretary or agency head, prior to granting a right-of-way or permit pursuant to this section for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation for such right-of-way or permit which shall comply with this section. The Secretary or agency head shall issue regulations or impose stipulations which shall include, but shall not be limited to: (A) requirements for restoration, revegetation, and curtailment of erosion of the surface of the land; (B) requirements to insure that activities in connection with the right-of-way or permit will not violate applicable air and water quality standards nor related facility siting standards established by or pursuant to law; (C) requirements designed to control or prevent (i) damage to the environment (including damage to fish and wildlife habitat), (ii) damage to public or private property, and (iii) hazards to public health and safety; and (D) requirements to protect the interests of individuals living in the general area of the right-of-way or permit who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be applicable to every right-of-way or permit granted pursuant to this section, and may be made applicable by the Secretary or agency head to existing rights-of-way or permits, or rights-of-way or permits to be renewed pursuant to this section.

“Disclosure

“(i) If the applicant is a partnership, corporation, association, or other business entity, the Secretary or agency head shall require the applicant to disclose the identity of the participants in the entity. Such disclosure shall include where applicable (1) the name and address of each partner, (2) the name and address of each shareholder

owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote, and (3) the name and address of each affiliate of the entity together with in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

“Technical and Financial Capability

“(j) The Secretary or agency head shall grant or renew a right-of-way or permit under this section only when he is satisfied that the applicant has the technical and financial capability to construct, operate, maintain, and terminate the project for which the right-of-way or permit is requested in accordance with the requirements of this section.

“Public Hearings

“(k) The Secretary or agency head by regulation shall establish procedures, including public hearings where appropriate, to give Federal, State, and local government agencies and the public adequate notice and an opportunity to comment upon right-of-way applications filed after the date of enactment of this subsection.

“Reimbursement of Costs

“(l) The applicant for a right-of-way or permit shall reimburse the United States for administrative and other costs incurred in processing the application, and the holder of a right-of-way or permit shall reimburse the United States for the costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities on such right-of-way or permit area and shall pay annually in advance the fair market rental value of the right-of-way or permit, as determined by the Secretary or agency head.

“Bonding

“(m) Where he deems it appropriate the Secretary or agency head may require a holder of a right-of-way or permit to furnish a bond, or other security, satisfactory to the Secretary or agency head to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or permit or by any rule or regulation of the Secretary or agency head.

“Duration of grant

“(n) Each right-of-way or permit granted or renewed pursuant to this section shall be limited to a reasonable term in light of all circumstances concerning the project, but in no event more than thirty years. In determining the duration of a right-of-way the Secretary or agency head shall, among other things, take into consideration the cost of the facility, its useful life, and any public purpose it serves. The Secre-

tary or agency head shall renew any right-of-way, in accordance with the provisions of this section, so long as the project is in commercial operation and is operated and maintained in accordance with all of the provisions of this section.

"Suspension or Termination of Right-of-Way

"(o) (1) Abandonment of a right-of-way or noncompliance with any provision of this section may be grounds for suspension or termination of the right-of-way if (A) after due notice to the holder of the right-of-way, (B) a reasonable opportunity to comply with this section, and (C) an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the Secretary or agency head determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provides that it terminates on the occurrence of a fixed or agreed upon condition, event, or time.

"(2) If the Secretary or agency head determines that an immediate temporary suspension of activities within a right-of-way or permit area is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding.

"(3) Deliberate failure of the holder to use the right-of-way for the purpose for which it was granted or renewed for any continuous two-year period shall constitute a rebuttable presumption of abandonment of the right-of-way: Provided, That where the failure to use the right-of-way is due to circumstances not within the holder's control the Secretary or agency head is not required to commence proceedings to suspend or terminate the right-of-way.

"Joint Use of Rights-of-Way

"(p) In order to minimize adverse environmental impacts and the proliferation of separate rights-of-way across Federal lands, the utilization of rights-of-way in common shall be required to the extent practical, and each right-of-way or permit shall reserve to the Secretary or agency head the right to grant additional rights-of-way or permits for compatible uses on or adjacent to rights-of-way or permit area granted pursuant to this section.

"Statutes

"(q) No rights-of-way for the purposes provided for in this section shall be granted or renewed across Federal lands except under and subject to the provisions, limitations, and conditions of this section. Any application for a right-of-way filed under any other law prior to the effective date of this provision may, at the applicant's option, be considered as an application under this section. The Secretary or agency head may require the applicant to submit any additional information he deems necessary to comply with the requirements of this section.

"Common Carriers

"(r) (1) Pipelines and related facilities authorized under this section shall be constructed, operated, and maintained as common carriers.

"(2) (A) The owners or operators of pipelines subject to this section shall accept, convey, transport, or purchase without discrimination all oil or gas delivered to the pipeline without regard to whether such oil or gas was produced on Federal or non-Federal lands.

"(B) In the case of oil or gas produced from Federal lands or from the resources on the Federal lands in the vicinity of the pipeline, the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine the proportionate amounts to be accepted, conveyed, transported or purchased.

"(3) (A) The common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.

"(B) Where natural gas not subject to State regulatory or conservation laws governing its purchase by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline.

"(4) The Government shall in express terms reserve and shall provide in every lease of oil lands under this Act that the lessee, assignee, or beneficiary, if owner or operator of a controlling interest in any pipeline or of any company operating the pipeline which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government or of any citizen or company not the owner of any pipeline operating a lease or purchasing gas or oil under the provisions of this Act.

"(5) Whenever the Secretary has reason to believe that any owner or operator subject to this section is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, he may request the Attorney General to prosecute an appropriate proceeding before the Interstate Commerce Commission or Federal Power Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefor, or the Secretary may, by proceeding as provided in this section, suspend or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

"(6) The Secretary or agency head shall require, prior to granting or renewing a right-of-way, that the applicant submit and disclose all plans, contracts, agreements, or other information or material which he deems necessary to determine whether a right-of-way shall be granted or renewed and the terms and conditions which should be included in the right-of-way. Such information may include, but is not limited to: (A) conditions for, and agreements among owners or operators, regarding the addition of pumping facilities, looping, or otherwise increasing the pipeline or terminal's throughput capacity in response to actual or anticipated increases in demand; (B) conditions for adding or abandoning intake, offtake, or storage points or facilities; and (C) minimum shipment or purchase tenders.

"Right-of-Way Corridors

"(x) In order to minimize adverse environmental impacts and to prevent the proliferation of separate rights-of-way across Federal

lands, the Secretary shall, in consultation with other Federal and State agencies, review the need for a national system of transportation and utility corridors across Federal lands and submit a report of his findings and recommendations to the Congress and the President by July 1, 1975.

"Existing Rights-of-Way

"(t) The Secretary or agency head may ratify and confirm any right-of-way or permit for an oil or gas pipeline or related facility that was granted under any provision of law before the effective date of this subsection, if it is modified by mutual agreement to comply to the extent practical with the provisions of this section. Any action taken by the Secretary or agency head pursuant to this subsection shall not be considered a major Federal action requiring a detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1970 (Public Law 90-190; 42 U.S.C. 4321).

"Limitations on Export

"(u) Any domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to section 28 of the Mineral Leasing Act of 1920, except such crude oil which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not diminish the total quantity or quality of petroleum available to the United States, and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: Provided, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

"State Standards

"(v) The Secretary or agency head shall take into consideration and to the extent practical comply with State standards for right-of-way construction, operation, and maintenance.

"Reports

"(w) (1) The Secretary and other appropriate agency heads shall report to the House and Senate Committees on Interior and Insular

Affairs annually on the administration of this section and on the safety and environmental requirements imposed pursuant thereto.

"(2) *The Secretary or agency head shall notify the House and Senate Committees on Interior and Insular Affairs promptly upon receipt of an application for a right-of-way for a pipeline twenty-four inches or more in diameter, and no right-of-way for such a pipeline shall be granted until sixty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after a notice of intention to grant the right-of-way, together with the Secretary's or agency head's detailed findings as to terms and conditions he proposes to impose, has been submitted to such committees, unless each committee by resolution waives the waiting period.*

"(3) *Periodically, but at least once a year, the Secretary of the Department of Transportation shall cause the examination of all pipelines and associated facilities on Federal lands and shall cause the prompt reporting of any potential leaks or safety problems.*

"(4) *The Secretary of the Department of Transportation shall report annually to the President, the Congress, the Secretary of the Interior, and the Interstate Commerce Commission any potential dangers of or actual explosions, or potential or actual spillage on Federal lands and shall include in such report a statement of corrective action taken to prevent such explosion or spillage.*

"Liability

"(a) (1) *The Secretary or agency head shall promulgate regulations and may impose stipulations specifying the extent to which holders of rights-of-way and permits under this Act shall be liable to the United States for damage or injury incurred by the United States in connection with the right-of-way or permit. Where the right-of-way or permit involves lands which are under the exclusive jurisdiction of the Federal Government, the Secretary or agency head shall promulgate regulations specifying the extent to which holders shall be liable to third parties for injuries incurred in connection with the right-of-way or permit.*

"(2) *The Secretary or agency head may, by regulation or stipulation, impose a standard of strict liability to govern activities taking place on a right-of-way or permit area which the Secretary or agency head determines, in his discretion, to present a foreseeable hazard or risk of danger to the United States.*

"(3) *Regulations and stipulations pursuant to this subsection shall not impose strict liability for damage or injury resulting from (A) an act of war, or (B) negligence of the United States.*

"(4) *Any regulation or stipulation imposing liability without fault shall include a maximum limitation on damages commensurate with the foreseeable risks or hazards presented. Any liability for damage or injury in excess of this amount shall be determined by ordinary rules of negligence.*

"(5) *The regulations and stipulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liability, damage, or claims arising in connection with the right-of-way or permit.*

"(6) Any regulation or stipulation promulgated or imposed pursuant to this section shall provide that all owners of any interest in, and all affiliates or subsidiaries of any holder of, a right-of-way or permit shall be liable to the United States in the event that a claim for damage or injury cannot be collected from the holder.

"(7) In any case where liability without fault is imposed pursuant to this subsection and the damages involved were caused by the negligence of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

"Antitrust Laws

"(y) The grant of a right-of-way or permit pursuant to this section shall grant no immunity from the operation of the Federal antitrust laws."

TITLE II

SHORT TITLE

Sec. 201. This title may be cited as the "Trans-Alaska Pipeline Authorization Act".

CONGRESSIONAL FINDINGS

Sec. 202. The Congress finds and declares that:

(a) The early development and delivery of oil and gas from Alaska's North Slope to domestic markets is in the national interest because of growing domestic shortages and increasing dependence upon insecure foreign sources.

(b) The Department of the Interior and other Federal agencies, have, over a long period of time, conducted extensive studies of the technical aspects and of the environmental, social, and economic impacts of the proposed trans-Alaska oil pipeline, including consideration of a trans-Canada pipeline.

(c) The earliest possible construction of a trans-Alaska oil pipeline from the North Slope of Alaska to Port Valdez in that State will make the extensive proven and potential reserves of low-sulfur oil available for domestic use and will best serve the national interest.

(d) A supplemental pipeline to connect the North Slope with a trans-Canada pipeline may be needed later and it should be studied now, but it should not be regarded as an alternative for a trans-Alaska pipeline that does not traverse a foreign country.

CONGRESSIONAL AUTHORIZATION

Sec. 203. (a) The purpose of this title is to insure that, because of the extensive governmental studies already made of this project and the national interest in early delivery of North Slope oil to domestic markets, the trans-Alaska oil pipeline be constructed promptly without further administrative or judicial delay or impediment. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made and in limiting judicial review of the actions taken pursuant thereto.

(b) *The Congress hereby authorizes and directs the Secretary of the Interior and other appropriate Federal officers and agencies to issue and take all necessary action to administer and enforce rights-of-way, permits, leases, and other authorizations that are necessary for or related to the construction, operation, and maintenance of the trans-Alaska oil pipeline system, including roads and airstrips, as that system is generally described in the Final Environmental Impact Statement issued by the Department of the Interior on March 20, 1972. The route of the pipeline may be modified by the Secretary to provide during construction greater environmental protection.*

(c) *Rights-of-way, permits, leases, and other authorizations issued pursuant to this title by the Secretary shall be subject to the provisions of section 28 of the Mineral Leasing Act of 1920, as amended by title I of this Act (except the provisions of subsections (h) (1), (k), (q), (w) (2), and (x)); all authorizations issued by the Secretary and other Federal officers and agencies pursuant to this title shall include the terms and conditions required, and may include the terms and conditions permitted, by the provisions of law that would otherwise be applicable if this title had not been enacted, and they may waive any procedural requirements of law or regulation which they deem desirable to waive in order to accomplish the purposes of this title. The direction contained in section 203(b) shall supersede the provisions of any law or regulation relating to an administrative determination as to whether the authorizations for construction of the trans-Alaska oil pipeline shall be issued.*

(d) *The actions taken pursuant to this title which relate to the construction and completion of the pipeline system, and to the applications filed in connection therewith necessary to the pipeline's operation at full capacity, as described in the Final Environmental Impact Statement of the Department of the Interior, shall be taken without further action under the National Environmental Policy Act of 1969; and the actions of the Federal officers concerning the issuance of the necessary rights-of-way, permits, leases, and other authorizations for construction and initial operation at full capacity of said pipeline system shall not be subject to judicial review under any law except that claims alleging the invalidity of this section may be brought within sixty days following its enactment, and claims alleging that an action will deny rights under the Constitution of the United States, or that the action is beyond the scope of authority conferred by this title, may be brought within sixty days following the date of such action. A claim shall be barred unless a complaint is filed within the time specified. Any such complaint shall be filed in a United States district court, and such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim whether in a proceeding instituted prior to or on or after the date of the enactment of this Act. Any such proceeding shall be assigned for hearing at the earliest possible date, shall take precedence over all other matters pending on the docket of the district court at that time, and shall be expedited in every way by such court. Such court shall not have*

jurisdiction to grant any injunctive relief against the issuance of any right-of-way, permit, lease, or other authorization pursuant to this section except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this section. Any review of an interlocutory or final judgment, decree, or order of such district court may be had only upon direct appeal to the Supreme Court of the United States.

(e) The Secretary of the Interior and the other Federal officers and agencies are authorized at any time when necessary to protect the public interest, pursuant to the authority of this section and in accordance with its provisions, to amend or modify any right-of-way, permit, lease, or other authorization issued under this title.

LIABILITY

SEC. 204. (a)(1) Except when the holder of the pipeline right-of-way granted pursuant to this title can prove that damages in connection with or resulting from activities along or in the vicinity of the proposed trans-Alaskan pipeline right-of-way were caused by an act of war or negligence of the United States or other government entity, or the damaged party, such holder shall be strictly liable to all injured parties, public or private, without regard to fault for such damages, and without regard to ownership of any affected lands, structures, fish, wildlife, or biotic or other natural resources relied upon by Alaska Natives, Native organizations, or others for subsistence or economic purposes. Claims for such injury or damages may be determined by arbitration or judicial proceedings.

(2) Liability under paragraph (1) of this subsection shall be limited to \$50,000,000 for any one incident, and the holders of the right-of-way or permit shall be liable for any claim allowed in proportion to their ownership interest in the right-of-way or permit. Liability of such holders for damages in excess of \$50,000,000 shall be in accord with ordinary rules of negligence.

(3) In any case where liability without fault is imposed pursuant to this subsection and the damages involved were caused by the negligence of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

(4) Upon order of the Secretary, the holder of a right-of-way or permit shall provide emergency subsistence and other aid to an affected Alaska Native, Native organization, or other person pending expeditious filing of, and determination of, a claim under this subsection.

(5) Where the State of Alaska is the holder of a right-of-way or permit under this title, the State shall not be subject to the provisions of subsection 204(a), but the holder of the permit or right-of-way for the trans-Alaska pipeline shall be subject to that subsection with respect to facilities constructed or activities conducted under rights-of-way or permits issued to the State to the extent that such holder engages in the construction, operation, maintenance, and termination of facilities, or in other activities under rights-of-way or permits issued to the State.

(b) If any area within or without the right-of-way or permit area granted under this title is polluted by any activities conducted by

or on behalf of the holder to whom such right-of-way or permit was granted, and such pollution damages or threatens to damage aquatic life, wildlife, or public or private property, the control and total removal of the pollutant shall be at the expense of such holder, including any administrative and other costs incurred by the Secretary or any other Federal officer or agency. Upon failure of such holder to adequately control and remove such pollutant, the Secretary, in cooperation with other Federal, State, or local agencies, or in cooperation with such holder, or both, shall have the right to accomplish the control and removal at the expense of such holder.

(c)(1) Notwithstanding the provisions of any other law, if oil that has been transported through the trans-Alaska pipeline is loaded on a vessel at the terminal facilities of the pipeline, the owner and operator of the vessel (jointly and severally) and the Trans-Alaska Pipeline Liability Fund established by this subsection, shall be strictly liable without regard to fault in accordance with the provisions of this subsection for all damages, including clean-up costs, sustained by any person or entity, public or private, including residents of Canada, as the result of discharges of oil from such vessel.

(2) Strict liability shall not be imposed under this subsection if the owner or operator of the vessel, or the Fund, can prove that the damages were caused by an act of war or by the negligence of the United States or other governmental agency. Strict liability shall not be imposed under this subsection with respect to the claim of a damaged party if the owner or operator of the vessel, or the Fund, can prove that the damage was caused by the negligence of such party.

(3) Strict liability for all claims arising out of any one incident shall not exceed \$100,000,000. The owner and operator of the vessel shall be jointly and severally liable for the first \$14,000,000 of such claims that are allowed. Financial responsibility for \$14,000,000 shall be demonstrated in accordance with the provisions of section 311(p) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321(p)) before the oil is loaded. The Fund shall be liable for the balance of the claims that are allowed up to \$100,000,000. If the total claims allowed exceed \$100,000,000, they shall be reduced proportionately. The unpaid portion of any claim may be asserted and adjudicated under other applicable Federal or state law.

(4) The Trans-Alaska Pipeline Liability Fund is hereby established as a non-profit corporate entity that may sue and be sued in its own name. The Fund shall be administered by the holders of the trans-Alaska pipeline right-of-way under regulations prescribed by the Secretary. The Fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress.

(5) The operator of the pipeline shall collect from the owner of the oil at the time it is loaded on the vessel a fee of five cents per barrel. The collection shall cease when \$100,000,000 has been accumulated in the Fund, and it shall be resumed when the accumulation in the Fund falls below \$100,000,000.

(6) The collections under paragraph (5) shall be delivered to the Fund. Costs of administration shall be paid from the money paid to the Fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income-producing securi-

ties approved by the Secretary. Income from such securities shall be added to the principal of the Fund.

(7) The provisions of this subsection shall apply only to vessels engaged in transportation between the terminal facilities of the pipeline and ports under the jurisdiction of the United States. Strict liability under this subsection shall cease when the oil has first been brought ashore at a port under the jurisdiction of the United States.

(8) In any case where liability without regard to fault is imposed pursuant to this subsection and the damages involved were caused by the unseaworthiness of the vessel or by negligence, the owner and operator of the vessel, and the Fund, as the case may be, shall be subrogated under applicable State and Federal laws to the rights under said laws of any person entitled to recovery hereunder. If any subrogee brings an action based on unseaworthiness of the vessel or negligence of its owner or operator, it may recover from any affiliate of the owner or operator, if the respective owner or operator fails to satisfy any claim by the subrogee allowed under this paragraph.

(9) This subsection shall not be interpreted to preempt the field of strict liability or to preclude any State from imposing additional requirements.

(10) If the Fund is unable to satisfy a claim asserted and finally determined under this subsection, the Fund may borrow the money needed to satisfy the claim from any commercial credit source, at the lowest available rate of interest, subject to approval of the Secretary.

(11) For purposes of this subsection only, the term "affiliate" includes—

(A) Any person owned or effectively controlled by the vessel owner or operator; or

(B) Any person that effectively controls or has the power effectively to control the vessel owner or operator by—

(i) stock interest, or

(ii) representation on a board of directors or similar body,

or

(iii) contract or other agreement with other stockholders,

or

(iv) otherwise; or

(C) Any person which is under common ownership or control with the vessel owner or operator.

(12) The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or an unincorporated organization.

ANTITRUST LAWS

Sec. 205. The grant of a right-of-way, permit, lease, or other authorization pursuant to this title shall grant no immunity from the operation of the Federal anti-trust laws.

ROADS AND AIRPORTS

Sec. 206. A right-of-way, permit, lease, or other authorization granted under section 203(b) for a road or airstrip as a related facility of the trans-Alaska pipeline may provide for the construction of a public road or airstrip.

TITLE III—NEGOTIATIONS WITH CANADA

Sec. 301. The President of the United States is authorized and requested to enter into negotiations with the Government of Canada to determine—

(a) the willingness of the Government of Canada to permit the construction of pipelines or other transportation systems across Canadian territory for the transport of natural gas and oil from Alaska's North Slope to markets in the United States, including the use of tankers by way of the Northwest Passage;

(b) the need for intergovernmental understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party or parties involved with the construction, operation, and maintenance of pipelines or other transportation systems for the transport of such natural gas or oil;

(c) the terms and conditions under which pipelines or other transportation systems could be constructed across Canadian territory;

(d) the desirability of undertaking joint studies and investigations designed to insure protection of the environment, reduce legal and regulatory uncertainty, and insure that the respective energy requirements of the people of Canada and of the United States are adequately met;

(e) the quantity of such oil and natural gas from the North Slope of Alaska for which the Government of Canada would guarantee transit; and

(f) the feasibility, consistent with the needs of other sections of the United States, of acquiring additional energy from other sources that would make unnecessary the shipment of oil from the Alaskan pipeline by tanker into the Puget Sound area.

The President shall report to the House and Senate Committees on Interior and Insular Affairs the actions taken, the progress achieved, the areas of disagreement, and the matters about which more information is needed, together with his recommendations for further action.

Sec. 302. (a) The Secretary of the Interior is authorized and directed to investigate the feasibility of one or more oil or gas pipelines from the North Slope of Alaska to connect with a pipeline through Canada that will deliver oil or gas to United States markets.

(b) All costs associated with making the investigations authorized by subsection (a) shall be charged to any future applicant who is granted a right-of-way for one of the routes studied. The Secretary shall submit to the House and Senate Committees on Interior and Insular Affairs periodic reports of his investigation, and the final report of the Secretary shall be submitted within two years from the date of this Act.

Sec. 303. Nothing in this title shall limit the authority of the Secretary of the Interior or any other Federal official to grant a gas or oil pipeline right-of-way or permit which he is otherwise authorized by law to grant.

TITLE IV—MISCELLANEOUS

VESSEL CONSTRUCTION STANDARDS

SEC. 401. Section 4417a of the Revised Statutes of the United States (46 U.S.C. 391a), as amended by the Ports and Waterways Safety Act

of 1972 (86 Stat. 424, Public Law 92-340), is hereby amended as follows:

“(C) Rules and regulations published pursuant to subsection (7) (A) shall be effective not earlier than January 1, 1974, with respect to foreign vessels and United States-flag vessels operating in the foreign trade, unless the Secretary shall earlier establish rules and regulations consonant with international treaty, convention, or agreement, which generally address the regulation of similar topics for the protection of the marine environment. In absence of the promulgation of such rules and regulations consonant with international treaty, convention, or agreement, the Secretary shall establish an effective date not later than January 1, 1976, with respect to foreign vessels and United States-flag vessels operating in the foreign trade, for rules and regulations previously published pursuant to this subsection (7) which he then deems appropriate. Rules and regulations published pursuant to subsection (7) (A) shall be effective not later than June 30, 1974, with respect to United States-flag vessels engaged in the coastwise trade.”.

VESSEL TRAFFIC CONTROL

Sec. 402. The Secretary of the Department in which the Coast Guard is operating is hereby directed to establish a vessel traffic control system for Prince William Sound and Valdez, Alaska, pursuant to authority contained in title I of the Ports and Waterways Safety Act of 1972 (86 Stat. 424, Public Law 92-340).

CIVIL RIGHTS

Sec. 403. The Secretary of the Interior shall take such affirmative action as he deems necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving, or participating in any activity conducted under, any permit, right-of-way, public land order, or other Federal authorization granted or issued under title II. The Secretary of the Interior shall promulgate such rules as he deems necessary to carry out the purposes of this subsection and may enforce this subsection, and any rules promulgated under this subsection, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Act of 1964.

CONFIRMATION OF THE DIRECTOR OF THE ENERGY POLICY OFFICE

Sec. 404. The Director of the Energy Policy Office in the Executive Office of the President shall be appointed by the President, by and with the advice and consent of the Senate; Provided, That if any individual who is serving in this office on the date of enactment of this Act is nominated for such position, he may continue to act unless and until such nomination shall be disapproved by the Senate.

CONFIRMATION OF THE HEAD OF THE MINING ENFORCEMENT AND SAFETY ADMINISTRATION

Sec. 405. The head of the Mining Enforcement and Safety Administration established pursuant to Order Numbered 2953 of the Secretary of the Interior issued in accordance with the authority provided by section 2 of Reorganization Plan Numbered 3 of 1950 (64 Stat. 1262) shall be appointed by the President, by and with the advice and con-

sent of the Senate: Provided, That if any individual who is serving in this office on the date of enactment of this Act is nominated for such position, he may continue to act unless and until such nomination shall be disapproved by the Senate.

EXEMPTION OF FIRST SALE OF CRUDE OIL AND NATURAL GAS OF CERTAIN LEASES FROM PRICE RESTRAINTS AND ALLOCATION PROGRAMS

SEC. 406. (a) The first sale of crude oil and natural gas liquids produced from any lease whose average daily production of such substances for the preceding calendar month does not exceed ten barrels per well shall not be subject to price restraints established pursuant to the Economic Stabilization Act of 1970, as amended, or to any allocation program for fuels or petroleum established pursuant to that Act or to any Federal law for the allocation of fuels or petroleum.

(b) To qualify for the exemption under this section, a lease must be operating at the maximum feasible rate of production and in accord with recognized conservation practices.

(c) The agency designated by the President or by law to implement any such fuels or petroleum allocation program is authorized to conduct inspections to insure compliance with this section and shall promulgate and cause to be published regulations implementing the provisions of this section.

ADVANCE PAYMENTS TO ALASKA NATIVES

SEC. 407. (a) In view of the delay in construction of a pipeline to transport North Slope crude oil, the sum of \$5,000,000 is authorized to be appropriated from the United States Treasury into the Alaska Native Fund every six months of each fiscal year beginning with the fiscal year ending June 30, 1976, as advance payments chargeable against the revenues to be paid under section 9 of the Alaska Native Claims Settlement Act, until such time as the delivery of North Slope crude oil to a pipeline is commenced.

(b) Section 9 of the Alaskan Native Claims Settlement Act is amended by striking the language in subsection (g) thereof and substituting the following language: "The payments required by this section shall continue only until a sum of \$500,000,000 has been paid into the Alaska Native Fund less the total of advance payments paid into the Alaska Native Fund pursuant to section 407 of the Trans-Alaska Pipeline Authorization Act. Thereafter, payments which would otherwise go into the Alaska Native Fund will be made to the United States Treasury as reimbursement for the advance payments authorized by section 407 of the Trans-Alaska Pipeline Authorization Act. The provisions of this section shall no longer apply, and the reservation required in patents under this section shall be of no further force and effect, after a total sum of \$500,000,000 has been paid to the Alaska Native Fund and to the United States Treasury pursuant to this subsection."

FEDERAL TRADE COMMISSION AUTHORITY

SEC. 408. (a) (1) The Congress hereby finds that the investigative and law enforcement responsibilities of the Federal Trade Commission have been restricted and hampered because of inadequate legal authority to enforce subpoenas and to seek preliminary injunctive relief to avoid unfair competitive practices.

(2) The Congress further finds that as a direct result of this inadequate legal authority significant delays have occurred in a major investigation into the legality of the structure, conduct, and activities of the petroleum industry, as well as in other major investigations designed to protect the public interest.

(b) It is the purpose of this Act to grant the Federal Trade Commission the requisite authority to insure prompt enforcement of the laws the Commission administers by granting statutory authority to directly enforce subpoenas issued by the Commission and to seek preliminary injunctive relief to avoid unfair competitive practices.

(c) Section 5(l) of the Federal Trade Commission Act (15 U.S.C. 45(l)) is amended by striking subsection (l) and inserting in lieu thereof:

"(l) Any person, partnership, or corporation who violates an order of the Commission after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than \$10,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the Attorney General of the United States. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure to obey or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense. In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate in the enforcement of such final orders of the Commission."

(d) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following new subsection:

"(m) The Commission shall have the power to initiate, prosecute, defend, or appeal any court action in the name of the Commission for the purpose of enforcing the laws subject to its jurisdiction through its own legal representative, after formally notifying and consulting with and giving the Attorney General 10 days to take the action proposed by the Commission."

(e) Section 6 of the Federal Trade Commission Act (15 U.S.C. 46), is amended by adding at the end thereof the following provision: "Provided, That the exception of 'banks and common carriers subject to the Act to regulate commerce' from the Commission's powers defined in clauses (a) and (b) of this section, shall not be construed to limit the Commission's authority to gather and compile information, to investigate, or to require reports or answers from, any such corporation to the extent that such action is necessary to the investigation of any corporation, group of corporations, or industry which is not engaged or is engaged only incidentally in banking or in business as a common carrier subject to the Act to regulate commerce."

(f) Section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by redesignating "(b)" as "(c)" and inserting the following new subsection:

"(b) Whenever the Commission has reason to believe—

"(1) that any person, partnership, or corporation is violating, or is about to violate, any provision of law enforced by the Federal Trade Commission, and

"(2) that the enjoining thereof pending the issuance of a complaint by the Commission and until such complaint is dismissed by

the Commission or set aside by the court on review, or until the order of the Commission made thereon has become final, would be in the interest of the public—

the Commission by any of its attorneys designated by it for such purpose may bring suit in a district court of the United States to enjoin any such act or practice. Upon a proper showing that, weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant, a temporary restraining order or a preliminary injunction may be granted without bond: Provided, however, That if a complaint is not filed within such period (not exceeding 20 days) as may be specified by the court after issuance of the temporary restraining order or preliminary injunction, the order or injunction shall be dissolved by the court and be of no further force and effect: Provided further, That in proper cases the Commission may seek, and after proper proof, the court may issue, a permanent injunction. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business."

(g) Section 16 of the Federal Trade Commission Act (15 U.S.C. 56) is amended to read as follows:

"Sec. 16. Whenever the Federal Trade Commission has reason to believe that any person, partnership, or corporation is liable to a penalty under section 14 or under subsection (l) of section 5 of this Act, it shall—

"(a) certify the facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of such section or subsection; or

"(b) after compliance with the requirements with Section 5(m), itself cause such appropriate proceedings to be brought."

GENERAL ACCOUNTING OFFICE AUTHORITY

Sec. 409. (a) Section 3502 of title 44, United States Code is amended by inserting in the first paragraph defining "Federal agency" after the words "the General Accounting Office" and before the words "nor the governments" the words "independent Federal regulatory agencies."

(b) Chapter 35 of title 44, United States Code, is amended by adding after section 3511 the following new section:

"§ 3512. Information for independent regulatory agencies

"(a) The Comptroller General of the United States shall review the collection of information required by independent Federal regulatory agencies described in section 3502 of this chapter to assure that information required by such agencies is obtained with a minimum burden upon business enterprises, especially small business enterprises, and other persons required to furnish the information. Unnecessary duplication of efforts in obtaining information already filed with other Federal agencies or departments through the use of reports, questionnaires, and other methods shall be eliminated as rapidly as practicable. Information collected and tabulated by an independent regulatory agency shall, as far as is expedient, be tabulated in a manner to maximize the usefulness of the information to other Federal agencies and the public.

"(b) In carrying out the policy of this section, the Comptroller General shall review all existing information gathering practices of independent regulatory agencies as well as requests for additional information with a view toward—

"(1) avoiding duplication of effort by independent regulatory agencies, and

"(2) minimizing the compliance burden on business enterprises and other persons.

"(c) In complying with this section, an independent regulatory agency shall not conduct or sponsor the collection of information upon an identical item from ten or more persons, other than Federal employees, unless, in advance of adoption or revision of any plans or forms to be used in the collection—

"(1) the agency submitted to the Comptroller General the plans or forms, together with the copies of pertinent regulations and of other related materials as the Comptroller General has specified; and

"(2) the Comptroller General has advised that the information is not presently available to the independent agency from another source within the Federal Government and has determined that the proposed plans or forms are consistent with the provision of this section. The Comptroller General shall maintain facilities for carrying out the purposes of this section and shall render such advice to the requestive independent regulatory agency within forty-five days.

"(d) While the Comptroller General shall determine the availability from other Federal sources of the information sought and the appropriateness of the forms for the collection of such information, the independent regulatory agency shall make the final determination as to the necessity of the information in carrying out its statutory responsibilities and whether to collect such information. If no advice is received from the Comptroller General within forty-five days, the independent regulatory agency may immediately proceed to obtain such information.

"(e) Section 3508(a) of this chapter dealing with unlawful disclosure of information shall apply to the use of information by independent regulatory agencies.

"(f) The Comptroller General may promulgate rules and regulations necessary to carry out this chapter."

EQUITABLE ALLOCATION OF NORTH SLOPE CRUDE OIL

Sec. 410. The Congress declares that the crude oil on the North Slope of Alaska is an important part of the Nation's oil resources, and that the benefits of such crude oil should be equitably shared, directly or indirectly, by all regions of the country. The President shall use any authority he may have to insure an equitable allocation of available North Slope and other crude oil resources and petroleum products among all regions and all of the several States.

SEPARABILITY

Sec. 411. If any provision of this Act or the applicability thereof is held invalid the remainder of this Act shall not be affected thereby.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

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

"To amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes".

And the House agree to the same.

JAMES A. HALEY,
JOHN MELCHER,
HAROLD T. JOHNSON,
MORRIS K. UDALL,
JOHN P. SAYLOR,
SAM STEIGER,
DON YOUNG.

Managers on the Part of the House.

HENRY M. JACKSON,
ALAN BIBLE,
J. BENNETT JOHNSTON, Jr.,
FLOYD K. HASKELL,
PAUL J. FANNIN,
CLIFFORD P. HANSEN,
MARK O. HATFIELD,

Managers on the Part of the Senate.

JOINT STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment, submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying conference report.

I. MAJOR PROVISIONS

The language agreed upon by the Conference Committee differs from the bill enacted by the Senate and the amendment enacted by the House in the following respects:

1. The Senate bill enacted a completely new system for granting rights-of-way across Federal lands. It applied to rights-of-way for many different purposes.

The House amendment applied only to rights-of-way for oil and gas pipelines. It took the form of an amendment to section 28 of the Mineral Leasing Act of 1920, which is the principal authority for granting oil and gas pipeline rights-of-way across public lands.

The Conferees adopted the House approach, but expanded it to include pipelines for oil, gas, synthetic liquid or gaseous fuels and refined products therefrom in anticipation of developments in coal gasification and liquification, oil shale, and tar sands. It is the understanding of the Conferees, however, that the House will consider broader right-of-way legislation in connection with other bills that are presently pending.

2. The Senate bill applied to all lands owned by the United States except five specified categories. The House amendment retained the present language of the Mineral Leasing Act of 1920, which applies to "public lands, including forest reserves." The meaning of this phrase is not completely clear, but it clearly does not apply to lands acquired by the United States, as distinguished from the public domain.

The Conferees adopted the Senate approach, but excluded three categories rather than five categories of land. The three categories excluded are the National Park System, the Outer Continental Shelf, and Indian lands. The two categories of land that were not excluded are the National Wildlife Refuge System and the National Wilderness Preservation System, both of which are presently subject to the Mineral Leasing Act. The Conferees provided, however, that rights-

of-way through reserved areas may not be granted if they would be inconsistent with the purposes of the reservation.

3. The Conferees combined and adopted the guidelines governing the grant of rights-of-way that were contained in the Senate bill and in the House amendment. The two sets of guidelines, while different in some respects, are compatible, and both are intended to spell out in greater statutory detail policies that were formerly left to administrative determination. None of the House guidelines was omitted.

4. Both the Senate bill and the House amendment provided for the immediate grant of a Trans-Alaska oil pipeline right-of-way without further proceedings under the National Environmental Protection Act and with only a limited right of judicial review. The Conferees merged the provisions of the two Houses without making major substantive changes.

5. Both the Senate bill and the House amendment provided for further study and negotiations with respect to possible additional oil and gas pipelines from the North Slope of Alaska, through Canada, to the Midwest. The Conferees merged the provisions of the two Houses without making substantial changes. The results of the negotiations and investigations are intended to serve as comparative information in the evaluation of the best possible methods for future transportation of North Slope energy resources to United States markets, and the bill is not intended to confer any special status on a trans-Canada route in the selection process for future pipelines.

6. The Senate bill had a number of miscellaneous provisions that were not directly related to oil pipeline rights-of-way. The House amendment had no comparable provisions. The Conferees' action was as follows:

(a) The Senate provision amending the Ports and Waterways Safety Act of 1972 with respect to vessel construction standards, and the provision directing the Coast Guard to exercise its present authority to establish a vessel traffic control system for the Valdez area, were adopted.

(b) The provisions requiring Senate confirmation of the Director of the Energy Policy Office in the Executive Office of the President, and the head of the Mining Enforcement and Safety Administration, were adopted.

(c) The provision exempting the first sale of oil and gas from stripper wells from the price restraints of the Economic Stabilization Act of 1970, and from any allocation program, was adopted. A stripper well is defined as a well with an average daily production during the preceding month of not more than ten barrels. In order to qualify for the exemption the lease must be operating at a maximum feasible rate of production and in accord with recognized conservation practices.

(d) The provision amending the Alaska Native Claims Settlement Act and providing for advance payments to Natives was adopted, after reducing the amount of the advance payments from \$7,500,000 each six months to \$5,000,000, after delaying the starting time for the payments from the beginning of fiscal year 1975 to the beginning of fiscal year 1976, and after deleting the provision making the advance payments a gift if transportation of oil through the pipeline does not commence by December 31, 1976.

(e) The provision amending the Federal Trade Commission Act was adopted, with amendments. It increased the civil penalty for violating a final order of the Commission, gave the Commission broader authority to initiate injunction actions and enforce subpoenas, and gave the Commission authority to represent itself in court if the Attorney General failed to do so after ten days notice.

(f) The provision amending the Federal Reports Act was adopted. It substituted the Comptroller General for the Office of Management and Budget in reviewing questionnaires proposed to be issued by independent Federal regulatory agencies. The regulatory agency will determine whether it needs the information, but it may not send its questionnaire if the Comptroller General determines that the information is already available from another source within the Federal Government.

(g) The provision giving the President broad authority to take any action necessary to insure an equitable allocation of crude oil and petroleum products among the various regions and States was adopted after it was amended to require the President to use his existing authority to accomplish that objective.

7. The House amendment contained (a) a provision prohibiting any form of discrimination in connection with any activity on the trans-Alaska pipeline, (b) a provision limiting the employment of foreign nationals for work on the trans-Alaska pipeline, and (c) a "buy-American" provision for the construction, operation, and maintenance of the trans-Alaska pipeline. The Senate bill had no comparable provisions. The Conferees adopted the first provision and dropped the second and third.

8. The Senate bill and the House amendment had different provisions regarding the liability of the owner or operator of an oil pipeline for damages resulting from its construction and operation. The Senate bill had one provision which related to pipelines on rights-of-way granted under the general law, and which applied only to damages incurred by the United States. The Senate had another provision which related to damages incurred by Alaska Natives in connection with the trans-Alaska pipeline. The House amendment had three provisions which related only to the trans-Alaska oil pipeline. One related to damages to anyone that were caused by the activities of the pipeline owner along the route of the pipeline. A second provision related to damages to anyone from discharges of oil from vessels owned or controlled by the pipeline owner in violation of the Federal Water Pollution Control Act. A third provision related to damages sustained by Alaska Natives.

The Conferees adopted modified versions of all of these provisions. One provision is of general application and appears in section 28(x). It requires the Secretary or agency head to specify the extent to which the holder of a right-of-way or permit shall be liable to the United States for damage or injury incurred in connection with the right-of-way. Joint regulations by the agencies involved, as authorized in section 28(c), are contemplated by the Conferees. Strict liability without regard to fault may be imposed, but a maximum dollar limitation must be stated, and liability in excess of this amount may be determined under ordinary rules of negligence.

The second provision is in section 204. It relates only to the trans-Alaska pipeline, and is in three parts. Subsection (a) imposes on the holder of the right-of-way or permit strict liability without regard to fault, and without regard to ownership of the land or resource involved if the land or resource is relied upon for subsistence or economic purposes, for damages or injury in connection with or resulting from activities along or in the vicinity of the pipeline right-of-way. Strict liability is limited to \$50,000,000 for any one incident, and liability for damages in excess of that amount will be determined in accordance with ordinary rules of negligence.

Subsection (b) imposes on the holder of a right-of-way or permit liability for the full cost of control and removal of the pollutant of any area that is polluted by operations of the holder.

Subsection (c) imposes on the owner or operator of a vessel that is loaded with any oil from the trans-Alaska pipeline strict liability without regard to fault for damages sustained by any person as the result of discharges of oil from such vessel. Strict liability is limited to \$100,000,000 for any one incident. The owner or operator is liable for the first \$14,000,000. A Trans-Alaska Pipeline Liability Fund, which is created by the bill, is liable for the balance of the allowed claims up to \$100,000,000. The portion of any valid claim not payable by the Fund may be asserted and adjudicated under other applicable Federal or State law.

The Fund will accumulate and maintain not less than \$100,000,000 derived from the collection of a fee of five cents per barrel at the time the oil is loaded on the vessel, from income from invested funds, and from borrowed money if needed.

Strict liability under subsection (c) will cease when the oil is first brought ashore at a port under the jurisdiction of the United States, and the subsection applies only to vessels engaged in coastwise transportation, including transportation to and beyond deepwater ports.

9. Both the Senate bill and the House amendment contained provisions limiting the export of crude oil and making such exports subject to congressional oversight. The Senate bill applied only to oil from the North Slope of Alaska. The House amendment applied to all oil transported over rights-of-way through Federal lands. The Conferees adopted the House language.

The Senate bill provided for disapproval of proposed exports by joint resolution of the Congress. The House amendment prohibited proposed exports unless affirmatively authorized by a concurrent resolution of the Congress. The Conferees adopted the Senate language after changing "joint resolution" to "concurrent resolution."

The Conferees also adopted an exception intended to take care of oil exchanges and transportation involving Canada and Mexico.

II. COMMENTS REGARDING SPECIFIC PROVISIONS

1. Section 28(c), which authorizes the grant of temporary permits for the use of Federal lands "in the vicinity of the pipeline" is not intended to restrict unnecessarily the placement of temporary construction or maintenance facilities such as construction camps, storage areas, communications sites and soil disposal areas, but to permit them to be placed wherever convenient to construction activities.

The term "temporary" relates to duration and imposes no limitation on the type of facility or activity which may be allowed. Thus, slope cuts and fills, berm construction, access facilities and other permanent changes in terrain are permissible. The Secretary or agency head may require, as a condition of such temporary permits, removal of structures and rehabilitation of the area.

This section will overcome an interpretation of the United States Court of Appeals for the District of Columbia in the case of *Wilderness Society v. Morton* (Feb. 9, 1973).

2. Section 28(f) contemplates that general regulations governing the grant of rights-of-way or permits will be issued by the Secretary or agency head. This does not preclude the grant of rights-of-way or permits in advance of the issuance of the regulations and the inclusion of appropriate conditions and stipulations to carry out the purposes of the Act.

3. Section 28(g), relating to pipeline safety, is not intended to require the Secretary or agency head to impose safety requirements that would duplicate requirements of the Secretary of Labor or the Secretary of Transportation under other law.

4. Section 28(h), relating to environmental protection, does not require the plan for construction, operation, and rehabilitation of the right-of-way or permit area to be a final one, since all details and conditions cannot be known at the time of application. However, the plan should be a description in as much detail as the state of the planning for the particular project will permit and must be adequate enough for the Secretary or agency head to make an informed judgment on the application and on the need for imposing any special terms and conditions which the public interest may require. Information called for pursuant to this section which is already on file with respect to applications pending on the date of enactment need not be refiled.

5. Section 28(k) does not require public hearings that would duplicate the public participation procedures required by the National Environmental Policy Act. It also permits a public hearing to cover all aspects of a pipeline proposal, regardless of whether one or more rights-of-way or permits, or whether one or more agencies, are involved.

6. Section 28(l) requires reimbursement of costs incurred in processing an application. These costs include the cost of preparing an environmental impact statement. It also requires payment annually in advance of the fair market rental value of the right-of-way or permit. This value can be based on any combination of factors that might reasonably be considered by a landowner in a free market, when determining the price to be asked for the right to use or cross his land.

7. Section 28(m) authorizes the Secretary or agency head to require a right-of-way or permit holder to furnish a bond or other satisfactory security. The term "security" is not used in a technical sense but may include any undertaking which gives adequate assurance that all obligations of the grantee will be met. Such flexibility is needed because some grantees may not be legally able to post such security, and in other cases a requirement of technical security may be impossible or unnecessary to comply with. Flexibility also permits the Secretary or agency head to require more than one type of security.

8. Section 28(p), relating to joint uses of a right-of-way, gives the Secretary or agency head sufficient control to prevent any hazardous or technologically inoperable placement of various facilities.

9. Section 28(t) permits the Secretary or agency head to ratify and confirm the validity of existing rights-of-way for oil or gas regardless of the statutory authority under which they were granted. It is needed because of the possible application of the decision of the United States Court of Appeals in *The Wilderness Society, et al. v. Morton, et al.*

The conferees expect that previously granted rights-of-way should be confirmed only after careful study and the fullest possible compliance with the provisions of Section 28 as amended by this Act.

10. Section 28(v), relating to State standards, is included because rights-of-way frequently cross from State or private land into Federal land and back into State or private land. Different construction, operation, and maintenance standards may apply. This section is intended to assure that the Secretary or agency head will carefully consider State standards and comply with them in the interest of uniform practice throughout the State where such compliance is practical in the judgment of the Secretary or agency head. The section is not intended to require that those standards be followed in every case.

11. Section 203(b) provides new and independent statutory authorization and direction for the issuance, administration and enforcement of all rights-of-way, permits, leases and other authorizations necessary for or related to construction, operation and maintenance of the trans-Alaska pipeline system as generally described in the Final Environmental Impact Statement of the Department of the Interior dated March 20, 1972. It is a plenary grant of authority to the appropriate Federal agencies. All grants of rights-of-way, leases, permits, and other authorizations for the use of Federal lands shall be made under the authority of this subsection, rather than under other provisions of law.

After years of delay and protracted litigation on this matter, Congress has determined that the national interest requires a clear-cut and unequivocal policy decision on the pipeline. Congress has decided that an oil pipeline is necessary to move North Slope oil to domestic markets in the lower forty-eight States. This title implements that national policy decision.

In adopting this title, Congress intends to exercise its constitutional powers to the fullest extent necessary to achieve the objective of this title and to make this policy binding upon the Executive Branch and on the Federal courts.

Congress has decided, as a matter of national policy, that the appropriate Federal authorizations shall be issued. The Secretary and other Federal officials have no discretion in this matter. Congress does, however, require that applicable standards of substantive law be followed in connection with these authorizations, and vests liberal discretion in the Executive Branch to determine the conditions and stipulations to be incorporated into the necessary authorizations and the specific facilities to be authorized.

This subsection also identifies the "trans-Alaska oil pipeline system" as that system is generally described in the Secretary of the Interior's Final Environmental Impact Statement of March 20, 1972. The sub-

ject of that statement was a 48-inch diameter pipeline system with an ultimate capacity of 2 million barrels a day throughput for which a right-of-way and other permit applications were filed by a number of oil companies which had purchased leases on the North Slope of Alaska. This provision is intended to generally specify the facilities to be authorized and their general location. This provision is not, however, to be narrowly construed. If environmental conditions or new technological developments warrant, new facilities or changes in route or in location of proposed facilities are authorized so long as they are required or appropriate for the construction and operation at full capacity of the trans-Alaska pipeline system as generally described in the impact statement.

The route of the trans-Alaska pipeline will cross lands under the jurisdiction of more than one Federal agency. The Congress intends in Title II that the Secretary of the Interior will issue the right-of-way over all such Federal lands.

12. Section 203(c) provides that, if under any other statute a Federal agency could have issued an authorization relating to the construction of the trans-Alaska pipeline system, the agency shall still issue such authorization, but it shall act under the authority of subsection 203(b) of this Title and not under the authority of the other statute. Authorizations issued under subsection 203(b) shall contain all those provisions that the supplanted statute would have required, and may include any provisions which were authorized but not required by the supplanted statute.

Authorizations issued by the Secretary of the Interior shall follow the applicable provisions of Section 28 of the Mineral Leasing Act, as it is amended by Title I of this Act, except as provided in subsection 203(c). Not all of the Section 28 provisions will be applicable. The determination of applicability is left to the Secretary's judgment.

13. Section 203(d) provides for construction and completion of the pipeline system without further proceedings under National Environmental Policy Act of 1969. Section 202(d) of the House amendment and section 502(d) of the Senate bill contained a declaration that the actions of the Secretary of Interior heretofore taken with respect to the proposed trans-Alaska pipeline shall be regarded as satisfactory compliance with the provisions of the National Environmental Policy Act of 1969. Section 502(d) of the Senate bill also applied to the actions of other Federal agencies and officers, and referred not only to the National Environmental Policy Act of 1969, but also to "all other applicable laws." The Conferees did not adopt this declaration because they considered it as unnecessary and subject to misinterpretation. Inasmuch as section 203(d) of the Conference Report directs that the actions necessary for construction and completion of the trans-Alaska pipeline system shall be taken without further action under the National Environmental Policy Act, a declaration with respect to the effect to be accorded prior actions was not regarded as necessary or material.

Section 203(d) also limits the grounds for judicial review of Federal actions relating to issuance and implementation of all rights-of-way, permits, leases and other authorizations necessary or appropriate for completion of construction of the trans-Alaska pipeline, and its initial operation at full capacity of 2,000,000 barrels throughput per day (i.e., actions under 203(b) and 203(c)).

The permissible grounds for judicial review are limited to constitutional questions and questions of federal actions beyond the scope of authority conferred by Title II. Congress intended such grounds to be construed very narrowly, in keeping with the purpose stated in 203(a). This purpose also underlies the jurisdictional and procedural provisions in Section 203(d), which are designed to assure the most prompt possible resolution of any case involving the trans-Alaska pipeline, and to assure that issuance of the rights-of-way, permits, leases or other authorizations cannot be enjoined except pursuant to a final judgment.

14. Section 204(c) provides, for vessels that transport North Slope oil in the coastal trade, liability standards that are much stricter than those that apply to vessels that transport other oil in the coastal or foreign trade.

It is expected that tankers as large as 250,000 deadweight tons will transport North Slope crude to ports on the West Coast of the United States and elsewhere. Oil discharges from vessels of this size could result in extremely high damages to property and natural resources, including fisheries and amenities, especially if the mishap occurred close to a populated shoreline area.

Under the Limitation of Liability Act of 1851 (46 U.S.C. 183), the owner of a vessel is entitled to limit his liability for property damage caused by the vessel to the value of the vessel and its cargo. The value determination is made *after* the incident causing the damage. It is therefore quite possible for injured parties to go uncompensated if a vessel and its cargo are totally lost.

In the Water Quality Improvement Act of 1970 (33 U.S.C. 1161 et seq.), Congress expanded the liability of a vessel carrying oil to cover Federal government cleanup costs up to the lesser of \$100 per ton or \$14 million. Under that Act, damages are imposed without regard to the fault of the owner or operator, thereby creating a strict liability to United States Government for cleanup costs. However, State governments and private parties are still obliged to proceed under maritime law, subject to the limits of liability contained in that body of law.

The Conferees concluded that existing maritime law would not provide adequate compensation to all victims, including residents of Canada, in the event of the kind of catastrophe which might occur. Consequently, the Conferees established a rule of strict liability for damages from discharges of the oil transported through the trans-Alaska Pipeline up to \$100,000,000.

Strict liability is primarily a question of insurance. The fundamental reason for the limits placed on liability in the Federal Water Quality Improvement Act stemmed from the availability, or non-availability, of marine insurance. Without a readily available commercial source of insurance, liability without a dollar limitation would be meaningless and many independent owners could not operate their vessels. Since the world-wide maritime insurance industry claimed \$14 million was the limit of the risk they would assume, this was the limit provided for in the Federal Water Quality Improvement Act. There has been no indication that this level has since increased.

Accordingly, the Conferees adopted a liability plan which would make the owner or operator strictly liable for all claims (for both

clean-up costs and damages to public and private parties) up to \$14 million. This limit would provide an incentive to the owner or operator to operate the vessel with due care and would not create too heavy an insurance burden for independent vessel owners lacking the means to self-insure.

Financial responsibility up to this limit would have to be demonstrated before the vessel could be loaded with oil. Since the Federal Water Quality Improvement Act has an existing mechanism for establishing proof of financial responsibility, reference was made to the appropriate provision (13 U.S.C. 1321(p)). Such provision would be used to the extent it is consistent with the purposes of this Act; for example, references to tonnage limitations would not apply. Claims for clean-up costs would take precedence over other claims thereby preserving the provisions of the Federal Water Quality Improvement Act.

All claims over \$14 million up to the \$100 million ceiling would be asserted against the Trans-Alaska Pipeline Liability Fund established by the bill.

The owners of oil loaded onto tankers at Valdez will pay the Fund five cents per barrel until there is \$100 million in the Fund. Payments would resume at any time the Fund fell below \$100 million. (The Fund is described in more detail under Major Provisions.) Thus, the owners of the oil would have an incentive to select carefully vessels to carry their oil. Moreover, such owners would then share the risk associated with transporting the oil on water.

The Fund is not precluded from proceeding against the owner or operator of the vessel or other third parties, if either or both were negligent or caused the discharge.

The States are expressly not precluded from setting higher limits or from legislating in any manner not inconsistent with the provisions of this Act.

The Conferees hope that the appropriate committees of the House and Senate which are considering the more general subject of marine liability will harmonize the liability provisions of the Trans-Alaska Pipeline Authorization Act and the liability provisions of any general legislation that may be developed.

15. Section 406, relating to stripper oil wells, was a Senate floor amendment to S. 1081. The Conferees have adopted the general concept of the floor amendment, but have added new provisions to insure that the exemption is narrowly defined and prudently administered, and to insure that the incentive being granted is properly limited in accord with congressional intent.

The purpose of exempting small stripper wells—wells whose average daily production does not exceed ten barrels per well—from the price restraints of the Economic Stabilization Act (now in Phase IV) and from any system of mandatory fuel allocation is to insure that direct or indirect price ceilings do not have the effect of resulting in any loss of domestic crude oil production from the premature shut-down of stripper wells for economic reasons.

As of January 1, 1973, there were 350,000 stripper wells producing ten barrels a day or less. Stripper wells account for 71 percent of all of the oil wells in this country, but produce an average of only 3.6

barrels per day, or only 13 percent of total U.S. domestic crude production.

Many stripper wells are of only marginal economic value. When the costs of their operation exceed the value of their production, they are shut in, and a known and developed crude oil reserve is lost to U.S. production. Removing Phase IV price restraints from these marginal stripper wells has the effect of increasing the value of the crude oil they produce by about \$1.30 per barrel (the difference between \$4.02, the current per-barrel ceiling average under Phase IV, and \$5.32, the per-barrel average price for "new" domestic crude oil production which is not subject to Phase IV). This price incentive will encourage owners and operators of stripper wells to maintain production and to keep these wells in operation for longer periods of time than would be possible if the value of their crude oil production were determined under Phase IV price ceilings. This increased incentive will, it is anticipated, permit stripper well operators to make new investments in the eligible wells and improve the gathering and other facilities for moving this oil to market.

The words "first sale" in Section 406(a) refer to the initial sale from the producer to a refiner, oil broker or other party. Thereafter, the exemption expires and any applicable provision of the Economic Stabilization Act or any mandatory allocation program may apply.

The exemption also runs only to "crude oil and natural gas liquids." It does not run to natural gas produced by these wells. Natural gas production and pricing continue to be regulated by the Federal or State agency having jurisdiction over the particular wells involved.

The Congress intends that the provisions of this section will be strictly enforced and regulated by the administering agency to insure that the limited exemption of this class of wells for the express purposes described above is not in any way broadened. To achieve this, Congress authorizes on-site inspections to insure compliance. Congress also directs that the administering agency shall promulgate regulations to implement the provisions of this section before it becomes operative. The Conferees expect the administering agency to utilize State data regarding production volumes, and to provide by regulation safeguards against the manipulation or gerrymandering of lease units in a manner that evades the price control and allocation programs.

These regulations shall be so designed as to provide safeguards against any abuse, over-reaching or altering of normal patterns of operations to achieve a benefit under this section which would not otherwise be available. Congress specifically intends that the regulations shall, among other things, prevent any "gerrymandering" of leases to average down high production wells with a number of low production stripper wells to remove the high production wells from price ceilings. The *sole* purpose and objective of this Section 406 is to keep stripper wells—those producing less than ten barrels per day—in production and to insure that the crude oil they produce continues to be available for U.S. refineries and U.S. consumers. It is not intended to confer any benefit on the owners and operators of wells producing in excess of ten barrels per day.

The Congress also intends that the regulations provide appropriate limitations and provisions in the definition of "lease" to insure that an administratively workable system is established which does not permit abuse.

16. Section 408(f) relates to the standard of proof to be met by the Federal Trade Commission for the issuance of a temporary restraining order or a preliminary injunction. It is not intended in any way to impose a totally new standard of proof different from that which is now required of the Commission. The intent is to maintain the statutory or "public interest" standard which is now applicable, and *not* to impose the traditional "equity" standard of irreparable damage, probability of success on the merits, and that the balance of equities favors the petitioner. This latter standard derives from common law and is appropriate for litigation between private parties. It is not, however, appropriate for the implementation of a Federal statute by an independent regulatory agency where the standards of the public interest measure the propriety and the need for injunctive relief.

The inclusion of this new language is to define the duty of the courts to exercise independent judgment on the propriety of issuance of a temporary restraining order or a preliminary injunction. This new language is intended to codify the decisional law of *Federal Trade Commission v. National Health Aids*, 108 F. Supp. 340, and *Federal Trade Commission v. Sterling Drug, Inc.*, 317 F.2d 669, and similar cases which have defined the judicial role to include the exercise of such independent judgment. The conferees did not intend, nor do they consider it appropriate, to burden the Commission with the requirements imposed by the traditional equity standard which the common law applies to private litigants.

17. Section 409(a) exempts "independent Federal regulatory agencies" from the provisions of the Federal Reporting Services Act. In general, the Reporting Services Act provides that Federal agencies may not collect information from ten or more persons without having first obtained the advance approval and clearance of the Office of Management and Budget. The term "Federal agencies" has been construed to include the independent Federal regulatory agencies for the purposes of the Reporting Services Act.

The purpose of Section 409(a) is to preserve the independence of the regulatory agencies to carry out the quasi-judicial functions which have been entrusted to them by the Congress. The intent of this section is not to encourage a proliferation of detailed questionnaires to industry, small business or other persons which could result in unnecessary and unreasonable expense. Any legitimate need for information in carrying out the statutory responsibilities of these agencies would, however, be carried out even though responses may entail some expense and inconvenience.

The purpose of this section is to insure that the existing clearance procedure for questionnaires or requests for data does not become, inadvertently or otherwise, a device for delaying or obstructing the investigations and data collection necessary to carry out the important regulatory functions assigned to the independent agencies by the Congress.

The Congress intends the term "independent Federal regulatory agencies" as used in Section 409(a) to include, but not necessarily be limited to, the following agencies:

Civil Aeronautics Board,
 Federal Communications Commission,
 Atomic Energy Commission (insofar as its regulatory and adjudicative functions are concerned),
 Federal Trade Commission,
 Interstate Trade Commission,
 Securities and Exchange Commission, and
 Federal Power Commission.

Subsection 409(b) provides a procedure for advance review which is designed to insure that information required by independent Federal regulatory agencies is obtained with a minimum burden upon business enterprises, especially small businesses, and other persons required to furnish such information.

The Comptroller General of the General Accounting Office is charged with the review responsibility. Since this will be a new function for the General Accounting Office, the Comptroller General has informed the Congress that he will need until July 1, 1974 to enable him to obtain the staff which will be required to carry out the full responsibilities provided for in Section 409(b). This is satisfactory to the Congress so long as appropriate interim arrangements are made to carry out the Section 409(b) review of the Federal agencies which should not or cannot be delayed until July 1, 1974.

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 CLIFFORD P. HANSEN,
 MARK O. HATFIELD,

Managers on the Part of the Senate.

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Ted Stevens

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