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Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I am pleased to sign into law today S. 586, the Coastal Zone Management Act Amendments of 1976. This legislation fills a critical need in the development of our domestic energy resources and the improved management of the Nation's valuable coastal zones.

The bill recognizes a national responsibility to assist coastal states and communities that will be affected by the accelerated exploration and production of oil and gas from the Federal outer continental shelf. It incorporates for coastal states the principal elements of the Energy Development Impact Assistance Program which I recommended to Congress in February of this year.

Specifically the bill creates a Coastal Energy Impact Program with an authorization level of \$1.2 billion over the next ten years. The principal form of the assistance will be loans and loan guarantees to assist communities in developing the additional public facilities needed to cope with the expanding population associated with new OCS and coastal dependent energy activities. In addition, Federal grants are authorized to assist states and communities in planning for these impacts, in ameliorating unavoidable environmental losses, and in providing public facilities and public services for limited time periods to the extent adequate credit under the bill is available.

The legislation has been carefully designed to insure that Federal assistance is limited to those situations where the assistance is needed and only for those specified projects or activities directly related to increased coastal energy activity. Clearly, the national taxpayer should not be asked to underwrite costs normally covered by ordinary state and local taxes; similarly, the energy industry should bear its normal tax load and the usual costs of doing business.

Under the bill, loans and loan guarantees will be provided for public facilities needed because of new or expanded coastal energy activity in recognition that such facilities would normally be financed through State and local bonding. Grants for public facilities can only be used if the Secretary of Commerce finds that the loans and loan guarantees are not available. Grants may also be used for planning and for the prevention, reduction, or amelioration of unavoidable environmental losses if the Secretary determines that the loss is not attributable to, or assessable against, any specific person and cannot be paid for through other Federal programs.

The bill also appropriately limits the extent to which the Federal Government will become involved in decisions that should be made at State and local levels. The individual states and localities will determine whether their principal

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need is for schools, roads, hospitals, new parks or other similar facilities. The Secretary of Commerce will have responsibilities which are limited to those areas where Federal involvement is necessary.

Prior to the disbursement of funds, the Secretary of Commerce must make certain that States which are entitled to receive loans or grants will expend or commit the proceeds in accordance with authorized purposes, and that Federal loan grants will not subsidize public services for an unreasonable length of time. The Secretary must also determine prior to the disbursement of funds that particular environmental losses cannot be attributed to identifiable persons, and that grants for public facilities are used only to the extent that loans or loan guarantee assistance is not available.

The Secretary of Commerce will act expeditiously to implement the energy development impact provisions so that we can accelerate OCS energy development to meet our Nation's energy needs in an environmentally responsible manner and to work closely with the thirty coastal States which are now participating in the Coastal Zone Management Program.

It is appropriate that this new program, established by this major innovative piece of legislation, is being signed in the first year of our Nation's Third Century. The issues of energy and our environment -- to which this bill is directed -- will surely be high on our Nation's list of priority concerns throughout the decades ahead.

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