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Office of the White House Press Secretary

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THE WHITE HOUSE

FACT SHEET

COASTAL ZONE MANAGEMENT ACT  
AMENDMENTS OF 1976 (S. 586)

The President today signed the Coastal Zone Management Act Amendments of 1976 which authorize \$1.6 billion for an energy development impact assistance program for coastal areas and for extending the scope of the existing Coastal Zone Management Program.

BACKGROUND

In February 1976, the President proposed a program to assist communities in both coastal and inland areas significantly impacted by the development of Federally-owned energy resources.

The Congress has passed amendments to the Coastal Zone Management Act which include the principal elements of the President's proposal for coastal zone areas impacted by certain major energy development activities, including Outer Continental Shelf (OCS) oil and gas development, deepwater ports and LNG (liquefied natural gas) facilities.

THE COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1976 (S. 586)

The bill has three key features:

- The current Coastal Zone Management Program is extended, its requirements and authorities are expanded.
- The requirement of the Coastal Zone Management Act of 1972 - that no Federal permits or licenses affecting land or water use in the coastal zone can be granted without State concurrence that the activity is consistent with the State's Coastal Zone Management Program - is expanded to cover exploration, development and production plans for OCS energy activities. This means that the consistency review will be directed to major events in the OCS program rather than individual leases and permits.
- Two new kinds of impact assistance are added:
  - \$800 million is authorized for a ten-year revolving Coastal Energy Impact Fund for loans and loan guarantees to be allocated by formula with grants for repayment if there is an inability to repay. Up to \$50 million in the Fund could also be used at the Secretary's discretion for:

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- . planning grants for the socio-economic or environmental consequences of any new or expanded energy facility in the Coastal Zone: and
  - . grants for unavoidable environmental losses if a particular State's formula grants are insufficient.
- \$400 million (\$50 million annually for eight years) is authorized for OCS formula grants. The eligible uses of these formula grants are limited to:
- . retirement of guaranteed bonds, but only if there is a showing of inability to repay;
  - . planning and provision of public facilities and services, but only if loans and loan guarantees are unavailable; and
  - . prevention or amelioration of unavoidable environmental losses, but only those which cannot be: (a) attributed to or assessed against identifiable persons or (b) paid for through other Federal programs.

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 can also be used for planning of unavoidable environmental losses, but only if the Secretary of Commerce determines that the loss is not attributable to, or assessable against, any specific individual and cannot be paid for through other Federal programs.

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