The original documents are located in Box 4, folder "Deep Ocean Mineral Initiatives" of the Norman Ross Files, 1974-75 at the Gerald R. Ford Presidential Library.

DEPARTMENTS

AGRICULTURE	1	Hon. Phil Campbell Under Secretary
COMMERCE	3	Hon. John Taber Under Secretary
ARMY:	2	Hon. Harry L. T. Koren Deputy Under Secretary
CEQ:	9.	HON. RUSSELL PETERSON
JUSTICE:	6.	HON. WALLACE Johnson
EPA	4	Hon. Al Alm Assistant Administrator for Planning and Management
GSA:	5	HON. Dwight Ink Deputy Administrator
OMB:	13	Hon. John Hill Acting Associate Director
TREASURY:	8	Hon. Gerald L. Parsky Assistant Secretary
STATE:	7	Hon. Christian A. Herter Deputy Assistant for Oceans and Environmental Science
NATIONAL SECURITY COUNCIL:	10	Hon. Robert Hormats
CEIP:	12	Mr. ~~Gus Weiss~~ Wm Eberle
NATIONAL SCIENCE FOUNDATION:	11	HON. GUY STEVER Director

cc. Jack Carlson

OCEAN MINING POLICY STUDY

PURPOSE

To revise policies and programs needed under emerging Law of the Sea regimes for the development of a viable United States deep seabed mining industry, and to highlight legislative, institutional, and programmatic measures necessary thereto.

OBJECTIVES

1. To ensure adequate institutional and legislative programs to facilitate the offshore mining of manganese nodules by United States industry.

2. To define policies and programs required to develop deepsea mineral resources in an environmentally sound manner.

EXPECTATIONS

The world supplies of key minerals are short. The ocean floor contains widespread deposits of mineral nodules rich in copper, nickel, cobalt, and manganese--all metals of significant strategic and economic interest. The United States has inadequate supplies of the last three of these metals, producing less than 10 percent of the nation's needs. The U.S. also imports some copper. It is anticipated that world needs for the four metals will double by the year 2000. Seabed nodule deposits are reliably estimated in the billions of tons, and those which lend themselves to commercial exploitation could satisfy world demand for many years.

New technology of deep ocean mining for nodules places the harvest of this rich lode within grasp. The United States is at the forefront of these technological developments. The opportunity, therefore, exists to assure a supply of key minerals from the ocean floor by domestic industry. Three

American companies are presently engaged in the development of mining systems for operations as deep as 17,000 feet, and two of the firms have been operating pilot scale shore-based refining plants for the last three years. Commercial operations seem feasible as early as 1977 to 1980.

- Success of these and similar ventures would be the equivalent of the discovery of major mineral reserves on U.S. soil.

- Commercial development of the seabed nodules could reduce our present import requirements and dependence on overseas supplies of manganese, nickel, copper, and cobalt.

- Our present net import deficit of these metals is over $300 million annually.

- Successful development of seabed resources will increase income and government revenues, and generate new employment.

MEASURES OF OCEAN MINING POLICY EFFECTIVENESS

The measures of effectiveness of an ocean mining policy should include:

1. Establishment of a profitable United States deepsea mining industry.

2. Increase in the proportion of key minerals essential to the United States produced by domestic industry.

3. Increased revenues to the United States Government.

4. Development of environmentally acceptable deepsea mineral mining technology.

3

PROPOSED MEMBERSHIP FOR AN OCEAN MINING POLICY STUDY

Department of the Interior -- Chairman
Department of Commerce
Department of State
Department of Defense
National Science Foundation

OCEAN ENFORCEMENT AND SURVEILLANCE

POLICY STUDY

PURPOSE

To revise policies and programs for ocean enforcement and surveillance which will be required for the discharge of U.S. responsibilities as they may be defined by the Law of the Sea Conference.

OBJECTIVE

To define the legislative, institutional, and programmatic requirements of a system of enforcement and surveillance capable of meeting national and international requirements and obligations emerging from the Law of the Sea Conference.

EXPECTATIONS

Ocean enforcement and surveillance involves a large and complex range of activities. Adequate enforcement and surveillance is a sine qua non of sound ocean management and policy execution. Clearly, our national program of enforcement and surveillance will have to be changed and augmented as our national responsibilities and obligations are redefined by the Law of the Sea. Implementing legislation for new treaty obligations will require careful attention to enforcement and surveillance provisions. Present institutional arrangements and facilities will need to be geared to the increased responsibilities. Relative roles of Federal agencies require review, and State/Federal relationships in this field need examination. Collateral functions of air and sea facilities engaged in enforcement and surveillance as a primary duty require study. Such ancillary functions could involve environmental observations, fish stock assessment, etc.

Adequate enforcement and surveillance should lead to the following expectations:

- An enforceable and credible system of fisheries management which can assure the conservation of fish stocks and suitable levels of economic return to our fishermen.
- Improved compliance by foreign fishing fleets who will have access to fisheries resources within the 200-mile zone.
- Improved quality of the marine environment through enforcement of pollution-related regulations.
- Increased safety of all marine operations.

MEASURES OF OCEAN ENFORCEMENT AND SURVEILLANCE POLICY EFFECTIVENESS

Measures of effectiveness in this area require definition. Direct measrues, such as compliance levels, numbers of infractions, etc., and their relationship to the objectives of programs for which regulations have been promulgated require more study.

PROPOSED MEMBERSHIP FOR AN ENFORCEMENT AND SURVEILLANCE POLICY STUDY

Department of Transportation -- Chairman
Department of Commerce
Department of the Interior
Department of Defense
Department of State
Environmental Protection Agency

[2/75]

NATIONAL SCIENCE FOUNDATION
WASHINGTON, D.C. 20550

OFFICE OF THE DIRECTOR

Van

MEMORANDUM FOR: Mr. Norman E. Ross, Jr.
Domestic Council
The White House

Subject: Deep Ocean Minerals Initiative

As your forwarding Memorandum points out, this proposed legislation has significant law of the sea implications. I understand also that there is wide disagreement among agencies as to whether or not a bill of this sort should be introduced before the Law of the Sea negotiations are concluded and what the terms of such a bill should be. I believe that these questions are sensitive, complicated, and interdependent and they should not be answered separately. Since the National Security Council Interagency Task Force on the Law of the Sea has dealt with legislative proposals similar in content or impact, it seems to me that it would be an appropriate forum to resolve differences and arrive at answers to the two questions. I would greatly prefer to have the benefits of such consideration before expressing an opinion in this delicate area. I recommend, therefore, that you refer the matter to that Task Force.

Guy

H. Guyford Stever
Director

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FEB 4 - 1975

Memorandum

To: Norman E. Ross, Assistant Director, Domestic Council

From: Jack Carlson, Assistant Secretary--Energy and Minerals

Jack

Subject: Deep Oceans Minerals Initiative

Attached is the Interior Department's draft ocean mining bill and the covering memorandum which has been forwarded to the NSC Interagency Law of the Sea Task Force. I would ask that you also circulate this package as one of our proposed minerals initiatives to the members of the Domestic Council.

The following paragraph might be appropriate for your covering memorandum:

> "The attached draft legislation has been prepared by the Interior Department as one of several proposed minerals initiatives for an Administration package. The bill is designed to promote ocean mining development by providing for the implementation of a law of the sea treaty or domestic regulation, if the treaty is not concluded on schedule. Ocean mining can make a significant contribution in reducing our dependence on imports of nickel, cobalt, copper and other metals. If we do not ensure the secure investment climate offered by this legislation, U.S. companies will further delay their ocean mining plans. Interior believes introduction of the bill before the March session of the Law of the Sea Conference will strengthen our bargaining position in the LOS negotiation, ensure timely Administration action to avoid creating further disincentives for the development of a domestic based ocean mining capability, help keep the Administration's promise to Congress to prepare alternative legislative approaches if the law of the sea did not appear to be winding up in 1975 and offer a good substitute for the Congressional version of ocean mining legislation which the Administration has opposed.

Attachment

2/5

A BILL

A bill to encourage the development of ocean mineral resources, to provide for the provisional entry into force of a Treaty on the law of the sea and for other purposes.

DECLARATION OF POLICY

Sec. 1. The Congress declares that it is the policy of the United States--

1. To promote and encourage the development of ocean mineral resources of the seabed and its subsoil found beyond the lawful seaward limits of jurisdiction of any coastal nation;

2. To ensure that such development is consistent with the need to protect the marine environment from degradation;

3. To promote and encourage the development of international law which will foster a healthy and stable investment climate for oceans mineral resource development free of discrimination among and between the nationals of different countries and founded on principles of equitable access to these resources by all nations, and which will provide maximum opportunity for all countries to obtain benefits from the development of such resources;

4. To ensure that in the absence of a new law of the sea established by a widely accepted treaty in 1975 the rights now held by the United States in respect of these resources will be preserved and protected and opportunity provided for their utilization in order to assure that an alternative

source of supply of certain minerals found on the seabed continues to be available to the United States and its nationals.

Sec. 2. Definitions

(a) Ocean mineral resources - Any non-living resources found either on the surface of the seabed or beneath its surface to the extent such mineral resources are located beyond the seaward limits of the jurisdiction of any coastal nation as determined by the Secretary of State in conformity with generally recognized principles of international law.

(b) Ocean mining - Any activity which has as its principal or ultimate purpose the discovery, appraisal or extraction of ocean mineral resources for commercial purposes.

(c) Commercial development - Those activities of ocean mining which, when judged as a coherent chain of events, demonstrate that the holder of a Mining Authorization is engaged in, or is immediately ready to engage in, sustained large-scale recovery operations which will yield a sufficient quantity of material as to clearly indicate that the principal purpose is large-scale production rather than production intended for information gathering, analysis, equipment or plant testing.

(d) Data - All information pertaining to a block and the resources found therein covered by a Mining Authorization issued by the Secretary or covered by a similar legal entitlement issued by the International Authority, including data which may be characterized as proprietary or a trade secret.

(e) Person subject to the jurisdiction of the United States -

Any private individual who is a United States national, any association, corporation or other entity doing business in the United States, duly organized under the laws of any state of the United States and effectively controlled by nationals of the United States, and any officer, employee, agent, department, agency or instrumentality of the Federal Government, or of any state or local unit of government. An individual may not seek rights not under this Act on behalf of any association, corporation, or other entity which does not meet the criteria set forth in this subsection.

(f) Investment - Any expenditure of funds (including such interest costs arising therefrom as the Secretary shall deem reasonable) and use of commodities, services, patents, processes and techniques, which are primarily dedicated to the development of a block or blocks, described in a particular Mining Authorization or similar legal entitlement issued by the International Authority or the processing of the recovered minerals from that block or blocks.

PART I

LAW OF THE SEA TREATY

Sec. 3.

(a) The Secretary of State is hereby empowered to take such action as he determines to be necessary to implement the provisions of a law of the sea treaty (hereinafter referred to as "the treaty")to which the United States becomes a party or which enters into provisional force and effect for the United States in accordance with Section 9 of this Act.

(b) The Secretary of the Interior (hereinafter referred to as "the Secretary") shall ensure that ocean mining conducted by persons subject to the jurisdiction of the United States is carried out in strict accordance with the terms of the treaty.

(c) The Secretary shall in accordance with the provisions of 5 USC 553 promulgate regulations setting forth the procedures and conditions pursuant to which the United States will fulfill its obligations under the treaty in respect of ocean mining.

(d) In promulgating the regulations required by subsection (c) of this section, the Secretary shall apply the following criteria and such others as are relevant to the purposes and policies of this Act:

(1) To the maximum extent practicable, regulatory procedures which are required because the treaty provides for intervention between persons subject to the jurisdiction of the United States and any International Authority shall be designed to be expeditious and shall impose the minimum practicable administrative or regulatory burdens on persons seeking to enter into a legal relationship with the International Authority.

(2) Regulations promulgated by the Secretary shall be in conformity with those of the International Authority and shall not supplement, or conflict with, them, nor shall such regulations impose requirements which are unnecessary to fulfill the obligations of the United States under the treaty.

(e) The provisions of subsection (d) of this section to the contrary notwithstanding, the Secretary is authorized to promulgate regulations requiring the submission of all data concerning ocean mineral resources and the seabed from which they are extracted from any person subject to the provisions of this Act, if such data is necessary to carry out the responsibilities conferred on him by this Act or on the United States by the treaty. The Secretary shall not disclose information obtained by him under this section which concerns or relates directly to trade secrets or other confidential matters to the extent such information is exempt from disclosure under appropriate provisions of the laws of the United States. Unless otherwise provided by law the Secretary shall have the discretion to make public disclosure of such data as he is entitled to collect under this subsection after ten years if he deems such disclosure to be in the public interest.

(f) The Secretary shall in consultation with the Secretaries of State, Commerce and the Director of the National Science Foundation, promote the development of knowledge concerning the seabed and its resources and may make grants or loans for that purpose to qualified institutions of higher learning under such terms and conditions as will best give effect to the purposes and policies of this Act.

(g) The Secretary in consultation with the Secretary of State shall ensure full and substantial participation by the United States in any programs established by the treaty or the International Authority pursuant to the treaty for technical assistance to developing countries and the training of developing country nationals in the technology of ocean mining and related fields.

(h) The Secretary, in consultation with the Secretaries of State and Commerce, shall be responsible for nominating government officials or private citizens to serve on expert bodies provided for by the treaty or by the International Authority pursuant to the treaty and shall devise procedures for selection of such persons which shall be based exclusively on their qualifications as experts in the area or areas required by the treaty or the Authority, as the case may be. The Secretary of State shall be responsible for nominating government officials or private citizens to serve on any non-technical bodies provided for by the treaty or by the International Authority pursuant to the treaty.

(i) All technical matters referred by the International Authority to States for their approval or comment shall be examined by the Secretary and after consultation with and review by interested Departments or Agencies his approval or comment shall be submitted to the Department of State for transmission to the International Authority.

PART II

OCEAN MINING PROGRAM AND MINING AUTHORIZATIONS

Sec. 4.

(a) Until such time as the United States becomes a party to the treaty, or approves its provisional entry into force through the procedure set forth in Section 9, the Secretary of the Interior shall within 90 days of the date of this Act receive in accordance with procedures to be prescribed by him and set forth in regulations promulgated pursuant to 5 USC 553, applications requesting authorizations to mine ocean mineral resources. Such applications shall be sealed and shall remain sealed until the date specified in Section 5 of this Act. Upon receipt of each application the Secretary shall cause the date and exact time of receipt to be affixed to each such application. Notice of the time and date of receipt of each such claim and the identity of the applicant shall be published in the Federal Register within 30 days of its receipt.

(b) Within 30 days of receipt of an application requesting a Mining Authorization pursuant to this subsection the Secretary shall forward to the applicant a notice of receipt of application. Such notice shall confer a priority right over all other applicants to be awarded a Mining Authorization for the area described therein in the event Section 5(a) of this Act takes effect, <u>provided</u> no prior application for the same or overlapping area was received by the Secretary, and <u>provided further</u> that the Secretary is satisfied that the applicant has complied with all applicable laws and regulations in effect at the time the Mining Authorization is granted.

(c) A notice of receipt of application does not confer any right to commence commercial development of the area or areas described in the application and the recipient is hereby prohibited from commencing commercial development of the area or areas described until a Mining Authorization is issued. Nothing in this subsection shall be construed to prohibit scientific research, prospecting or commercial exploration.

Sec. 5.

(a) In the event the United States does not become a party to the treaty or has not become a party to the treaty in the manner prescribed in Section 9 prior to January 31, 1976, the Secretary shall on that date take appropriate steps under this Act to commence the issuance of Mining Authorizations. The Secretary shall not, however, issue Mining Authorizations until the requirements of the National Environmental Policy Act of 1969 have been met. A Mining Authorization shall entitle the holder to commence commercial development.

(b) No person subject to the jurisdiction of the United States shall, after the effective date of this section, engage in commercial development of seabed mineral resources except pursuant to a Mining Authorization granted by the Secretary.

(c) Subsection (b) of this section to the contrary notwithstanding, when the Secretary determines that pursuant to Section 7 another State meets the qualifications set forth therein, a person subject to the jurisdiction of the United

States may obtain a Mining Authorization or equivalent thereof from such State, provided that should such a person obtain rights from a qualifying State such person shall not be entitled to avail itself of the insurance provided for in Section 10 of this Act.

Sec. 6.

(a) General--Mining Authorizations shall be issued, to persons subject to the jurisdiction of the United States by the Secretary on a first-come, first-served basis upon receipt of a suitable fee designed to compensate the United States for the administrative expenses connected with the issuance of Mining Authorizations, provided such persons, in the Secretary's judgment, meet the qualifications set forth by the Secretary in ocean mining regulations. Mining Authorizations shall guarantee to the recipient the right to commercially develop the mineral resources in designated blocks which shall be of uniform size. A single Mining Authorization may include more than one block, provided the blocks are adjacent to each other.

(b) The Secretary shall, in conformity with the provisions of 5 USC 553 promulgate regulations to implement this section not later than six months after the date Section 5 becomes effective.

(c) Such regulations shall provide for

(1) A uniform and non-discriminatory procedure for the issuance of Mining Authorizations and a competitive means to award Authorizations when there are simultaneous applications for the same or overlapping areas;

(2) The size of blocks and methods to be used for designating and delimiting them;

(3) The duration of the Mining Authorization;

(4) Requirements to ensure sustained diligence, including but not limited to a schedule of work requirements, rentals, relinquishment of areas, and provision for forfeiture in the event of failure to engage in commercial development within a reasonable period of time;

(5) Requirements to ensure safety of operations;

(6) Requirements to ensure protection of the marine environment;

(7) Requirements to ensure resource conservation and prevention of waste;

(8) Technical and financial qualifications and other prerequisites to determine eligibility to receive a Mining Authorization;

(9) The resolution of disputes concerning, and accommodation of conflicting uses of, the block or blocks or areas adjacent thereto by persons subject to the jurisdiction of the United States operating pursuant to a Mining Authorization or any other person subject to the jurisdiction of the United States.

(10) Appropriate and reasonable payments to the United States <u>inter alia</u> to defray the costs of administration of this Section.

(d) The Secretary, in carrying out his responsibilities to protect the marine environment from degradation, shall, before commencing to issue Mining Authorizations, comply with the provisions of the National Environmental Policy Act. The Secretary shall, in developing data and analyses for the preparation of environmental impact statements, cooperate with and utilize existing capabilities in the National Oceanic and Atmospheric Administration.

PART III

QUALIFYING STATES

Sec. 7.

(a) The Secretary shall, in promulgating regulations pursuant to Section 6 of this Act, attempt to harmonize his regulations with the laws, regulations or other official acts of any other State which has enacted legislation or regulations or taken, pursuant to its own laws and procedures, equivalent official acts for purposes and policies similar to those of this Act. When the Secretary finds, in consultation with the Secretary of State, that the laws and regulations of the United States and similar actions by any other State are in essential harmony one with the other, such other State shall be deemed to be a qualifying State to the purposes of this Act.

(b) Any Mining Authorization or similar legal entitlement issued by a qualifying State shall be accorded equivalent legal status as though it were issued by the Secretary, provided the qualifying State accords the same legal status to Mining Authorizations issued by the Secretary, and provided further that Section 10 of this Act shall not apply to persons subject to the jurisdiction of the United States in respect to Mining Authorizations or similar legal entitlements issued to them by a qualifying State.

(c) The Secretary of State shall, in consultation with the Secretary, enter into international agreements with all qualifying States for the purpose of harmonizing their laws and procedures and assuring that areas covered by Mining Authorizations or similar legal entitlements issued by different States do not conflict with each other. Such agreements shall to the maximum extent possible apply the same principles for the issuance of Mining Authorizations and operations conducted thereunder as are found in this Act. The Secretary of State shall encourage other qualifying States to provide insurance similar to that provided under Section 10 of this Act to persons to whom they issue Mining Authorizations or similar legal entitlements.

(d) Nothing in this Act shall be construed to prohibit the Secretary of State from negotiating a treaty after January 31, 1976 with other States to establish an international ocean mining authority should that appear desirable to serve the foreign policy interests of the United States, provided, however, that any Mining Authorizations issued pursuant to this Act and prior to the date of entry into force of any such new treaty, shall be exempt from the provisions of such treaty to the extent the basic terms and conditions of those Mining Authorizations issued under regulations promulgated by the

Secretary are different from those that would apply if the Mining Authorizations or similar legal entitlements had been obtained under the new treaty.

PART IV

TRANSITION

Sec. 8.

(a) In the event the United States becomes a party to the treaty or approves its provisional entry into force as set forth in Section 9 of this Act prior to January 31, 1976, the Secretary shall exercise the rights granted to the United States by the treaty to file applications for Mining Authorizations or similar legal entitlements with the International Authority to the extent and in the manner provided by the treaty. Any applications for Mining Authorizations for which a notice of receipt of application has been issued pursuant to Section 4 of this Act shall be submitted to the International Authority in the order in which they were received. The Secretary shall use his best efforts to secure rights from the International Authority equivalent in substance to those that would have been acquired under this Act if the treaty had not come into force by January 31, 1976. In the event the treaty provides for direct application for Mining Authorizations or similar legal entitlement by natural or juridical persons, the Secretary shall take such steps as are necessary to ensure that such applicants present their applications to the International Authority in the same order in which they were received by the Secretary.

PART V

PROVISIONAL ENTRY INTO FORCE

Sec. 9.

(a) Upon signature of the treaty, it shall immediately be submitted to the Senate for its advice and consent. If the treaty provides for its provisional entry into force, it shall enter provisionally into force for the United States if the Congress does not within 120 days by joint resolution disapprove. In the event the treaty enters into provisional force, the powers of the Secretaries of State and Interior set forth in this Act for implementation of the treaty shall be exercised by them during the provisional period. During the time period provided for in this subsection, the application of Section 5 (a) of this Act shall be suspended.

(b) In the event (i) Congress disapproves provisional entry into force; or (ii) the treaty enters into provisional force but at a subsequent time the Senate denies its consent to the treaty; or (iii) at a subsequent time a provisional period in the treaty expires without the treaty entering into force according to its terms; or (iv) the treaty is ratified by the United States but does not come into force according to its terms, the relevant appropriate and pertinent provisions of this Act, which either by their terms or by clear inference, are designed to apply in the absence of a treaty shall become effective immediately. Those same provisions shall not be effective as the law of the United States when the treaty enters into force for the United States.

PART VI

INSURANCE

Sec. 10.

(a) On annual payment of a premium determined by the Secretary by any recipient of a Mining Authorization issued under Section 5 of this Act, the United States shall, upon proper application, insure said recipient for any diminution in the value of said recipient's investment when, in the determination of the Secretary, such diminution directly results;

(1) from any act or acts of any entity or person (other than a person subject to the jurisdiction of the United States or a person holding a Mining Authorization or similar legal entitlement from a qualifying State as defined in Section 7 of this Act) which act or acts:

(i) physically interferes with said recipient's commercial development operations conducted pursuant to his Mining Authorization, and

(ii) was or can reasonably be deemed to have been intended to so interfere.

(2) from repeated acts of political or legal harassment objected to by the United States whether or not such actions are taken under cover of law, or taken by a foreign, international or supranatural entity or entities other than qualifying States or the recipients of Mining Authorizations or similar legal entitlements from qualifying States.

(b) At such time as the United States shall become party to the treaty, whether by means of ratification or pursuant to the terms of Section 9 of this Act:

(1) the insurance provided for under subsection (a)(1) above shall no longer be available except as to claims filed on or before the date when the United States becomes a party to the treaty.

(2) the insurance provided for under subsection (a)(2) above shall remain available but only with respect to:

(i) claims for indemnification filed on or before the date the United States becomes a party to the treaty or,

(ii) acts referred to in said subsection when such acts are committed by the International Authority against persons subject to the jurisdiction of the United States who have made annual premium payments as required by subsection (a) of this section.

(c) Payments made by the United States under this section shall be reduced by:

(1) any compensation which the insured may receive or has received from other sources;

(2) all net revenues realized by the insured from commercial development of the block or blocks which are the subject of the Mining Authorization or similar legal entitlement for which the insurance was made available; and

(3) such further amount as the Secretary shall determine represents a reasonable remaining commercial value of the investment covered by the insurance.

Sec. 11.

(a) In no event shall any insurance be made available under Section 10 above until the Secretary shall have determined that:

(1) the investment to be insured is intended for commercial development; and

(2) neither the insurance coverage requested nor equivalent coverage is available at reasonable premium rates in the international or domestic insurance markets. The Secretary shall reach such determination annually and such determination shall be based upon prevailing market factors, the risks involved for the United States in such coverage, and the national interests served by according such coverage. The premium rates and the bases therefor shall be reported annually to the Congress.

Sec. 12.

Except as provided otherwise in Section 11., nothing in this Act shall be construed to impose on the Government of the United States liability for any damages, compensation or indemnification to persons subject to the jurisdiction of the United States arising out of its acts or those of its agents in respect of ocean mining unless the United States itself engages in ocean mining and its ocean mining activities are the cause of the damage or the basis of the claim for compensation or indemnification.

PART VII

MISCELLANEOUS

Sec. 13.

In the event the treaty comes into force for the United States and provides that the mineral resources of the International Seabed Area are the common heritage of mankind subject to financial assessments by the International Authority, the United States shall allow persons engaging in ocean mining to credit against taxes due to the United States all payments made to the International Authority in cash or in kind to the extent such payments are calculated on the basis of a portion of the profits acquired by such person and attributable to ocean mining.

Sec. 14.

Except as otherwise provided in Section 11, mineral resources obtained from the International Seabed Area by persons subject to the jurisdiction of the United States shall be deemed to have been produced in the United States.

Sec. 15.

(a) Any person subject to the jurisdiction of the United States who violates any provision of this Act, or any rule or regulation promulgated by the Secretaries of State or Interior pursuant to this Act, shall be liable to a civil penalty of $50,000 for each day during which the violation continues. The penalty shall be assessed by the Secretary, who in determining the amount of the penalty, shall consider the gravity of the violation, any prior violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of the violation. No penalty may be assessed until the person charged shall have been given proper notice of the violation involved, and an opportunity for a hearing. For good cause shown, the Secretary may remit or mitigate any penalty assessed. Upon failure of the person charged to pay an assessed penalty, the Secretary may request the Attorney General to commence an action in the appropriate district court of the United States for collection of the penalty without regard to the amount involved, together with such relief as may be appropriate.

(b) In addition to any other penalty, any person subject to the jurisdiction of the United States who willfully and knowingly violates any provision of this Act, or any rule or regulation promulgated by the Secretaries of State or Interior pursuant to this Act, shall upon receipt of proper notice of the violation and an opportunity for hearing, be punished by a fine of not more than $100,000 for each day during which such violation continues.

(c) In addition to any other penalty, any person subject to the jurisdiction of the United States who fails to comply with this Act, rules and regulations promulgated by the Secretary or the Secretary of State, or with the terms of a Mining Authorization or other similar legal entitlement for which the treaty imposes responsibility on the United States, or who obtains a Mining Authorization or similar legal entitlement through fraud or willful misrepresentation of material facts shall, upon receipt of proper notice of the violation and an opportunity for hearing, be subject to forfeiture of the Mining Authorization or suspension thereof as determined by the Secretary. In such cases, the Secretary may allow a reasonable period to remedy the violation except in the case of fraud or willful misrepresentation in which case the forfeiture or suspension shall have immediate effect.

(d) Penalties shall not be imposed under this Act for offenses over which International Authority has primary jurisdiction, unless it waives its jurisdiction in favor of a sovereign State party to the treaty in which case the United States, if jurisdiction has been waived by the Authority in favor of the United States, shall assert jurisdiction over persons subject to its jurisdiction.

(e) Any action taken by the Secretary under this section shall be subject to judicial review in the United States District Court for the District of Columbia upon a petition for review filed within 60 days of any action taken by the Secretary.

Sec. 16.

There are authorized to be appropriated such sums as may be necessary for the administration of this Act, to remain available until expended.

Sec. 17.

If any provision of this Act, or any section, subsection, sentence, clause, phrase or individual word, or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, subsection, sentence, clause, phrase or individual word to other persons and circumstances shall not be affected thereby.

cc: Wally Scott, OMB
(for appropriate handling)

February 10, 1975

MEMORANDUM FOR: PHIL CAMPBELL (Agriculture)
JOHN TABER (Commerce)
HARRY L. T. KOREN (Army)
AL ALM (EPA)
DWIGHT INK (GSA)
WALLACE JOHNSON (Justice)
CHRISTIAN A. HERTER (State)
GERALD L. PARSKY (Treasury)
RUSSELL PETERSON (CEQ)
ROBERT HORMATS (NSC)
GUY STEVER (NSF)
WILLIAM EBERLE (CEIP)
JOHN HILL (OMB)

FROM: Norman E. Ross, Jr.

SUBJECT: Deep Oceans Minerals Initiative

The attached draft legislation has been prepared by the Department of the Interior as one of several proposed minerals initiatives for an Administration package. The bill is designed to promote ocean mining development by providing for the implementation of a law of the sea treaty or domestic regulation, if the treaty is not concluded on schedule. Ocean mining can make a significant contribution in reducing our dependence on imports of nickel, cobalt, copper and other metals. If we do not ensure the secure investment climate offered by this legislation, U.S. companies will further delay their ocean mining plans.

The Department of the Interior believes introduction of the bill before the March session of the Law of the Sea Conference will strengthen our bargaining position in the LOS negotiation, ensure timely Administration action to avoid creating further disincentives

for the development of a domestic-based ocean mining capability, help keep the Administration's promise to Congress to prepare alternative legislative approaches if the law of the sea did not appear to be winding up in 1975 and offer a good substitute for the Congressional version of ocean mining legislation which the Administration has opposed.

May we have your comments on the attached draft legislation no later than close of business Friday, February 14.

Attachment

NROSS/pt 2-10-75
cc:WH files

THE WHITE HOUSE

WASHINGTON

February 10, 1975

MEMORANDUM FOR: PHIL CAMPBELL (Agriculture) - rec'd
JOHN TABER (Commerce)
HARRY L. T. KOREN (Army) - rec'd
AL ALM (EPA) - rec'd
DWIGHT INK (GSA) - rec'd
WALLACE JOHNSON (Justice) later
CHRISTIAN A. HERTER (State) - rec'd
GERALD L. PARSKY (Treasury) - later
RUSSELL PETERSON (CEQ) rec'd
ROBERT HORMATS (NSC) rec'd
GUY STEVER (NSF) - rec'd
WILLIAM EBERLE (CEIP) - ?
JOHN HILL (OMB)

FROM: NORMAN E. ROSS, Jr. MR/pt

SUBJECT: Deep Oceans Minerals Initiative

The attached draft legislation has been prepared by the Department of the Interior as one of several proposed minerals initiatives for an Administration package. The bill is designed to promote ocean mining development by providing for the implementation of a law of the sea treaty or domestic regulation, if the treaty is not concluded on schedule. Ocean mining can make a significant contribution in reducing our dependence on imports of nickel, cobalt, copper and other metals. If we do not ensure the secure investment climate offered by this legislation, U.S. companies will further delay their ocean mining plans.

The Department of the Interior believes introduction of the bill before the March session of the Law of the Sea Conference will strengthen our bargaining position in the LOS negotiation, ensure timely Administration action to avoid creating further disincentives

for the development of a domestic-based ocean mining capability, help keep the Administration's promise to Congress to prepare alternative legislative approaches if the law of the sea did not appear to be winding up in 1975 and offer a good substitute for the Congressional version of ocean mining legislation which the Administration has opposed.

May we have your comments on the attached draft legislation no later than close of business Friday, February 14.

Attachment

Copy sent to Wally Scott, OMB, for appropriate handling.

THE WHITE HOUSE

WASHINGTON

February 10, 1975

MEMORANDUM FOR: PHIL CAMPBELL (Agriculture)
JOHN TABER (Commerce)
HARRY L. T. KOREN (Army)
AL ALM (EPA)
DWIGHT INK (GSA)
WALLACE JOHNSON (Justice)
CHRISTIAN A. HERTER (State)
GERALD L. PARSKY (Treasury)
RUSSELL PETERSON (CEQ)
ROBERT HORMATS (NSC)
GUY STEVER (NSF)
WILLIAM EBERLE (CEIP)
JOHN HILL (OMB)

FROM: NORMAN E. ROSS, Jr.

SUBJECT: Deep Oceans Minerals Initiative

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Attachment

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

February 12, 1975

Law

March 17 –

Mr. Norman E. Ross, Jr.
Domestic Council
The White House
Washington, D.C.

Dear Norman:

Under Secretary Campbell asked me to staff out our response to your memo of February 10 on Deep Oceans Minerals Initiative.

We are not competent in this area. Hence we have nothing useful to say.

This is not a cop-out. We talk plenty when we have something to say.

Sincerely,

Don Paarlberg

DON PAARLBERG
Director of Agricultural Economics

LAW

March 17 – May 20

Neg com – to Pres. nxt week

MEMORANDUM

NATIONAL SECURITY COUNCIL 894

February 13, 1975

MEMORANDUM FOR NORM ROSS

FROM: Jeanne W. Davis JWD

SUBJECT: Interior Department's Deep Ocean Minerals Initiative

This is in response to your February 10 memorandum requesting the comments of the NSC staff on the Interior Department's draft legislation to establish on a unilateral basis a legal regime for the deep seabed.

It is our view that interagency coordination of this issue should be handled by the NSC Law of the Sea Task Force. My understanding is that the Task Force has already taken this for action and will coordinate the comments and recommendations of concerned agencies.

13 February 1975

MEMORANDUM FOR MR. NORMAN E. ROSS, ASSISTANT DIRECTOR, DOMESTIC COUNCIL

SUBJECT: Deep Oceans Minerals Initiative

Department of Defense position with respect to the proposed seabed mining bill will be furnished directly to Secretary Morton in response to his letter of 7 February 1975 to Secretary Schlesinger. A copy of Secretary Schlesinger's reply to Secretary Morton will be provided your office.

Henry L. T. Koren
Deputy Under Secretary of the Army

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

FEB 14 1975

OFFICE OF
PLANNING AND MANAGEMENT

MEMORANDUM FOR MR. NORMAN E. ROSS, JR.
ASSISTANT DIRECTOR
DOMESTIC COUNCIL

SUBJECT: Ocean Minerals Mining Bill

The Environmental Protection Agency (EPA) agrees with the general purpose of this bill, which is to encourage the development of ocean mineral resources of the seabed and its subsoil found beyond the lawful seaward limits of jurisdiction of any coastal nation. However, EPA opposes control by the Secretary of Interior over regulations concerning protection of the marine environment. It is our opinion that the proposed regulations in section 6(c)(6), are within the realm of EPA responsibility. We also oppose section 3(d)(2) because it would prohibit the imposition of environmental regulations more stringent than those, if any, legally required to implement a Law of the Sea Convention. We believe the U.S. should retain in principle, the right to require more stringent regulation.

A third major concern of this Agency relates to the impact of the bill on U.S. Antarctic minerals policy. Since the bill applies to all non-living resources beyond National jurisdiction, the Interior Department would be authorized to issue permits for drilling on the Antarctic continental shelf. The U.S. contends that this area is outside all National jurisdiction, however, this policy is in contradiction to territorial claims of other nations. At this time, a Presidential decision is pending on the very issue of how the U.S. should approach this complex problem. The issue should be resolved or categorically exempted before the bill is submitted to Congress. EPA feels that our comments along with other agency comments should be carefully regarded in light of the National Security Council's Interagency Task Force on the Law of the Sea. The task force will be meeting on Wednesday, February 19, and no decisions on this bill should be taken until the results of this discussion are known. In addition, we would like to be informed of the other agencies responses to this bill so that a coherent position can be adopted.

Specifically our section-by-section comments follow:

Section 1. A policy declaration should explicitly encourage development of an international treaty which would incorporate protection of the marine environment as an underlying principle of that treaty.

Section 3(d)(2). As previously mentioned we are opposed to this section since it would prohibit implementation of environmental regulations in addition to those agreed upon by an International Authority. EPA realizes that the Federal government may not wish to hobble U.S. firms in a race for resources, however, legislation should not foreclose various options at this very early juncture.

Section 3(i). This section should make explicit reference to EPA and CEQ to the extent the "technical matters" may relate to environmental standards.

Section 4. It is unclear as to whether an application must relate to a specific area of the seabed. This may be a drafting error, but a very important one, since section 6(a) mentions Mining Authorizations that may include more than one block provided these blocks are adjacent.

Section 4(c). The statement "Nothing in this subsection shall be construed to prohibit scientific research, prospecting or commercial exploration" is quite vague. We agree that scientific research, prospecting, and commercial exploration will probably not exhibit severe threats to the marine environment, thus a permit need not be issued for the execution of these operations. However, these terms, scientific research, prospecting, and commercial exploration, are very broad and they should be defined to prevent activities that would pose a severe threat to the environment.

Section 6(c)(6). As previously discussed we oppose the control of environmental regulations by the Department of Interior. These regulations should be generated by EPA.

Section 6(d). This section could arguably be read to mean that the National Environmental Policy Act applies to the whole program, and not to individual applications nor to any other major Federal action pursuant to the bill.

Section 7(a). This section seems to require the Secretary of Interior to adopt a lowest common denominator approach with the States concerning environmental regulations if there is no treaty.

Section 13. The tax credit provision which allows U.S. firms to credit payments to the International Authority against taxes due in the United States is a very controversial topic. Legislation has been introduced to credit only a portion of payments to foreign authorities against U.S. taxes. This issue should be given further consideration.

/s/ Alvin L. Alm

Alvin L. Alm
Assistant Administrator
for Planning and Management

2-14-75

Dept. of Treasury won't have their response in until Wed. 2-19

Dept. of Commerce - not until around Wed. 2-19

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

February 14, 1975

MEMORANDUM FOR NORMAN E. ROSS
THE WHITE HOUSE

SUBJECT: Draft Deep Seabed Mining Legislation

The Council on Environmental Quality has reviewed the Department of the Interior's draft deep seabed mining legislation, circulated by your memorandum of February 10. We have serious reservations and questions concerning some of the bill's substantive provisions, for example, the requirement that domestic environmental standards applicable to U.S. firms can be no more stringent than the international regulations.

More important at this stage, CEQ has serious misgivings concerning the effects that Administration support for this bill might have on the Geneva session of the Law of the Sea Conference, which convenes in one month. It seems clear that such support would have a major impact on the negotiations -- your memorandum notes that Interior believes it would have a positive effect. We will need to be convinced in that regard; but, in any case, I do not think it possible to make a fully informed judgment until the NSC Interagency Task Force on the Law of the Sea has considered the problem.

I understand that the Executive Group of the Task Force is meeting next Wednesday to consider the Interior proposal. If, as a result of that meeting, it appears that introduction of the bill would have a beneficial or acceptable impact on the negotiations, detailed comments on its substantive provisions will be in order; and I will be happy to provide ours. If introduction of the bill would be likely to affect the negotiations adversely, I could see little justification for proceeding prior to the Geneva session.

Steve

Steven D. Jellinek
Staff Director

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405

FEB 14 1975

Mr. Norman E. Ross, Jr.
Assistant Director
Domestic Council
The White House
Washington, DC 20500

Dear Mr. Ross:

By legislative referral memorandum dated February 10, 1975, your office requested the views of the General Services Administration on draft legislation proposed by the Department of the Interior "To encourage the development of ocean mineral resources, to provide for the provisional entry into force of a Treaty on the law of the sea and for other purposes."

The General Services Administration favors the introduction and enactment of this proposed bill which will promote development of a domestic-based capacity for production of certain strategic and critical materials, and possibly other materials of economic importance, from seabed mineral deposits. Such development will reduce United States dependence on importation of those materials, thereby contributing to national security and economic strength. Also, the bill would strengthen the negotiating position of the United States in the forthcoming session of the Law of the Sea Conference by demonstrating this Nation's willingness to take unilateral action if a treaty is not concluded.

We thank you for the opportunity to express the views of GSA on this proposed legislation.

Sincerely,

Dwight A. Ink
Deputy Administrator

DEPARTMENT OF STATE

Washington, D.C. 20520

February 18, 1975

MEMORANDUM FOR: Norman E. Ross, Jr.
The White House

Subject: Deep Oceans Mineral Initiatives

Thank you for your memorandum of February 10, 1975. The Executive Branch position on legislation affecting the Law of the Sea is being coordinated through the NSC Interagency Task Force on the Law of the Sea. A report reflecting the views of the Department of State as well as other Departments and Agencies will be submitted by John Norton Moore, Chairman of the Task Force.

Christian Herter, Jr.

2-18

GENERAL COUNSEL OF THE
DEPARTMENT OF COMMERCE
Washington, D.C. 20230

FEB 19 1975

Mr. Norman E. Ross, Jr.
Assistant Director, Domestic Council
The White House
Washington, D. C. 20500

Dear Mr. Ross:

This is in reply to your request for the views of the Department of Commerce concerning the Interior Department draft bill,

> "To encourage the development of ocean mineral resources, to provide for the provisional entry into force of a Treaty of the law of the sea and for other purposes."

The Department has examined the draft bill in light of indications that it is designed to strengthen our bargaining position in the LOS Conference, to promote ocean mining development by providing for implementation of an LOS treaty or domestic regulations should such a treaty not be concluded, and to provide to Congress an Administration legislative alternative for the regulation of ocean mining.

The Department is aware of the problems facing the domestic deep sea mining industry and the difficulties which the nation and industry face in the international forum in resolving these problems. However, we believe every effort should be made to encourage the American mining industry to develop seabed mining, preferably under a satisfactory Law of the Sea Treaty, but by domestic legislation if necessary. Accordingly, any legislation submitted by the Administration in this area must be designed to provide a favorable climate for the necessary private investment in such mining. We do not, however, regard the Interior draft bill as setting forth a regulatory scheme under which a domestic ocean mining capability will develop.

It is the Department's view that any proposed legislation in this area will receive serious consideration in Congress and the support of industry only if it provides a regulatory scheme of some specificity. The bill as presently drafted is vague and general in nature. It provides for broad discretion on the part of the Secretary of the Interior and very little in the way of guidance and criteria for decisionmaking. For example, in connection with issuing mining authorizations, there are no criteria for the size of blocks, the amount of fees, the establishment of due diligence in development of blocks, and the like.

Another area where the bill fails to provide any guidance is the important area of the treatment of consortia involving U.S. and foreign entities. Similarly, the issue of transfer of licenses is not treated.

The insurance provisions of Part VI, also present several difficulties. For example, protection is offered for losses resulting from political or legal harassment by foreign or international entities, unless such acts are repeated. Further, losses from repeated acts are not compensable unless the United States objects thereto. Industry may have serious doubts as to whether the State Department, with its broad mission, will make the required formal protests in all instances.

Another problem with the insurance provisions is that it is unclear how they relate to existing programs, such as those of the Overseas Private Investment Corporation. In particular, it appears that foreign, land-based mineral processing facilities may be eligible for coverage. We understand that OPIC, which could insure such facilities, has restricted its activities in the mining area.

Section 14 would provide that seabed minerals mined by U.S. nationals be treated as if they were produced in the United States. It is not clear whether this exemption would extend to such minerals which have received foreign processing. If such is the case, consideration should be given to competitive effect upon the American mineral industry.

Finally, it should be noted that if the Administration were to support the introduction and consideration of this bill, it would have difficulty in opposing legislative initiatives concerning an interim 200 mile fishing zone to help our coastal fishermen, in light of the relief already being provided for our distant-water fishermen.

In addition to the foregoing general comments, the Department has developed within the limited time available for review, the following technical comments:

Section 1.2 (sic) and Section 6(d) are stated in terms of protecting the marine environment from "degradation". Such terminology may be construed by the courts to prohibit any development in areas where none is presently taking place by analogy to the "significant degradation" decision under the Clean Air Act.

Section 2(c) defines "Commercial Development" as a "chain of events" leading to commercial exploitation and Section 4(c) prohibits such activities until a Mining Authorization is received. However, Section 4(d) provides that scientific research, prospecting, or commecial exploration, clearly part of the chain of events leading to exploitation, may take place prior to receipt of an Authorization. This apparent inconsistency should be reconciled.

Section 2(e) does not define effective control of a corporation by nationals of the United States. This, coupled with the failure to treat the question of international consortia, leads to uncertainty concerning the scope and application of the bill.

It is not clear what is intended by the Section 3(a) provisions authorizing the Secretary of State to "implement" the provisions of a law of the sea treaty. The draft bill appears to provide the Secretary of the Interior with the authority to implement any such treaty.

The Section 3(e) provisions, dealing with disclosure of information concerning ocean resources, are unduly broad. As presently drafted, confidential information obtained by companies concerning seabed resources and mining activities may be available to competitors, including foreign nationals and nationals of states not party to a convention.

It is unclear under Section 3(f) what is to be the relationship between seabed research of the Department of the Interior and that conducted or sponsored by this Department's National Oceanic and Atmospheric Administration, the Energy Research and Development Administration, and other governmental entities.

Section 3(g) requires that the Secretaries of the Interior and State "shall ensure full and substantial participation by the United States" in programs of technical assistance to developing countries. It is unwise to place such a strong statutory requirement upon the Administration.

The Section 5(a) and Section 6(d) references to the National Environmental Policy Act appear to restate the requirements of existing law and are unnecessary at best. They could, however, provide a basis for litigation on the grounds that the statute requires something more than current law.

Section 5(b) is unnecessarily restrictive in that it would require that a mining operation which has commenced, be suspended from January 31, 1976 until Mining Authorizations are granted. The exploration and development of seabed resources should be encouraged by providing that such activities, once begun, may continue after filing an application for a license.

Section 14 should contain a provision applying the Jones Act to the transportation of seabed minerals from the mining site to the United States in order to be consistent with provisions which treat the minerals as if they were produced in this country.

Sincerely,

BERNARD V. PARRETTE

DEPUTY General Counsel

February 20, 1975

MEMORANDUM FOR: JACK CARLSON
ASSISTANT SECRETARY
DEPARTMENT OF THE INTERIOR

FROM: NORMAN E. ROSS, Jr.

SUBJECT: Responses re: Deep Oceans Minerals Initiative Legislation

Attached are some comments we have received on the Deep Oceans Mineral Initiatives legislation.

Please let me know as to how we are proceeding. I understand that you have been following very closely the deliberations of the NSC Interagency Task Force on the Law of the Sea.

Let's discuss soon.

Attachments

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

File

February 27, 1975

Ocean minerals law of the sea task force

Address Reply to the Division Indicated and Refer to Initials and Number

BCR
90-4-03

Mr. Norman E. Ross, Jr.
Assistant Director, Domestic
Council
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Ross:

By memorandum of February 10, 1975, you requested comments by close of business on February 14, 1975, on a Department of Interior draft bill, "To encourage the development of ocean mineral resources, to provide for the provisional entry into force of a Treaty on the law of the sea and for other purposes." I have been asked by Mr. Johnson, the representative of the Department of Justice on the Council, to respond to this request.

The purpose of this bill is to promote the development of the natural resources of the seabed beyond the limits of national jurisdiction by American industry by providing for the implementation of a law of the sea treaty or domestic regulation, if a treaty is not concluded within the period established by the bill.

On February 14, I informed your office that the Department of Justice was not prepared to submit comments on this draft at that time and notified them that this draft bill was to be considered by the Interagency Law of the Sea Task Force on February 19. I was informed by your office that you were aware of the proposed meeting of the Task Force and that the requested comments could be submitted sometime after that meeting.

The United States is presently engaged in preparation for the second session of the Third United Nations Conference on the Law of the Sea which will be dealing with this issue among others. As you are aware, the National Security Council has established an Interagency Law of the Sea Task Force to coordinate agency activities which bear upon that Conference. The subject of the Department of the Interior draft bill was discussed at a meeting of the Task Force on February 19, 1975, at which your office was represented. At that time, it was decided that all activities regarding the bill, including substantive comments thereon, would be coordinated by the Task Force.

The members of the Task Force were informed that the decision would be communicated by the Task Force to your office.

Sincerely,

Wallace H. Johnson
Assistant Attorney General
Land and Natural Resources Division

By:

Bruce C Rashkow

Bruce C. Rashkow
Chief, Marine Resources Section

February 27, 1975

BCR
90-4-03

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Assistant Director, Domestic
Council
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

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Sincerely,

Wallace H. Johnson
Assistant Attorney General
Land and Natural Resources Division

By:

Bruce C. Rashkow
Chief, Marine Resources Section

File

THE WHITE HOUSE

WASHINGTON

March 8, 1975

MEMORANDUM FOR: DICK DUNHAM

FROM: NORM ROSS

SUBJECT: Deep Oceans Minerals Initiative and the Law of the Sea Task Force

Pursuant to our conversation the following information is provided.

The Department of Interior drafted an ocean mining bill as one of several proposed minerals initiatives for an Administration package. The bill is designed to promote ocean mining development by providing for the implementation of a Law of the Sea treaty or domestic regulation, if the treaty is not concluded on schedule. The Department believes that ocean mining can make a significant contribution in reducing our dependence on imports of nickel, cobalt, copper and other metals. If we do not ensure the secure investment climate offered by the proposed legislation, U.S. companies will further delay their ocean mining plans.

Interior believes introduction of the bill before the March 17, session of the Law of the Sea Conference will strengthen our bargaining position in the LOS negotiation, ensure timely Administration action to avoid creating further disincentives for the development of a domestic based ocean mining capability, to prepare alternative legislative approaches if the Law of the Sea did not appear to be winding up in 1975 and offer a good substitute for the Congressional version of ocean mining legislation which the Administration has opposed.

By agreement the interagency coordination of this issue was handled by the National Security Council Law of the Sea Task Force. The interagency review resulted in a recommendation to continue the present strategy at the LOS Conference on March 17 and postpone decision of the legislation until the meetings end on May 10.