

under section 3 of the Outer Continental Shelf Lands Act, 43 U.S.C. 1332, or "sovereign rights for the purpose of exploring [the continental shelf] and exploiting its natural resources" under Article 2 of the Convention on the Continental Shelf, 15 U.S.T. (Pt. 1) 473. That carefully preserved distinction from sovereignty grew out of the delicate balance between national and international rights in that area underlying the high seas. See, for example, your Committee's hearings on S.J. Res. 13, 83d Con., 1st sess., at page 1053-1055, 1067, 1079. In that sensitive area, so closely impinging on international relations, it would be unfortunate to introduce a degree of independent governmental jurisdiction of the States, outside their boundaries, where they have no interests and no responsibility for or participation in matters of international relations.

Section 4(b) of the Outer Continental Shelf Lands Act, 43 U.S.C. 1333(b), gives federal courts jurisdiction of cases relating to natural resources of the outer continental shelf. Section 4 of S. 1826 would add a proviso giving state courts concurrent jurisdiction for the enforcement of state conservation laws and regulations. Again, this would involve creation of an element of state governmental jurisdiction over an area outside state boundaries, where all rights are held by or under the authority of the United States and where a unified and exclusive control by the national government appears far better calculated to serve the interests of the United States both as exclusive proprietor and as a member of the international community.

The next aspect of S. 1826 concerns the revenues from the outer continental shelf. Under section 9 of the Outer Continental Shelf Lands Act, 43 U.S.C. 1338, revenues from the outer continental shelf are deposited in the Treasury and credited to miscellaneous receipts. These revenues have become a significant and rapidly increasing source of federal revenue. For example, the sale of about 158 leases on the outer continental shelf off Louisiana on June 13, 1967, produced bonuses of over \$510,000,000.00, and the sale of about 75 leases on the outer continental shelf off California on February 6, 1968, produced bonuses of over \$602,000,000.00. Total bonuses received under federal offshore leasing since 1954 now exceed \$3,000,000,000.00, in addition to very substantial rents and royalties.

This Department, of course, is not concerned with the policy question of whether these national revenues, derived from a source outside any State, should be distributed as proposed by section 5 of S. 1826, 37½% to the adjacent State and 62½% among all States (including the adjacent State) in proportion to population, or whether it is sound fiscal policy to make unlimited dedication of particular revenues to particular uses, in the absence of any inherent correlation between the size of the revenues and the importance of the public interests to be served. I do suggest, however, that no informed decision can be made on the point until there is greater certainty than we now have as to the extent of the proposed dedication. At least until we have a judicial determination of the major issues between the United States and the coastal States, particularly Louisiana, affecting ownership of extensive offshore areas, the extent of the donation proposed by S. 1826 must remain so speculative as to preclude reasonable evaluation of the merits of the proposal. The pending litigation with Louisiana is particularly relevant because that State and, to a much less extent, California and Alaska would at present be the only major beneficiaries of the proposed donation to adjacent States.

Section 5 of the bill would amend section 9 of the 1953 Outer Continental Shelf Lands Act. The term "effective date hereof", as used in lines 16 and 17 of page 4 is unclear. There is no indication whether the reference is to the effective date of S. 1826 or the effective date of the original 1953 enactment. Similarly, the term "after the effective date hereof" is used three times in the proposed amended section 9 and in each instance its meaning is unclear. In its last usage it would appear to provide for the distribution of sums heretofore impounded pending resolution of the title dispute between the United States and Louisiana. As of November 30, 1967, this amounted to \$1,102,925,657.98.

The final aspect of S. 1826 concerns revenues under the Mineral Leasing Act of 1920. Section 35 of that Act, as amended, 30 U.S.C. 191, directs semiannual distribution of receipts under the Act, 37½% to the State where the land lies, for roads or schools, and 52½% to the Reclamation Fund (or to the State of Alaska, in the case of receipts from lands in that State). Section 6 of S. 1826 would revise those percentages, increasing the former to 60% and decreasing the latter to 30%.

Determination of the appropriate correlation between the revenues to be anticipated from this source and the relative needs to be met by this dedication