

PUBLIC HEARING
ON SENATE BILL NO. S-200

before

SENATE COMMITTEE ON ENERGY, AGRICULTURE, AND
ENVIRONMENT

Held:
APRIL 6, 1974
Ocean County College
Toms River, New Jersey

MEMBERS PRESENT:

Senator Joseph L. McGahn, Chairman
Senator Bernard J. Dwyer
Senator Thomas G. Dunn
and
Senator John F. Russo

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1 SENATOR MC GAHN: Good morning ladies,
2 ladies and gentlemen. If there is anybody that
3 wishes to testify before this Committee this
4 morning and has not already signed in, there will
5 be an additional entry page placed down on that
6 table, and we request that you so sign in.

7 First of all, I am Senator McGahn, Chair-
8 man of the Energy, Agriculture, and Environment
9 Committee. On my right, and your left, is Senator
10 Dwyer. On my left, and your right, is Senator
11 Dunn.

12 We would like to express our appreciation
13 to the Senator and his staff for the beautiful
14 facilities that have been provided for us today,
15 as well as the officials of the Ocean County Col-
16 lege.

17 We have been conducting a series of pub-
18 lic hearings throughout the State, this being the
19 fourth, on two bills. One is S-200, which would
20 basically set up a transfer facility authority,
21 and at the same time, of course, we will be hearing
22 testimony which will directly relate to S-689,
23 which is a bill by Senator Buehler, that would ban
24 oil ports. Certainly, you could not testify on
25 one without considering the other.

1 The position of this Committee is that
2 we are objectively hearing all the data. We want
3 to assimilate and assemble facts prior to the time
4 any decision is made by this Committee, to either
5 amend the bill, not refer it out of Committee, or
6 basically come up with some policy the State of
7 New Jersey should make in relationship to what the
8 situation is.

9 This Committee is fully cognizant of
10 the fact that this is not an answer to the oil
11 crisis. I would like to state at the moment this
12 bill was not introduced in that purview. The bill
13 was initially introduced in May of last year, far
14 before the time there was an energy crisis or ener-
15 gy problem.

16 We are likewise cognizant of the fact that
17 should there be any type of deepwater oil trans-
18 fer facility, it must be accompanied by strong
19 land use provisions. We are cognizant of the fact
20 that the bill itself, as stated, has certain de-
21 ficiencies in it, in which it does not give the
22 Department of Environmental Protection the right of
23 approval, other than review. We realize there is
24 a section in there that would basically pre-empt
25 existing statutes on the books, as far as the

1 Coastal Facilities Review Act is concerned and
2 pre-empting it with local zoning.

3 The Committee is cognizant of these facts,
4 and will take this into consideration. However, we
5 would hope that in developing these hearings, we
6 would be given objective information, factual
7 information. And we respect the emotional reaction
8 and response on the part of the individuals concerned.
9 But it is going to be an objective decision.

10 I would say to you that public testimony
11 is wanted and required. If anybody wants to put
12 something in the official record, we will be only
13 too happy to see that it is in the official record
14 of this hearing. If any individual testifies today,
15 we would appreciate a copy of your testimony prior
16 to testifying, if you so have it. If not, we would
17 like a copy that you are reading from, of course,
18 basically submitted to one of our aides or the
19 Stenographer, so it can be included in the record.
20 We would prefer, in the interest of time, that
21 if objections to this particular bill are repeti-
22 tive, that the total statement not be read, your
23 objection simply be recorded, and we will record
24 it accordingly, and then of course speak extempor-
25 aneously on the bill.

1 You may find that members of this Com-
2 mittee are playing a role of devil's advocate. We
3 may be, in cross examining, attempting possibly,
4 at times, to inflame some of the individuals.
5 But we are trying to bring out facts, and upon
6 facts is going to be the determination of what
7 should be.

8 This is an extremely important topic
9 and subject. And I think it is only fair to men-
10 tion, at this time, that right at the present time,
11 the State is not really aware of what role it,
12 as a State, can play, because the deepwater port is
13 actually under Federal jurisdiction. It would be
14 in international waters. As a matter of fact, any
15 of the projected sites would not even be within the
16 contiguous twelve mile or nine mile zone off the
17 three mile State territorial zone. However, this
18 is not premature, because this type of proposition
19 has already been looked into and considered by
20 both Texas and Louisiana. It is being considered
21 at the present time by Alabama, Mississippi, by
22 the southeastern states of Georgia, South and North
23 Carolina; Massachussetts in the northeast, as well
24 as New Hampshire.

25 With that as a prelude, I would like to

1 call the first witness to testify, Senator Russo
2 from Ocean County.

3 JOHN F. RUSSO, SENATOR, OCEAN COUNTY,
4 9th DISTRICT:

5 Thank you, Mr. Chairman, and good morning.
6 I think, before getting into the reading of the
7 prepared statement I have submitted to you, I
8 would like to take just a moment to again extend,
9 as I have done before, my sincere personal thanks
10 to this Committee for the courtesy that you have
11 shown to me and to the people of Ocean County, in
12 coming here to Ocean County from, in your respec-
13 tive cases, Elizabeth, Atlantic City, and Middle-
14 sex County, to come down here to accommodate us,
15 to allow our people the opportunity to appear be-
16 fore you and express our position.

17 I want to make it clear to the people
18 of Ocean County that you had no obligation whatso-
19 ever to do this, and you have done this as a courtesy
20 to Ocean County, and we are very grateful to you.

21 There are a number of people here today,
22 but frankly, in view of the importance of this issue
23 to Ocean County, there are not enough. I hope you
24 won't take the amount of people here today as a
25 reflection of support for this bill on the part of

1 the people of Ocean County. But rather, it is the
2 same old typical public apathy that we deal with
3 so often in public life. We will hear about it
4 if something is done afterward, as in the case of
5 taxes, or what have you. But, for some reason, we
6 can't get them all out when it counts, namely, when
7 we need the input and insight from the people as to
8 their thoughts, and their positions.

9 SENATOR MC GAHN: Senator, I would consider
10 that a compliment to the legislative team from
11 Ocean County. I think the citizens of Ocean County
12 feel they can depend on the legislators of Ocean
13 County to represent their interests. And they
14 have better things to do on a Saturday morning.

15 SENATOR RUSSO: The only thing is, if I
16 express my opinion and they don't agree with it,
17 they will wish they had not reposed that confidence.
18 Hopefully, that won't be the case.

19 I would like the privilege and opportunity
20 of giving my prepared statement in full at this
21 time. We are dealing with a complex and technical
22 issue, and I do not think it is something that I
23 ought to attempt to talk to you about in an emo-
24 tional manner, or a political manner; rather, in
25 a manner based upon the facts that, at least I

1 feel, are valid, in my statement.

2 The district that I represent, the 9th
3 District, encompasses most of Ocean County, a County
4 that would be designated part of the New Jersey
5 zone, by S-200, Senator Dodd's bill. I am here
6 today fellow Senators, to offer testimony in opposi-
7 tion to the Act. Although its purpose may be noble,
8 its effect would not.

9 Gentlemen, we are all equally concerned
10 with the energy crisis. We have already seen the
11 devastating effects it can have on the economy
12 as a whole. Thousands of workers have already been
13 laid off. Each and everyone of us is paying more
14 for gas, when we can get it. Thousands upon
15 thousands of manhours have been lost to the economy
16 by frustrated workers waiting in line and seeking
17 only enough gasoline to get to their places of
18 employment.

19 Of course, we all know how difficult
20 it was to obtain gasoline two months ago, when the
21 price was thirty-seven cents a gallon, and how
22 much easier it is to get it now when the oil com-
23 panies are gouging our citizens for nearly sixty
24 cents a gallon, and in some cases even more. But,
25 Senators, we must be wary that we do not create an

1 even greater evil by seeking to eliminate or
2 diminish that which already flourishes amongst us.
3 I must note, by way of aside Senator McGahn's state-
4 ment that this bill was submitted even before the
5 crisis. But I think we have to be aware of the
6 effect upon the crisis as to our stand with regard
7 to what the bill proposes. Before we determine
8 whether or not we should have a deepwater port,
9 we must carefully examine not only the effects of
10 building it, but also the effects of not building
11 it. Proponents of deepwater ports frequently assert
12 they are necessary to accommodate the large volumes
13 of oil the United States now imports, and undoubt-
14 edly will continue to import for some time. As
15 we all know, and as Senate President Dodd forth-
16 rightly points out in his Bill, however, such is
17 not the case. It cannot be emphasized too strongly
18 that a deepwater port will not increase supply.
19 It will merely make it cheaper to import those
20 supplies we are getting. Moreover, such a facili-
21 ty will take years to build. Even economically,
22 it will have no immediate impact. If one were to
23 assume that a deepwater port could be constructed
24 without the slightest risk of environmental harm,
25 either offshore or onshore, then I think we would

1 all agree a port would be nice to have. I think,
2 however, we also would all agree such an assumption
3 would undoubtedly be false. Therefore, to judge
4 a port, we must be able to intelligently compare
5 its possible advantages with its potential disad-
6 vantages.

7 As the first premise, gentlemen, I offer
8 this indisputable fact. Prior to the Arab oil
9 embargo, the conventional harbors of America not
10 only handled the imports we need, but did it econom-
11 ically enough. Before the embargo, Americans had
12 no need to complain about gasoline prices. We do,
13 indeed, have reason to complain now. But the price
14 increases we now suffer have been due to the increased
15 cost of buying crude oil, not importing it.

16 One question which must be resolved, there-
17 fore, is whether the United States can expect to
18 increase its volume of imports by such a margin as
19 to make the use of conventional harbors impractical.
20 I, and I am sure, you, are not experts in foreign
21 relations. We can only estimate the likelihood of
22 increased imports by what our experts tell us.
23 And they tell us we should not expect increased
24 imports.

25 The sad facts, as expressed by an import

1 specialist working for the Federal Energy Office,
2 are these. Of the Middle East nations, where the
3 world's supply of oil is most abundant, only Iran
4 will increase the amount of oil which can be export-
5 ed. The other nations realize that oil is their
6 only valuable resource. Although the end of the
7 Arabian oil embargo probably will cause production
8 to increase to pre-embargo levels, it will not go
9 appreciably higher.

10 Therefore, this Bill proposes that we risk
11 our shores to handle what essentially will be the
12 same volume of oil America has also handled comfort-
13 ably in the past. To whose economic advantage will
14 this be? At best, the consumer can only benefit in-
15 directly. That is, the man in the street buying
16 gas benefits only if the oil companies pass along
17 the savings.

18 My colleagues, during this energy crisis,
19 each and everyone of us has read about the oil
20 companies making record profits while prices rise.
21 They have shown no inclination to pass along to
22 the consumer any of these profits. They have done
23 just the opposite. They have threatened to stop
24 exploring for new oil if prices were rolled back.
25 It is very well for us to sit back and say a deep-

1 water port would make the importing of oil less
2 costly. Undoubtedly, such is the case. We must
3 not, however, equate less costly to the petroleum
4 industry with less costly to the consumer. All
5 evidence shows this not to be the case. Less costly
6 to the oil companies usually means merely more
7 profits to their stockholders.

8 While we are studying the economic effect
9 of an oilport, we are also obligated to study the
10 other side of the coin. Gentlemen, the resort
11 industry in New Jersey is a two billion dollar a
12 year business. Thousands upon thousand of our
13 citizens depend upon it for their livelihood. More
14 depend upon it for additional part time income.
15 College students pay their tuition from it. When
16 we risk our coastline, we are not only talking about
17 the ecology. We are also talking about this very
18 viable industry. In the event of an oil spill, we
19 could compensate the owner of a business damaged
20 so badly it was forced to closed. We could not,
21 however, pass that compensation on to his jobless
22 employees.

23 Advocates of a deepwater port contend it
24 is an environmental measure, less dangerous to
25 our shores than the present lightering system.

1 But there is no evidence of light ering off our
2 coast now. Oil imported via supertankers is most
3 frequently offloaded at a deepwater port in the
4 Bahamas, and transshipped to New Jersey via conven-
5 tional tankers.

6 The most detailed study of deepwater ports
7 has been undertaken by the Army Corps of Engineers.
8 Prior to the study, the Corps admitted it favored
9 deepwater ports and was looking for the best site.
10 Although the Corps recommended Long Branch and
11 other sites off New Jersey, it also reported a
12 port could pose grave environmental threats to the
13 shoreline. It implied the resort industry could
14 be completely closed by only one large oil spill.
15 That report, gentlemen, is public information and
16 is available to all of you.

17 Despite this risk, I am even more con-
18 cerned about the dangers of onshore development,
19 the landuses which are needed to support deepwater
20 port facilities. Refineries, petrochemical factor-
21 ies, we have all seen the havoc they can and do
22 play with the environment, and with the help of
23 the unfortunate persons who are their neighbors.
24 I realize the Bill specifically bans refineries.
25 But that merely means the oil companies will try

1 to build them without the special consideration
2 the Bill offers. The state corporation is banned
3 from such construction. Oil companies could attempt
4 it independently. Moreover, gentlemen, we are
5 aware that such attempts must be made, and will be
6 made with all the force the powerful oil lobbies
7 can muster. America, with its imports at the pre-
8 embargo levels, operated its refineries at 99 per-
9 cent of their capacity.

10 Yet, energy experts say 65 new refineries
11 will be needed in the United States by the year
12 2000. If a deepwater port is located off New Jersey,
13 whatever additional oil is available, plus large
14 quantities of oil now shipped to other parts of
15 the United States, will be attracted here.

16 The oil companies will want to deliver the
17 oil here because it will be cheaper if we have an
18 oilport. They will want to build new refineries
19 here because this is where the oil will be. Yet,
20 and I cannot overstress this, these new supplies,
21 new environmental dangers, if you will, do not
22 guarantee New Jersey one extra drop of fuel oil or
23 gasoline. The refined products will be shipped
24 throughout the United States, just as they were in
25 January and February when New Jersey suffered while

1 its refineries processed products for other states.
2 Finally, gentlemen, I urge you to consider national
3 policy as expressed by President Nixon. He has
4 determined the United States is to be self-suffi-
5 cient as to energy by 1980, roughly about the same
6 time a deepwater port authorized by Senator Dodd's
7 Bill could first open. The Federal Energy Office
8 has said President Nixon does not mean we will have
9 ceased importing oil by that date. But he does mean
10 we will produce more of what we need, and rely less
11 on imports, so we will not be subject to interna-
12 tional blackmail.

13 It is not often I agree with the President.
14 But in this case, I do agree. If we can become
15 self-sufficient, we should do so. At the very least,
16 we can expect the President's policy to mean a
17 reduction of imports, making a deepwater port even
18 less necessary.

19 Senators, I have talked for some time on
20 what I consider to be the general philosophy of
21 the deepwater port concept. Now, briefly, I would
22 like to turn to specifics and discuss this Bill.
23 If the New Jersey Senate is determined-and I hope
24 and trust it is not-to have a deepwater port, then
25 we must be sure we offer every possible safeguard

1 to protect the environment.

2 After thoroughly studying S-200, gentlemen,
3 I am convinced it does just the opposite. I am con-
4 vinced it would lay every coastal county open to
5 dangerous land exploitation. If my philosophical
6 arguments fail to persuade you about deepwater ports
7 in general, I hope my objections to the specific
8 Bill in question will be more meaningful.

9 If I could digress, I happen to think
10 that the sponsor of this Bill, although I do not
11 support it, is one of the most competent and dedi-
12 cated, and finest Senators in the New Jersey Senate.
13 Although on this one, I think he has missed the
14 point.

15 Firstly, the Bill provides for a seven
16 member corporation, five of whose directors would
17 be appointed by the Governor, and three of whom
18 would live within the shore coastal zone. The
19 other members would be the State Treasurer and
20 the Commissioner of Labor and Industry.

21 The two State Officials whose membership
22 is mandated, and who would have more power than
23 the other directors, are from those departments,
24 concerned with money. Where is the Commissioner
25 of Environmental Protection? The Bill does not

1 guarantee environmental interests would be repre-
2 sented on the corporate board. Nor does it guarantee
3 anything more than a minority and potentially power-
4 less representation to the Counties composing the
5 shore zone. The County selected as a site need
6 not be represented at all.

7 As described in the Act, the shore zone
8 would consist of six counties, Middlesex, Monmouth,
9 Ocean, Atlantic, Cape May, Cumberland. I propose,
10 gentlemen, a thirteen man corporate board, eleven
11 of whose members shall be appointed by the Governor,
12 with at least one member from each of the seven
13 counties in the shore coastal zone. The other four
14 members would be appointed by the Governor. All
15 would be subject to confirmation by the Senate.
16 Three, initially, would serve five year terms. Two
17 other terms would be four years; two others, three
18 years, and so on. After the initial terms expire,
19 all would be five years.

20 The ex-officio members would maintain
21 full voting rights and the powers the current bill
22 would vest in them. But, Senators, they would be
23 the Labor and Industry Commissioner, and the Environ-
24 mental Protection Commissioner. Our State Treasurer
25 and Labor and Industry Commissioner are the finest

1 of men, who undoubtedly would exercise their duties
2 and powers responsibly.

3 However, a Bill is not written for the
4 present, but also for the future. We do not know
5 who will hold these posts ten years from now. I
6 assume they will be men of equally high calibre.
7 I would, nonetheless, rest easier, gentlemen, if
8 the Environmental Protection Commissioner were given
9 equal powers and made a permanent part of the Board.
10 The Board could either be expanded, or perhaps,
11 one of the other cabinet members, whose posts after
12 all are both concerned with money, would not ob-
13 ject to being replaced.

14 Secondly, I urge you to direct your
15 attention to the Environmental Protection Provisions.
16 A complete and studied environmental impact state-
17 ment is required, as it should be. But the bill is
18 silent as to the effect of the statement. There is
19 nothing to indicate an adverse environmental im-
20 pact statement would cause a project to be aban-
21 doned, or even modified. This grievous fault must
22 be corrected.

23 Thirdly, gentlemen, I ask you to note that
24 the Bill would allow the deepwater port corporation
25 to acquire by condemnation up to three quarters of

1 a square mile for oil storage facilities.

2 As I understand the Bill--and I certainly
3 do not have the expertise that you gentlemen have,
4 having been sitting on these hearings for some time,
5 but as I understand it, that means that no local
6 or county zoning ordinances need be followed; and
7 even local or county owned lands could be taken.
8 Only state owned property would be exempt.

9 That is not a small tract of land. To
10 place it in perspective, in my county alone, the
11 entire municipalities of Barnegat Light, Bay Head,
12 Island Heights, Lavallette, Mantoloking, Ocean Gate,
13 Pine Beach, Seaside Park, Seaside Heights, Ship
14 Bottom, and almost all of Surf City and Harvey Cedars,
15 could be condemned. Except for the last two in that
16 list, each municipality has less than three quarters
17 of a square mile of land area. Harvey Cedars and
18 Surf City have just slightly more than that amount.

19 I do not mean to imply that even the most
20 pro-oil corporation would decide to wipe out Ocean
21 Gate with one swift swoop. But should a deepwater
22 port corporation so decide, these municipalities
23 would not even be able to maintain their existance.

24 The concept of home rule is deeply in-
25 grained in New Jersey. Mr. and Mrs. Average Citizen

1 do not want the legislators sitting beneath the
2 golden dome in Trenton to control their destinies.
3 That provision must be deleted.

4 Finally, I must point out that the land
5 limit is much larger than it looks. Exempted from
6 that limit is the pipeline connecting the storage
7 facilities with the port and any necessary right-of-
8 way to install and maintain it. I could find no
9 limit on the length of the pipeline. It need not
10 be the few hundred feet from shoreline to storage
11 facility, which I am sure we all imagine it to be.

12 Some time ago, there was advanced by the
13 petroleum industry, I believe, but I am not sure,
14 a proposal to construct a deepwater port off Mon-
15 mouth County with a pipeline running through that
16 County inland to its western section, and then north
17 to a proposed storage facility in Middlesex County.

18 Such a proposal could be virtually assured
19 under this Bill. No County or local authority could
20 prohibit it. I am not an engineer and I do not
21 know the diameter pipe involved. I am sure, however,
22 it is not the four inch copper tubing which brings
23 gas to our homes, or a small pipe which brings water
24 to our homes. No, we are talking about a giant
25 system, the construction of which alone could render

1 valuable land useless, create untold traffic hazards,
2 and irreparably impair the environment. What magni-
3 ficent compensation would municipalities receive?
4 They would get payments in lieu of taxation based
5 on tax rates struck the year the Bill was effective.
6 These rates alone are likely to be far lower than
7 the actual value when the land is taken. These
8 rates would not increase as does a normal tax rate.

9 Are we saying, Senators, that Municipal
10 and County Governments must only stand idly by and
11 watch their land raped, but that they also must
12 pay for the privilege of doing so? I'm afraid
13 the answer is, under this Bill, yes. Moreover, the
14 Bill would permit the corporation to lease this
15 land.

16 Lastly, sirs, I must point out the gigantic
17 loophole in the liability provision. The Bill speci-
18 fies that accidents resulting from certain condi-
19 tions are presumed to be the corporation's fault.
20 The corporation can rebut these in court. If it
21 does so successfully-and it will be able to afford
22 more and possibly better lawyers than the average
23 citizen whose property is damaged by an oil spill-
24 it will not be liable and Mr. Citizen cannot collect.

25 The petroleum industry supporting and

1 pleading for ports tells us they are safe. There
2 will be no oil spills, they say. And if there is,
3 per chance, a slight mishap, it can be contained
4 long before the oil reaches our beaches. If such
5 is the case, let the oil industry speak it in the
6 language they know best--money. Let the liability
7 be no fault. Let the corporation or the companies
8 using the corporate facilities be compelled to
9 pay for damages, whether due to their own negli-
10 gence or not.

11 What comfort is it to the small business
12 man wiped out by an oil spill to know it resulted
13 from an Act of God, rather than the deepwater port
14 corporation's mistakes. His property is no less
15 damaged, the repairs no less costly. And the damage
16 would not have occurred without the port being there.

17 If we do nothing else, let us establish
18 a no fault liability insurance program. At the
19 special request of New Jersey Congressmen, the House
20 of Representatives plans to include such a proposal
21 in its deepwater port bill. Are we to say the
22 House of Representatives with the great concern it
23 must feel for the various parts of the nation,
24 cares more for New Jersey than does the New Jersey
25 Senate? I hope not.

1 Gentlemen, in conclusion, let me say one
2 more thing. When the deepwater oilport first came
3 into prominence, and I think it became quite impor-
4 tant about the time I was campaigning for the posi-
5 tion I now hold. And I am going to confess to you
6 that at that time, I spoke in opposition to a
7 deepwater oilport, which is the same position I
8 hold today, but for different reasons. I think I
9 fell into the same trap as so many of our citizens
10 did of taking the emotional or easy answer out.

11 To me a deepwater oilport meant nothing
12 but massive oil spills. And I will never forget
13 the shock that came to me when I was up in New
14 Brunswick attending a legislative seminar, when
15 none other than Richard Sullivan, who I think we
16 all agree, was a dedicated environmentalist. Mr.
17 Sullivan was speaking, and he pointed out at that
18 time the statistical advantages of a deepwater oil-
19 port with regard to spills, as compared to lighter-
20 ing. I almost couldn't believe what I was hearing.
21 And it became apparent to me as I read further
22 studies that, yes, if you compare a deepwater oil-
23 port with lightering and consider only the off-
24 shore effects environmentally, it may be that we
25 are better off with a deepwater port and, frankly,

1 I have got to admit to you that has got to be my
2 paramount concern. And this was before I became in-
3 volved in politics too.

4 Because I have always felt, and I hope I
5 am not part of a generation that leaves an ocean
6 that our children and grandchildren cannot go swim-
7 ming in on warm summer days, as they couldn't go
8 last summer in many parts of our ocean and bays
9 for various reasons.

10 I think that has got to be paramount. And
11 if the lightering system is more dangerous environ-
12 mentally than a deepwater port, considering only
13 that aspect of it, I wouldn't hesitate to support
14 a deepwater port.

15 The only problem is, in summarizing my
16 entire position, we don't have a lightering system
17 apparently off our shores insofar as I can determine,
18 to any extent. But more than that, the onshore
19 disadvantages are, in my judgment, so severe that
20 any benefits would be out weighed.

21 Gentlemen, I thank you again for your
22 time. I'm sorry I took so much of it, and I hope
23 I did not trespass upon your kindness in doing so.
24 But these are the feelings of myself, Ocean County
25 Assemblymen Dan Newman and John Doyle, and we wanted

1 to express them to you.

2 We realize that we have got much to learn,
3 and that some of our facts and contentions may not
4 be valid. And we are prepared to listen, with an
5 open mind, so that when we finally do make a deter-
6 mination on this Bill in the legislature, it's an
7 intelligent one, not an emotional one based solely
8 upon any desire to gain votes, or things of that
9 sort.

10 So I thank you very much again, gentlemen,
11 and especially again on behalf of the people of
12 Ocean County, I thank you for coming here and visit-
13 ing with us today. Thank you.

14 (Applause)

15 SENATOR MC GAHN: Thank you, Senator.

16 Senator Russo, you made the statement at
17 the present time lightering does not occur off the
18 shores of New Jersey.

19 Would it amaze you if I tell you that
20 testimony we have received in previous hearings has
21 been to the effect we do have deepwater ports off
22 of New Jersey; one a deepwater port off the Delaware
23 Bay, and the other up off the coast of the New York-
24 New Jersey Harbor, Raritan Bay, where large vessels
25 coming in cannot come in.

1 Do you have any concept of what is the
2 largest vessel that can come in Delaware Bay, and
3 the others?

4 SENATOR RUSSO: No, I do not, in the sense
5 of tunnage, Senator McGahn, except I would gather
6 it is not very large.

7 SENATOR MC GAHN: That is correct. The
8 largest draft requirement is about 40 foot. The
9 Delaware could accommodate, let's say, about a
10 hundred and twenty thousand net weight tunnage com-
11 ing in, and lightering, in order to have sufficient
12 draft to come in, is basically the same.

13 So I hate to contradict you, but, in effect,
14 we are having lightering. But let me also say one
15 thing, that if you will, the danger of oil pollu-
16 tion is not only the lightering effect. Over two
17 and a half million barrels of oil pollute the waters
18 yearly, and most of this is not due to the lightering
19 effect. This is only one portion of it, possibly
20 ten percent. 90 percent are due to groundings, col-
21 lisions, washing out of bilges, the type of practices
22 that are not currently going on with some of the
23 smaller tankers, and barges that ply the eastern
24 coast, which is in the range of about thirty-seven
25 thousand net weight ton. This is where your pollu-

1 tion is basically coming from.

2 And I think the statement you made, as far
3 as Commissioner Sullivan, is entirely correct. I
4 think, frankly, and this has been agreed to even
5 by the Sierra Club, that from a strictly ecological
6 standpoint that type of system is much more feasible
7 than the present system we have. It will reduce
8 the number of port calls.

9 I see in your statement here, you made a
10 statement that there is not going to be any increase
11 as far as oil imports are concerned in the near
12 future.

13 I would like to say that, very frankly,
14 this is not the case. It has been estimated there
15 will be at least four times the oil imports needed
16 in 1985 as against 1971.

17 SENATOR RUSSO: Senator, I would probably
18 respond less vigorously if you were kind enough
19 to first give me some of your water.

20 SENATOR MC GAHN: My reference to the
21 absence of lightering is information that has come
22 to me within the last moment or so, with regard to
23 the North Jersey shore. I am not referring, and I
24 should have made it clear, to the Delaware Bay area.
25 I have always been under the impression that lighter-

1 ing was prevalent off of our shores here, and it
2 may well be, because I just don't have enough specifics
3 on it. It apparently, though, is not as prevalent
4 as I thought.

5 But I wanted to make clear to you, and I
6 re-enforce it again, that apparently every study that
7 I can find indicates that if our choice, if we have
8 only one thing to be concerned about, and that is
9 environmentally in the ocean, our choice between the
10 deepwater port and lightering, I think I would be
11 here urging you to support a deepwater port. I
12 don't think there is any question. I refer, in fact,
13 I spoke to many people in this room at a conserva-
14 tion groups meeting not too long ago, and I said
15 to them, you know, every study that I can get shows
16 me that strictly and environmentally, the water off
17 our shores every study that I can get my hands on,
18 shows me that a deepwater port is ~~safer~~ insofar as
19 oil spillage than the present lightering method.
20 And I suggested to them that if I am in error, or
21 if these reports are in error, get this information
22 to me.

23 I have got to confess that so far I have
24 not received any contrary statistics. I refer
25 primarily to the Corps of Engineers study which

1 many have told me, well, they're pro-oil company
2 and everything. That might be so, I don't know.
3 But other than general statements like that, statis-
4 tically, no one has yet contradicted Commissioner
5 Sullivan or the Corps of Engineers study, or the
6 other studies.

7 But, you see, that's not enough. That
8 concerns itself only with the quality of our water
9 in the ocean.

10 My main objection, which frankly, and in
11 all honesty, was not even part of my consideration
12 last summer, when I opposed the oilport, was the
13 effect of onshore development, as I outlined in my
14 statement. That is my primary concern, other than
15 some specific objections that I raised, or suggestions
16 as to the Bill.

17 But the offshore, where basically my
18 original entire objection to the bill was, has frankly
19 been diminished greatly. And, gentlemen, I again
20 emphasize if someone can show me honestly and intelli-
21 gently and competently where I am wrong on the other,
22 I won't hesitate to change my position.

23 I don't think it is going to happen, though,
24 because I think, I hope, I have done my homework and
25 studied it. And although there may be an honest

1 difference of opinion between Senator Dodd and I,
2 and perhaps members of this Committee, I thoroughly
3 feel that the entire concept, in totality, is bad
4 for Ocean County and New Jersey.

5 SENATOR MC GAHN: I would assume for
6 the record that you would agree that simply as an
7 oil transport to onshore facilities already existing,
8 that this type of facility would be ecologically more
9 desirable than the present method of water-borne
10 oil being brought into the State of New Jersey.

11 SENATOR RUSSO: I would say that based upon
12 all of the studies and information that I have thus
13 far, yes, that would be my position. There may be
14 some I don't have.

15 I understand further, of course, the argu-
16 ment that was raised was what if a pipeline burst.
17 And I understand, and I do not profess to have ex-
18 pertise in this at all, that they have developed a
19 system of transport of oil where you have one pipe-
20 line inside of another one, and you may have had
21 this in your hearings, with a high pressure water
22 system running between the two; that if a leak or
23 break ever occurs in the one carrying the oil inside,
24 it would immediately show up on the machines carrying
25 the water running through, and they would immediately

1 not profits, not anything of that sort, is it
2 going to make the ocean cleaner or dirtier. And
3 if these studies are correct, it will make it cleaner
4 because it will cut down on spills, I am all for it,
5 that aspect of it, forgetting the onshore develop-
6 ment.

7 SENATOR MC GAHN: Your onshore development,
8 of course, you are taking the study as far as the
9 high option level is concerned. You are not taking
10 into consideration the present rate of no growth,
11 and/or a moderate rate of growth. You are taking
12 into consideration the two alternate sites, one,
13 off Long Beach with an onshore facility, and one
14 in Cape May and Cumberland. You did not address
15 yourself specifically to the fact that in New
16 Jersey we do have the number one petrochemical
17 industry as the largest industry in the State.
18 We do have in this area a lot of refineries.
19 We do practically import all of the crude oil that
20 comes into Pad One District, which includes, of
21 course, basically New Jersey other than, of course,
22 about eighty-four thousand barrels that come into
23 Norfolk. There is one point three million barrels
24 of oil that comes into the Delaware-New York area
25 per day. What goes into Maine, is insignificant,

1 because that is carried by pipeline to Montreal.

2 The Colonial pipeline brings in the refined
3 product, so that all the crude that comes into New
4 Jersey comes in by water-borne transport.

5 Assuming that this is the largest industry
6 in this area, how do we then continue to serve this
7 industry if, by the year 1985, or if at the present
8 time it requires three thousand of port calls of
9 vessels to supply this. Assuming that the present
10 rate of consumption, and let us for the moment for-
11 get President Nixon's self-sufficient program,
12 it would require approximately twenty thousand port
13 calls.

14 Oil pollution in the waterways is dependent
15 upon a variety of factors. The number of port calls,
16 particularly, most accidents happen at the entrance
17 to the harborways; collisions, port management,
18 groundings, if you will, structural failure of
19 vessels over sixteen years of age, and most of the
20 barges and most of the small tankers plying the
21 waterways today are in that age group. It has only
22 been recently, in the last eight weeks, in the
23 Delaware Bay, that over a million one point, five
24 hundred thousand gallons of oil were spilled.
25 Since of June of last year, over three million gal-

1 lons of oil were spilled in the Delaware Bay alone.
2 The problem here is again basically, as I have men-
3 tioned, not so much ignored groundings, ignored
4 structural failure, it is washing out the bilge
5 tanks, it is, if you will, the ballasting type of
6 operation. These are basically where most of the
7 oil pollution occurs. The question I would address
8 to you, and I feel that most individuals testifying
9 against this, and, incidentally, I think you know,
10 I also come from a seashore county, and I share
11 your emotional reaction to how you feel. But how
12 do we bring oil into the existing refineries and
13 tank farms practically, economically, and ecologi-
14 cally?

15 SENATOR RUSSO: Well, Senator, if I under-
16 stand you correctly, your concern is how do we bring
17 the oil into the existing refineries, not new ones,
18 although I do not know if it would solve all my objec-
19 tions to the Bill, or those of anyone else. But
20 let's draft this Bill in such a manner that it pro-
21 vides that no new refineries may be built. Let's
22 have it provide especially that no new refineries
23 may be built in counties that do not want them.

24 You see, the difference is in that bill,
25 we can have refineries here in Ocean County, when

1 we don't want them. That is the problem.

2 (Applause.)

3 SENATOR MC GAHN: Senator, if you will
4 remember I made the statement in my opening remarks,
5 this Committee is cognizant of the flaws and defects
6 in the Bill as it is now. We recognize the need
7 for strong landuse regulations. I could show you
8 amendments to this at the present time, but we are
9 talking about the Bill, we are not talking about
10 a marked up bill. I could certainly not agree with
11 you less, and that is the basic premise of that
12 report there.

13 It is also the basic premise as far as
14 Arthur D. Little, and that is very frankly, this
15 type of bill can occur as long as there is strong
16 land use regulations.

17 At the present time, existing facilities
18 can be expanded, the refined facilities can expand
19 upon the existing land that is now permitted by
20 either bottlenecking these refineries, or other
21 expansion of other facilities.

22 So, if you will, by 1985, there could be
23 a projected 2.5, 2.6 billion barrel refining capacity.
24 I could not agree with you less.

25 SENATOR RUSSO: I think, Senator, really

1 what it comes down to, if I understand you
2 correctly, and there is no basic disagreement
3 between us, if we were here talking about a little
4 different concept, a bill that would provide only
5 a method of getting the oil from the tanker to the
6 present refinery, no new refineries, no further
7 developments, just to get it from there to here,
8 and if the people, for example, in Ocean County
9 and the other counties involved, and there are
10 other counties involved, could be satisfied that
11 this study, and Sullivan, and the others are correct,
12 that insofar as strictly oil spillage is concerned,
13 this is a safer method, and there would be no on-
14 shore effects, I think we would be hard put to
15 object to it, unless there are some other arguments
16 we do not know of or I have not heard yet.

17 So I think what we are talking about is a
18 concept is that is different than what is in S-200.

19 SENATOR MC GAHN: Apparently, we do not
20 vary in that.

21 Let me say one thing, though, very
22 frankly, I think the facilities envisioned by
23 Senator Dodd as far as an offshore facility would
24 take about until 1980 to build. I think you will
25 be surprised to find it could be built in one or

1 two years. It would simply be a matter of laying
2 pipeline.

3 Now, I think again, I must refer to
4 something else, Senator, because I think in one
5 of your discussions here, you did have some
6 questions. I think you realize that this could be
7 located anywhere from thirteen to thirty miles
8 offshore, certainly in international waters. This
9 again is a question, is this a right of the Federal
10 Government and again, would this be a reasonable
11 use of water. This question may be resolved at
12 the conference in April or May of this year.

13 But albeit, you must remember that the
14 Federal Bill pending at the present time would
15 certainly have possibly not the right of veto of
16 the Governor of an adjoining State, and it must
17 be in conformance with an existing land use plan.

18 I think this is one of the reasons the
19 State could, through its use and right over re-
20 paring submerged land within its three mile terri-
21 torial area, could deny access to pipelines. And,
22 basically, this bill would, of course, not pre-
23 empt that.

24 SENATOR RUSSO: I think, Senator, before
25 you go on I might point out, it may help a little

1 bit, our Senate will be voting on a resolution
2 I sponsored very shortly to Congress, urging the
3 extension of the limit to two hundred miles.
4 And I know I can count on your three votes in
5 support of that when it comes up.

6 SENATOR MC GAHN: I would like to say,
7 Senator, I would hate to basically disagree with
8 you at the present time, because that bill was
9 in our Committee and we felt that it was inappro-
10 priate. We did not report it out because, of
11 course, as you well know, at the present time
12 this is in litigation before the Supreme Court of
13 the United States.

14 While in essence one would agree with
15 you, this would be a unilateral action on the
16 part of the State. This is a matter on the agenda;
17 it is item 19 on the agenda. I think that, of
18 course, this is something that is going to have to
19 be determined on that basis.

20 I think, as you realize, at the present
21 time, most of the imported oil that is coming into
22 the United States is coming from Canada and Venezuela,
23 to which we have been dependent, of course, to a
24 large degree in the last year. The problem, of
25 course, with Canadian oil is that this is going

1 to be going to the West Coast. Venezuelan oil is
2 a rather high sulphur oil. It is a sour oil, and
3 most of the refineries throughout the country today
4 cannot utilize this. There is only a certain per-
5 centage of the refineries that can take and refine
6 this. So it has been projected that certainly
7 whereas today we are importing six million barrels
8 of oil per day, this could go to fifty or sixty
9 million barrels by 1985.

10 There is no doubt about it, we, I think,
11 as a Committee agree with you completely and entire-
12 ly concerning the strong land use facilities that
13 are necessary.

14 I would like to say one thing, if I
15 may. You made the statement that President Nixon
16 said that this country should be self-sufficient
17 as far as energy requirements are concerned, by
18 the year 1980. Then, of course, that was subse-
19 quently amended to say, the ability to be self-
20 sufficient.

21 However, do you have any realization of
22 what that means? Do you have any realization of
23 what, other than the conservation method, that he
24 hopes the people of this country will be able to
25 accomplish. In order to be self-sufficient, there

1 is going to be dependence upon two additional sour-
2 ces of energy. Those sources of energy, Senator,
3 are nuclear generating plants and offshore drilling.

4 Now, you made a statement here that
5 you agreed with President Nixon in his concept.
6 Does that mean, then, that you agree with the methods
7 that he is going to expound in order to accomplish
8 this? Namely, the other sources of energy would
9 be electrical generating plants, the use of high
10 sulphur coal with its attendant air pollution and
11 again, should I say, offshore drilling to bring
12 oil in to make up basically the difference or defi-
13 cit we would not be getting from the Mideast.

14 SENATOR RUSSO: Senator McGahn, when you
15 ask me if I agree with the methods that the President
16 is referring to, it almost provokes me, not toward
17 you, but when we talk about those methods.

18 No, not at all. My statement, if you
19 will refer to it again, on page 6, says: I agree
20 with his concept that if we can become self-suffi-
21 cient, we should do so. But certainly, I think,
22 self-sufficient within a manner we can exist in.

23 I have a very simple approach to environ-
24 mental matters. I'm not an environmental kook,
25 as some people refer to environmentalists to the

1 first degree, but I do have some basic fundamentals.
2 I like electricity and I like air conditioning, but
3 I do have some basic fundamentals. I like electri-
4 city and I like air conditioning. But if you're
5 giving me a choice between having air conditioning
6 in my office all day-and, of course, I'm learning
7 to live without it in the Senate, we don't have
8 any down there-but if you give me that choice that,
9 for example, as a power source and having an ocean
10 that I and my children can't swim in, I will do with-
11 out the air conditioning.

12 If you are giving me a choice, say, be-
13 tween some oil importing system where the ocean is
14 going to be dirty, or requiring me to get a smaller
15 car than that great big Lincoln that guzzles gas
16 that I have, I don't know why I got it, but I will
17 get a smaller car and maybe walk downtown to my
18 legislative office when it opens in the courthouse,
19 or what have you.

20 I think it is a question of priorities.
21 My own feeling is, I am willing to make some sacri-
22 fices to protect the things we need. I am not
23 prepared just to become self-sufficient, to do some
24 of the things perhaps that you indicate President
25 Nixon would require as a prerequisite to becoming

1 self-sufficient.

2 It is a question of what we want, and every-
3 body is going to have to make his own decision. I
4 have made mine. I trust it is probably not terri-
5 bly out of accord with your own views. We are
6 going to have to balance one against the other, and
7 have to come up with a solution. But I think clean
8 air and clean water is something that if we lose
9 it, we are never going to get it back. And I think
10 we'd better turn the lights out for awhile before
11 we sacrifice those qualities.

12 (Applause.)

13 SENATOR MC GAHN: Senator Russo, my
14 next question possibly should not be directed to
15 you, but if you wish to respond, you may.

16 Ocean County is the fastest growing
17 County in the State of New Jersey; it is the 14th
18 fastest growing county in the country. The Rutgers
19 projection study projected that this will continue
20 to the year 2000. In order to accommodate the
21 growth, the new development in Ocean County, it is
22 going to require much more energy consumption.
23 Certainly now with the implementation of a regional
24 sewerage authority, a tremendous amount of energy
25 is necessary. It is almost akin to that which the

1 aluminum industry is using.

2 Now, a very, very simple question. Along
3 with this, as far as conservation of energy is
4 concerned, do you then propose that there be a
5 restriction upon growth in Ocean County?

6 SENATOR RUSSO: Absolutely.

7 (Applause)

8 May I expand on that. I don't share
9 the view of some that we ought to build a wall
10 around Ocean County and block anybody else from
11 coming in. I do not mean to suggest that. But,
12 the same argument came up, and I have discussed
13 it with you gentlemen many times, with regard to
14 the Turnpike spur at this time.

15 Ocean County is the fastest growing
16 county in New Jersey. Why? Not because we have
17 oil refineries, not because we have oil coating
18 our beaches, but because we do not. That's the
19 reason it is the fastest growing county.

20 (Applause)

21 Probably the best way to stop this
22 growth is to give us an oilport with refineries,
23 because nobody will want to come here, and in fact,
24 a few of us will start leaving.

25 (Applause)

1 I realize it is somewhat of an emotional
2 answer, but I don't know really how else to answer.

3 What I am basically saying, is, yes, we
4 are going to have to restrict energy and conserve
5 energy, or it just isn't going to be the kind of
6 place we want to live in. And I don't mean to
7 suggest by that we can keep it as small and un-
8 crowded as it is now. In fact, I think Senator
9 Dwyer, I hope to encourage him some day to move
10 down here. I know Senator Dunn will. And, Pat,
11 you are in at Atlantic County which is also a
12 nice clean air and seashore county, so we won't
13 be able to persuade you.

14 But the fact of the matter is, unless
15 it is worth living in, it won't be the fastest
16 growing county. And this is the kind of thing I
17 would like to work toward preserving, but not to
18 the extent of keeping all new people out. I know
19 I can't do that; I know we can't do that. I know
20 we can't keep all new highways out. But certainly,
21 we can slow things down and try to protect what
22 we have, and at least do it in an orderly manner.

23 So I hope that is an answer to the
24 question you raised, Senator.

25 SENATOR MC GAHN: One final question.

1 You, of course, are a proponent of Home Rule,
2 the tradition of Home Rule. Do you honestly think
3 that local zoning is effective enough to basically
4 carry out the land use provisions that they intend
5 to, in the best interest of the municipalities?

6 SENATOR RUSSO: Absolutely not. The
7 reason I say that is this: You know most local
8 officials are very competent, dedicated people.
9 Many do not have the expertise, it is really, you
10 might say, amazing how many are so competent with
11 so little training and background. You subjected
12 zoning to the differences in different communities,
13 one perhaps right next to the other. But more than
14 that, gentlemen, I think we see zoning being taken
15 out of the hands of local officials, whether we like
16 it or not. The cases now before the Supreme Court
17 are going to put, in my judgment, a dent into local
18 zoning that is almost going to emasculate it. Al-
19 though I see where there was just a U.S. Supreme
20 Court Decision almost leaning the other way. But
21 I don't think our New Jersey Supreme Court is, and
22 I think local zoning is going to be very much weaken-
23 ed and in time may almost disappear, and you will
24 get into some concept of statewide zoning. I
25 don't necessarily agree with that, but I don't

1 think we are going to have any choice.

2 But we can't rely upon local zoning to
3 protect us against the dangers of growth or environ-
4 mental what have you. This was the whole concept
5 of the environmental impact statement the Turnpike
6 Authority when they decided to build the Toms
7 River spur. They kept saying the arguments of ram-
8 pant growth are not justified, it can be controlled
9 by local zoning.

10 Well, that is fine, but there is only
11 one thing wrong. There is a town in Senator Dwyer's
12 county that thought they could do it too, and they
13 are about to be knocked out by the Supreme Court
14 on the grounds that you cannot zone that exclusively.
15 So I don't think you can count on that, Senator.

16 SENATOR MC GAHN: Would you go along with
17 the Energy Impact Statement as long as the Environ-
18 mental Impact Statement is a prerequisite?

19 SENATOR RUSSO: Yes.

20 SENATOR MC GAHN: Would you also support
21 the concept of the State making a determination
22 where power plants should be sited, even if the
23 power plant siting were in the areas of the great-
24 est growth, where this power and energy was needed?

25 SENATOR RUSSO: I couldn't answer that

1 in all fairness at this time, Senator, because
2 this is a subject that I think is going to require
3 a tremendous amount of study.

4 I learned something already in my short
5 term in the Senate. Somebody wrote me about a
6 bill, and they said, I don't know, it was almost
7 an apple pie and mother bill. And I wrote them
8 back and said I absolutely agree with you. But
9 anyway, after I got down there, and I found, I
10 don't remember if it was one of you three, but one
11 outstanding Senator pointed out something to me
12 that I should have seen, but I didn't realize.
13 I had to vote opposite to that which I told my
14 constituents I would vote. And I swore I would
15 never do that again.

16 So I would like not to answer that ques-
17 tion until I have had the opportunity, when it
18 arises, of studying it thoroughly, and hearing what
19 my constituents want. Although I will not be
20 solely guided by that, but getting what information
21 I can and then making a decision.

22 I don't mean to avoid the question, but
23 I think it would be a little premature for me to
24 answer it at this time.

25 SENATOR MC GAHN: I certainly agree with

1 you, and I appreciate your response. I think,
2 very frankly, there is no such thing as a free
3 lunch and we're far from wanting to go into some-
4 body else's backyard.

5 Thank you, Senator.

6 SENATOR RUSSO: Thank you, Senator.

7 SENATOR MC GAHN: Senator Dwyer?

8 SENATOR DWYER: No questions. Just a
9 compliment to the Senator on a well prepared state-
10 ment. It had great depth, and I admire your frank-
11 ness, and I want to compliment you for calling to
12 the Committee's attention the no fault principle.
13 We have discussed it. Thank you very kindly.

14 SENATOR RUSSO: Thank you, Senator.

15 SENATOR MC GAHN: Senator Dunn?

16 SENATOR DUNN: I have no questions, other
17 than to echo what Senator Dwyer said about the value
18 of the testimony given by Senator Russo. And I
19 would also like to express my continued amazement
20 that an obstetrician such as our Chairman, has be-
21 come such an expert on oil and oil industries, and
22 what not. I am fascinated by it.

23 SENATOR MC GAHN: Motherhood has gone
24 down the drain, so I have to have something to do.

25 I have no further questions, Senator, but

1 from an informational standpoint let me simply
2 say concerning your no fault provision as far as
3 insurance is concerned, this really does not fit
4 within the scope of this bill. At the present
5 time there is being drafted an oil spill preven-
6 tion and pollution control act, which again would
7 be no fault, indemnifying people within the State's
8 three mile limit. Now, frankly, beyond that, most
9 of these oil spills in the deepwater port would be
10 outside the purview of the State.

11 The Federal Bill to which you refer already
12 has a provision for a hundred million dollar no
13 fault provision concerning reimbursement for people
14 damaged by the effects of this, and this would be
15 funded by a two cent surtax upon each barrel of oil.
16 At the present time other than that, there is again
17 a ten million dollar cleanup clause, which again
18 is a no fault type of thing. And there is the
19 tanker liability, which is a thirty million dollar
20 program in the Water Quality Improvement Act of
21 1970 as amended, and up to fourteen million of owner
22 operator vessels, and another eight million for
23 pollution from terminals. So there is, very frankly,
24 a sufficient amount of insurance in these areas
25 to handle it. Most of this, of course, would not

1 fall within the purview of the State.

2 Thank you very much.

3 SENATOR RUSSO: Thank you very much,
4 gentlemen.

5 SENATOR MC GAHN: At this time, if I
6 may, I would like to ask Senator Russo to sit on
7 this panel, if you want to. And I will do that on
8 one proviso, that you call me Joe, and not Pat.

9 SENATOR RUSSO: In fairness, to cover
10 up what might seem like a faulty memory, I will
11 point out that your brother is Pat. But I thank
12 you very much, and I would be happy to join you,
13 and I appreciate your kindness.

14 (Whereupon Senator Russo joined the
15 panel.)

16 SENATOR MC GAHN: Assemblyman William
17 Fitzpatrick.

18 WILLIAM P. FITZPATRICK, ASSEMBLYMAN,
19 10th DISTRICT.

20 Gentlemen, thank you for giving me the
21 opportunity to be present with you this morning.
22 I will be as brief as possible. I am sure much of
23 what I have to say has been said before, but I found
24 it necessary to come down here and speak before this
25 Senate Committee. I appear before this Body to

1 offer testimony regarding the creation of a deep-
2 water oilport off the coast of New Jersey, as pro-
3 posed in Senate Bill S-200.

4 I am strongly opposed to such a facility
5 and urge you gentlemen to seriously consider my
6 concerns, which, I believe, reflect the thinking
7 of the majority of the people in Ocean and Monmouth
8 Counties. This deepwater port will not mean an
9 increase of oil supplies; it is not a facility that
10 is designed to discover or locate new sources of
11 oil. It is simply a means of bringing crude oil
12 into our refineries for processing.

13 This construction project will make things
14 easier for oil companies. I think this industry
15 has received enough consideration from the people
16 of this country, and enough profit. Whatever bene-
17 fits this facility may generate, must be weighed
18 against the ecological damage that might very easily
19 result from an unforeseen accident of a spill.

20 The supertankers which would use this
21 port are as big as the Empire State Building.
22 The entire Atlantic Coast along the Jersey Shore
23 line could be irrovacably destroyed. The Jersey
24 Shore is noted throughout this country for its
25 fine beaches and recreational areas. Our resort

1 industry would come to an end. I do not believe
2 the possible benefits of an oilport are worth the
3 risk.

4 In addition to the dangers to our beaches
5 and waters, my main concern also is the land use
6 provisions of this Bill which are frightening, for
7 they would drastically alter the entire character
8 of vast areas of Monmouth and Ocean Counties. Accord-
9 ding to the Army Corps of Engineers, in a report
10 issued in January of 1973, the Corps stated, "The
11 construction of a port will not only generate new
12 refinery activity in close proximity to a terminal
13 facility, but could also induce the establishment
14 of large petrochemical complexes in the same vicinity".

15 When we consider that the oilport author-
16 ity will not be subject to any state or local zoning
17 regulations, building codes, or any similar regula-
18 tions, and that the authority would have the power
19 to take any land it desires by condemnation, the
20 implications are extremely disturbing.

21 Gentlemen, I earnestly implore you to
22 listen to the voice of the people. They do not
23 want this facility, nor do they need it. I know
24 that you will consider all the possibilities, and
25 I hope you make the right decision.

1 Thank you very much.

2 SENATOR MC GAHN: Thank you very much,
3 Assemblyman.

4 (Applause)

5 SENATOR MC GAHN: There are two points
6 basically from the standpoint of information that
7 I would like to make. One is that there is nothing
8 in this Bill that designates a particular area where
9 an oilport, if one is to be established, would be
10 located.

11 Secondly, there is nothing that says
12 the State can go ahead and do it prior to the time
13 that the Federal Government comes out with a law
14 permitting us and setting up the standards and speci-
15 fications as far as an oilport, as far as standards
16 and specs, as far as the pipeline is concerned.
17 The only interest the State could have would be
18 the access across its own three mile territorial
19 limits, and land use, as far as onshore development
20 is concerned.

21 I think we are all cognizant and well
22 aware of the value of the coastal area. I come
23 from Atlantic County. But I think we must also
24 realize that New Jersey is not a homogenous state,
25 it is heterogenous. There are different interests.

1 The northern part of the State is the most industri-
2 alized, densely populated, with certainly existing
3 petrochemical industries.

4 The great problem in any circumstance is
5 the balance between one and the other. There are
6 environmental considerations which one is not going
7 to forego. But also there must be protection as
8 far as existing industry is concerned. Everything
9 basically has a price.

10 My second statement is that currently,
11 and there has been for the last twenty years some
12 eighteen buoys off the State of California Coast
13 within the three mile territorial limit, not with
14 the magnitude that we are encompassing here, not
15 with forty-five, forty-six inch pipes with a through-
16 put capacity of a hundred thousand barrels per hour.
17 These are simply terminal receiving facilities;
18 they are usually electrical generating plants on-
19 shore. And these are along some of the most highly
20 desirable beach spaces in California. And there
21 has been no environmental desecration of those
22 beaches during that time.

23 We are not talking about Santa Barbara,
24 that is a completely different thing. We are
25 talking not about offshore drilling. Remember one

1 thing, Santa Barbara was offshore drilling. But
2 we are talking about a transfer facility, of which
3 eighteen are now existing off the coast of Califor-
4 nia.

5 The gentleman nods his head. Now I would
6 like to see him refute the statement I made. That
7 is simply an informational point.

8 Assemblyman, thank you very much for your
9 testimony. Mr. Pike.

10 CHARLES PIKE, ADMINISTRATOR, OCEAN COUNTY
11 BOARD OF FREEHOLDERS.

12 I am Ocean County Administrator, and
13 I appear here today on behalf of the Board of
14 Freeholders, and with their authorization. After
15 much deliberation, the Board had prepared a state-
16 ment that was in response to Senate Bill 200, and
17 this was to, and I think they were scheduled really,
18 the Director of the Board of Freeholders, to appear
19 at the hearing you have in Trenton to present this
20 statement. Unfortunately, that day there was a
21 snow storm and the weather intervened. So that I
22 do not have the benefit of the comments that were
23 made when you started this; I arrived here a little
24 bit late. But possibly some of the objections
25 will be accommodated in terms of land use control.

1 But I would like to read this statement in its
2 entirety, and it does represent the official posi-
3 tion of Ocean County Government.

4 This objection is to the entire concept
5 of this proposed legislation, in addition to many
6 of the specific provisions incorporated in this
7 proposed act.

8 In prior action, the Ocean County Board
9 of Freeholders supported by the County Planning
10 Board and the Ocean County Environmental Agency,
11 have opposed the concept of a deepwater port off
12 the Ocean County or the middle-New Jersey Coast.
13 This objection was based on the impact, which
14 related onshore facilities, could have on the resort
15 and residential characteristics of the County. The
16 development of a major petroleum oriented industri-
17 al complex within, or in close proximity to, Ocean
18 County would propose a grave hazard to the vast
19 investment in seasonal homes clustered along the
20 waterways and ocean front of the county. These
21 homes and the directly related resort oriented
22 commercial development account for more than one
23 billion dollars in private property investment,
24 which represents a substantial portion of the
25 property tax base in the county.

1 This proposed act would create a public
2 corporation as an instrumentality of the State
3 Government, with broad powers and authority which
4 is unnecessary, ill-conceived, and inappropriate.
5 The appropriate arena to solve the national prob-
6 lem of importation of foreign oil should rest
7 with the Federal Government and its agencies. The
8 size, location, distribution and feasibility of
9 deepwater ports should be based on national consid-
10 erations, if the solutions are to be comprehensive
11 in nature.

12 The provisions incorporated in this
13 Bill provide for indirect subsidiaries to oil
14 companies, since the onshore facilities would be
15 exempt from property taxes and the bonds which
16 are issued to finance the construction of facilities
17 would be tax exempt.

18 Since the seven large oil companies
19 which provide the bulk of petroleum products in
20 the nation had combined earnings of seven point
21 five billion dollars in 1973-more than double
22 the entire State budget-it is completely inappropri-
23 ate to utilize governmental powers of State Govern-
24 ment to provide assistance in the construction of
25 a deepwater port, and related oil transfer facili-

1 ties.

2 While the Bill provides for the prepara-
3 tion of an Environmental Impact Statement and
4 the consultation with other governmental agencies,
5 the procedure does not incorporate any provision
6 which would allow a project to be altered or aban-
7 doned because of overriding adverse environmental
8 impact. The corporation is granted the power to
9 ignore or violate any planning regulations of
10 a municipality, county, or the State Government
11 itself.

12 I refer specifically to Section 8, Sub-
13 section T, which reads, "Determine, as herein after
14 provided, the location, type, size, and character
15 of an oil transfer facility, or any point thereof,
16 and all other matters in connection with all or
17 any part of the oil transfer facility, notwithstand-
18 ing any land use plan, zoning regulation, building
19 code, or similar regulation heretofore or hereafter
20 adopted by the State, any municipality, county,
21 public body politic and corporate, or any other
22 political subdivision of the State".

23 The major thrust in the enactment of
24 the coastal area Facility Review Act was to guard
25 against inappropriate industrialization of the coas-

1 tal zone area of the State. The corporation pro-
2 posed by this Act would be exempt from obtaining
3 a State permit under that Act, and could locate
4 onshore facilities on four hundred and eighty acres
5 of land anywhere in Ocean, Monmouth, Middlesex,
6 Atlantic, Cape May, Cumberland or Camden Counties.
7 This could be done without conforming to the local
8 or county master plans, zoning ordinances, building
9 codes, subdivision ordinances, or any other regula-
10 tions duly adopted by the local, county, or state
11 government.

12 I would also like to point out that eleven
13 of the thirty-three municipalities in Ocean County
14 have a land area of less than four hundred and
15 eighty acres. While the prospect is unlikely, a
16 small select group of men would be empowered, under
17 Senate Bill 200, to obliterate any one of these
18 coastal communities.

19 The procedures specified in the Act
20 do not provide for public participation at any
21 point in the planning, development, or execution
22 of projects by the oil transfer facility corpora-
23 tion. Public participation is a cornerstone of
24 our democratic process and embedded in the New
25 Jersey Statutes. Public notice and public hearings

1 are standard prerequisite requirements for a
2 wide range and variety of significant governmental
3 actions in the State. The procedure is required
4 in the adoption of a municipal or county master
5 plan, zoning ordinance, subdivision ordinance, and
6 issuance of a permit under the coastal area Facilities
7 Review Act. Yet, the Oil Transfer Facility Corpora-
8 tion Act can violate any aspect of local, county or
9 state planning or regulations, without the benefit
10 of public participation through the public hearing
11 process.

12 This arbitrary grant of power to a
13 semi-autonomous body politic poses inherent dangers
14 to this and future generations. Once financing
15 is arranged and a trust agreement established with
16 the bondholders, there will be no way for the
17 State of New Jersey to control or extract itself
18 from the deepwater port and oil transfer business.
19 These powers not only apply to facilities which
20 occupy areas, but also to pipelines which could
21 traverse any portion of the shore zone. The
22 authority is also empowered to exercise eminent
23 domain and relocate county and municipal roads
24 which might interfere with their operation.

25 To grant to this corporation these all-

1 encompassing powers is unnecessary and an invasion
2 of areas which would be more appropriately carried
3 out by the oil companies with their massive financial
4 resources under the control of Federal and State
5 regulations.

6 I would seriously doubt the objectivity
7 with which legitimate and well founded opposition
8 would be met by this corporation being an official
9 agency of the State. The passage of this act itself
10 would represent an irretrievable commitment to the
11 necessity of a deepwater port off the coast of New
12 Jersey, and all other matters would be considered
13 incidental details, and the die would be cast. It
14 would be unfortunate if this legislation would be
15 enacted based upon public hysteria arising from
16 the energy crisis and motor gasoline shortage which
17 exists in New Jersey. The long term feasibility
18 of the project envisioned to be undertaken by the
19 corporation is dependent upon sensitive and fragile
20 international relations, involving the foreign
21 nations with oil reserves.

22 It is completely unnecessary for the
23 State of New Jersey to intrude into this area.
24 This legislation will not solve or mitigate the
25 motor gasoline shortage, but will only create an

1 additional cast of characters to add confusion to
2 the scene.

3 We would recommend that further considera-
4 tion of Senate Bill 200, the Oil Transfer Facility
5 Corporation Act, be abandoned.

6 (Applause)

7 SENATOR MC GAHN: Mr. Pike, thank you
8 very much for your very erudite analysis of this
9 Bill, which I know you are certainly able to do.
10 I think the criticisms you voiced are certainly
11 constructive, and these are points that we are
12 certainly well aware of in the Bill. I think you
13 made your point very well in that particular respect.
14 The Committee is well aware of a lot of the defi-
15 ciencies, and if, if, it is to be reported out of
16 Committee, I could almost guarantee those points
17 will be corrected.

18 MR. PIKE: Very good.

19 SENATOR MC GAHN: I would like to ask
20 you a couple of questions. Once you referred to
21 the middle New Jersey coast. Basically, when you
22 are referring to the coastal zone, are you includ-
23 ing Middlesex?

24 MR. PIKE: No. I was referring to Mon-
25 mouth County and Ocean County more than Middlesex

1 County.

2 SENATOR MC GAHN: I think you realize that
3 primarily the main thrust of this type of legisla-
4 tion is-and as I say some may consider it even to
5 be a little premature-one of the prime problems
6 today is Hazelwait (phonetic). If such a facility
7 is to be operated, should it be public or should
8 it be private. And given the experience of private
9 industry, which I think, as you well know, you
10 would be having a conglomeromation of the oil
11 companies basically operating the pipeline. Under
12 the circumstances there could be again basically
13 less control than if this were operated by the State.

14 As you had mentioned certain changes, as
15 far as land use control is concerned, certain envir-
16 onmental impacts, we are all aware of this. I do
17 not think that it is premature on the part of this
18 State, because as I mentioned before, I think you
19 should well realize while the Gulf States want this
20 type of development, they are approximately
21 two years ahead of us, frankly, with New Hampshire,
22 Massachusetts, Mississippi, Louisiana, pardon me,
23 North Carolina, South Carolina.

24 Basically the cost of operating this
25 type of facility for a single month is relatively

1 inexpensive. The commodity itself is about eight
2 million dollars; the pipe itself laid is about
3 one and a half million dollars per mile. So that
4 again, the economics of the situation and the
5 facilities is basically eight million. So as far
6 as what the State would be charging, be it the fee
7 or surcharge, or fee for transport, or whatever it
8 may be, I think could economically benefit the
9 State. And I would be absolutely the last one to
10 see the oil companies rendering further profit
11 from this than what they are basically already
12 doing.

13 MR. PIKE: Can I comment?

14 SENATOR MC GAHN: Sure, please.

15 MR. PIKE: I would not agree with you
16 that the State would be the appropriate one to do
17 this. I think if you establish a state corporation
18 and it is actually going to be controlled by
19 other state agencies, I think you are building into
20 this an inherent conflict. And I think I have
21 seen this happen in state government.

22 SENATOR MC GAHN: A hypothetical question.
23 Given the situation where again the State is backed
24 up against the wall pending federal legislation,
25 of course, at the present time, it is hinging on

1 several things. One of course, what is going to
2 be the lead agency in this? Probably the Department
3 of Interior, but I would certainly hope not because
4 of their rather close alliance with the oil industry.
5 Be that as it may, this is one of the questions.

6 I think the other question is, is the
7 adjoining State going to have the right or is it
8 frankly going to be simply in consultation with the
9 home State, and the use shall be comparable with
10 the existing land plan. I have some difficulty
11 concerning the consultation with an existing land
12 use plan. Because I think, as you know, having
13 been a member of the Department, we really do not
14 have a land use plan. The Coastal Facilities Re-
15 view Act would determine this to be the case in
16 four years time, but at the moment, we really do
17 not.

18 So, therefore, accompanying this, there
19 would have to be definitive land use plans set
20 up, because in the interim time it would take the
21 D.E.P., and unfortunately with all the staff they
22 have and money to operate this, and I am sure,
23 that as administrator of Ocean County, and I say
24 this County has probably the most able administrator
25 in the State.

1 MR. PIKE: Thank you.

2 SENATOR MC GAHN: And I mean this
3 sincerely. But this is a tremendous job to be
4 placed upon D.E.P.. And if it goes as most things
5 do, it is not going to be accomplished within that
6 time span.

7 This is what concerns me about pending
8 federal legislation, the fact that if it has to
9 be in conformity with the existing land use plan,
10 if the State does not have a land use plan, that
11 is a problem.

12 MR. PIKE: I recognize this, and I think
13 it is going to be very difficult to meet the require-
14 ments that are in the Coastal Zone Facilities Re-
15 view Act for having placed it within the time
16 period which was four years; a land use plan,
17 going through the necessary inventory, evaluation
18 of different strategies and the final adoption of
19 the plan, which did involve, of course, a great
20 deal of public participation in that process also.

21 I realize there could be some slippage
22 on that, but it is the right way to do it, to have
23 the plan first.

24 SENATOR MC GAHN: Senator Dwyer?

25 SENATOR DWYER: No questions.

1 SENATOR MC GAHN: Senator Russo?

2 SENATOR RUSSO: No questions.

3 SENATOR MC GAHN: Senator Dunn?

4 SENATOR DUNN: No questions.

5 SENATOR MC GAHN: Again, Mr. Pike, I
6 want to thank you very much for your presentation.

7 MR. PIKE: Thank you very much, and I
8 certainly appreciate the opportunity to be here.

9 (Applause)

10 SENATOR MC GAHN: Lydia Arden.

11 LYDIA B. ARDEN, PRESIDENT, LEAGUE OF
12 WOMEN VOTERS OF OCEAN COUNTY:

13 Senator McGahn, Senator Dwyer, Senator
14 Dunn, Senator Russo, I am Lydia Arden, President
15 of the League of Women Voters of Ocean County.
16 We wish to thank the Committee for the privilege
17 of discussing the problems of an oil transfer facili-
18 ty. I am a trained biologist, I have worked in
19 marine research in the Chesapeake Bay and Woods
20 Hole. I was a research assistant for many years
21 in Johns Hopkins University as a specialist in
22 parasitology. I have been a member of the League
23 of Women Voters for approximately twenty-four years.
24 For about twenty years I have worked on environmen-
25 tal programs.

1 When we began water studies in the mid
2 fifties it was a very ho-hum issue in New Jersey.
3 The pressure for continuing study and action came
4 from the west where the need was very real. During
5 the intervening years, the League has scratched
6 from one study to another. We finally came up with
7 the concept that human problems and environmental
8 problems are wrapped up in a program of land use.

9 The idea of land use policy is growing
10 across our land. We hear Secretary of the Interior
11 Rogers Morton asking for the Land Use Policy Act,
12 describing it as the most important legislation in
13 the nation. We hear Russell Peterson, Chairman of
14 the President's Council of Environmental Quality
15 exhorting and warning on the proper and improper
16 use of land. We hear Governor Tom McCall of
17 Oregon; we hear our own Philip Alampi. Happily
18 there are others. We see some strong character
19 emerging in offices at the top of our Federal
20 Government and in some states. Occasionally, it
21 seems as though the number is growing.

22 In the evolution of the law, we finally
23 move to the law of the sea. This is an awesome
24 responsibility, a responsibility for statesmen.
25 It is a fact that in all other galaxies in all the

1 universe, there are no known oceans, other than
2 those on Earth. If our oceans are despoiled, there
3 will cease to be life on our planet. If there are
4 no other oceans, there is no other life as we can
5 conceive of it.

6 The League of Women Voters of Ocean County
7 asks, why don't we begin at the beginning; why don't
8 we draft a Land Use Policy Bill? When the Land
9 Use Policy is developed, why don't we then place
10 an array of individual laws to implement the plan
11 in an orderly fashion? Our problems of life, land,
12 and energy are much too big to treat in New Jersey's
13 usual pennyante fashion.

14 As to the New Jersey Oil Transfer Facility
15 Corporation, the League bluntly asks: Why should
16 New Jersey go into business? Government in business
17 has a long history of non-success.

18 Now, referring to the bond and note issu-
19 ing corporation, the League bluntly asks, what
20 about the cost of money; what about the cost of
21 refunding the schools, which is a mandate? What
22 about the capital demands for mass transportation?
23 What about integration of financial needs? What
24 makes interest rates soar? Financial planning
25 must be a way of life.

1 The League of Women Voters ask whether
2 the people of New Jersey can have any perspective
3 on the size of the very large carriers as they
4 exist today, a half million dead weight tons, and
5 planned for the future for one million tons. It
6 resembles the national debt. May I say I have sea-
7 man's papers in the Dutch Merchant Marine, and
8 they have to be sent back to Holland when I die.

9 For many years I have tried to teach
10 myself how big ships are. I circumnavigated Africa
11 in a vessel loaded with many autos, steam locomo-
12 tives, steel rails for miles of tracks, zillions
13 of railroad ties, and tons of other cargo going out,
14 and pigs of copper and vanadium, copra, sisal,
15 and wild animals coming home. There were many
16 passengers and a large crew. The boat had a gross
17 tonnage of 7500 tons. The great Atlantic Queens
18 have grown to the size of the Queen Elizabeth Second.
19 She seems enormous. But the gigantic oil carriers
20 defy comprehension. They now are one quarter of
21 a mile long.

22 The League asks if the legislators can
23 conceive of the amount of oil that will be brought
24 into New Jersey should a transfer facility materi-
25 alize. Please visualize a VLC with an umbilicus

1 discretely buried under some beach. On command,
2 the pumps start, crude oil gushes. But where?
3 If the vessel is one of those little old models
4 then two and one quarter million barrels will pour
5 out of the other end of that umbilicus, wherever
6 it is directed. Millions and millions and millions
7 and millions and millions of barrels of oil will
8 pour somewhere as one of those big babies after
9 another latches onto that mono buoy.

10 On April 4, the day before yesterday,
11 Russell Peterson stated that while we generally
12 believe there is a shortage of refineries, the
13 most drastic shortage is capacity for storage of
14 crude oil. Where will that oil pour?

15 Legislators have need for environmental
16 knowledge. They have just as much need for under-
17 standing world affairs. What if we put a transfer
18 facility on stream and the VLCs stop calling?
19 Oil will no longer flow through that umbilical cord.
20 Blackmail by foreign nations is already a reality.
21 We had a bitter lesson during the embargo.

22 The nations of the Middle East are
23 accumulating tremendous capital. They have made
24 decisions to reinvest in their own country. They
25 will refine crude and produce products for their

1 own people and for export. This is a process
2 called integrating forward. The process will es-
3 calate. Recently The Economist of London has
4 published articles which alert us to logical and
5 rational trends in the Middle East.

6 At this time most, if not all of the
7 Arab nations have initiated programs or are plan-
8 ning to build huge refineries. The Japanese, West
9 Germans, British, Russians, and even the Thais
10 are in the Middle East with management know-how,
11 technology and tools.

12 There is tremendous incentive to go for-
13 ward. The will to move ahead is vigorous. The
14 production of varied products from distillates to
15 fibers has the potential to change the whole trans-
16 portation process. So, while we have a trend of
17 VLCs in the corporation world, further down the
18 road we should expect a counter trend.

19 We need an analysis of refined products.
20 We have a need to search into the future. This is
21 done too rarely in government. Elected officials
22 think in terms of a few years, while interests of
23 the community require projections into the decades.
24 And then there is one last question the League asks:
25 Where, oh where, will our money come from to import

1 all the refined goods when every lickn'bit of
2 capital has taken the magic carpet express to Araby?

3 Oh, no, there is one more question. Please,
4 oh elected ones, when we are penniless, will there
5 be a pristine beach or a beach as pristine as Sea-
6 side is, to resort to. There may be few other
7 luxuries available to the people of New Jersey.

8 Thank you.

9 (Applause)

10 SENATOR MC GAHN: Thank you very much,
11 Mrs. Arden.

12 It is a very difficult thing to answer
13 the questions that were put forward, because they
14 were general in scope and they did not all directly
15 relate to the topic, and the subject we were talking
16 about. Let me say, however, that as far as a nation-
17 al land use policy is concerned, I think you are
18 aware, as well as I am, that this is something that
19 is going to take a lot of doing before the Federal
20 Government, frankly, will enact it if, in point of
21 fact, they do.

22 Land use, and if you attended the land
23 use seminar in Philadelphia last weekend, at which
24 both Tom McCall and Russell Peterson were speakers,
25 there is a big difference between the ideology

1 of the situation and the circumstance as to how
2 that is implemented politically, how it is done.
3 Very frankly, it must be done peacably. You must
4 be satisfied with two or three slices of bread
5 rather than the whole loaf. This is the approach
6 the State of New Jersey is taking, because at the
7 present time to try to enact a state land use plan,
8 this means then that you are preempting local
9 zoning, or you are going to have five hundred and
10 sixty-seven municipalities, not to say, twenty-one
11 counties, on your back, because you are preempting
12 their progress; the Wetlands, the Flood Plain Zoning,
13 the Coastal Review Facility Act.

14 At the present time, the Energy Crisis
15 Study Commission has been given the responsibility
16 of coming up with electrical generating sites.
17 This again is one of the things that must be done,
18 if you will, in a sense on a piecemeal basis. It
19 cannot be done, I will say frankly, all at one
20 time.

21 What is going to happen to the deepwater
22 ports if the tankers do not come in? At the present
23 time there are over five hundred thousand very large
24 carriers over two thousand tons dead weight. And,
25 as I believe you said, there are plans for a million

1 on the boards.

2 I think we must all realize what we are
3 dealing with is simply a very short term and a
4 short range interim approach to the problem. The
5 life span of any of these things is no more than
6 twenty-five years. By the year 2000, there will
7 be and should be alternate sources of energy use
8 and, hopefully, by that time hydrogen, free, clean,
9 non-polluting.

10 I agree with you, the responsibility
11 here, frankly, is to see that this type of develop-
12 ment when it occurs must come from the Federal
13 level, not the State level. The State cannot afford
14 it, the subsidization of companies to accomplish
15 this thing.

16 It is true refineries are being built
17 today in the Arab countries, who would be very
18 willing to ship the refined product over here at
19 the cost of gasoline at a dollar a gallon. But
20 the important fact is this, that the petrochemical
21 industry in New Jersey depends not upon refined
22 products, it is dependent upon crude oil. The
23 pharmaceutical industry is dependent upon coal tar
24 products, not upon refined products. So regardless
25 of what the circumstances are, if we are to keep

1 the industry and the economy that we have, even
2 at a no growth rate, we must assure at least an
3 imported supply of crude. I do not say that it is
4 to be by this type of transfer facility. It would
5 then be by other means of water borne facility.
6 But let's not lose sight of one fact, and that is
7 that Jersey needs crude. No crude is brought into
8 Jersey by pipeline. The Colonial Pipeline has no
9 intention of putting an additional pipeline in here.
10 The Gulf Coast has no further intention of attempting
11 to supply increased needs for the East Coast. As
12 a matter of fact, down along the Gulf Coast today
13 you can find bumper stickers saying, "Yankee Bas-
14 tards Freeze", and that is a fact.

15 MRS. ARDEN: Doctor McGahn, may I ask
16 whether we are going to order improved oil or
17 are the Arabs going to say ~~that~~ we are not going to
18 send it? Perhaps we should analyze whether the
19 Arabs, with capital piling up in gobs and gobs and
20 gobs, to the point where our system of currency
21 may be ruined, will the Arabs say that we are to
22 take their refined or finished products. The
23 Arabs are not fooling about what they're going to
24 do with putting in factories. They have got their
25 people there.

1 SENATOR MC GAHN: Positively, it is the
2 Seven Sisters that are building. We are fully aware
3 of this. Very frankly, what are the alternatives
4 to American self-sufficiency? The alternatives are
5 offshore drilling; permitting the recovery of shale
6 oil, which is environmentally much, much more des-
7 poiling, until they can get a system, of which the
8 technology is not available today, of inground
9 recovery; the use of coal with high sulphur content,
10 increased pollutants and nuclear generating plants.

11 Now, are you and the individuals who
12 represent the environmental movement willing to
13 make a trade-off and say, oh, okay, fine, in order
14 not to be self-sufficient as far as foreign oil
15 imports are concerned, because we can no longer
16 depend on Venezuela, but we can depend upon Alaskan
17 oil, to the extent that it is going at two million
18 barrels per day, which is strictly for the West
19 Coast. This is not coming to the East Coast.

20 But where are we willing to effect
21 trade-offs? There is no such thing as absolutes.
22 Everything and anything in a political decision
23 must have a balance. What are we willing to accept
24 in order to do what we think is necessary to make
25 the United States self-sufficient upon its own

1 energy source? This question, I throw back.

2 Senator Dwyer?

3 SENATOR DWYER: As we go through the
4 record and read these statements, we are going to
5 be engaged in lots of arguments. Thank you very
6 much.

7 SENATOR MC GAHN: Senator Russo?

8 SENATOR RUSSO: Good job, Mrs. Arden.

9 SENATOR MC GAHN: Senator Dunn?

10 SENATOR DUNN: I would like to say I am
11 impressed, as is everyone, with Mrs. Arden's quali-
12 fications and credentials. I do not share your
13 views, of course, of politics and politicians.

14 MRS. ARDEN: Believe me, except for the
15 fact there are political realities, Senator.

16 SENATOR DWYER: Again, this is a matter
17 of opinion. I have to repeat what the Doctor asked
18 of you. What would the League of Women Voters sug-
19 gest as an alternative, recognizing the fact, and
20 if I am in error, correct me on this, but the State
21 of New Jersey, must depend on outside sources to
22 the extent of seventy-five percent of our daily use
23 of oil products. Only twenty-five percent manu-
24 factured in the State of New Jersey comes from
25 our resources and our own refineries. And you

1 have stressed the fact, as has someone from the
2 oil industry in the article I am reading, that
3 oil consumption in the United States is rising so
4 rapidly that we are expected to use as much in the
5 next fifteen years as we have consumed since the
6 first domestic oil well was tapped in Pennsylvania
7 in 1895.

8 With domestic oil production already
9 peaking out and falling behind the man, the United
10 States has no alternative but to rely increasingly
11 on imports over the next few decades. By 1985,
12 oil imports could be supplying as much as two thirds
13 of the nation's demands, compared with an already
14 substantial thirty-five percent in 1973.

15 What we are doing as a legislative body
16 is simply groping for alternatives.

17 MRS. ARDEN: Senator Dunn, perhaps you
18 don't understand the fact that I am not saying how
19 much are we going to order. We may be facing how
20 much will they allow us to have.

21 I think in the first place, you want to
22 know what the League thinks. The League believes
23 very definitely we have outrun our energy budget;
24 we are living beyond our energy budget.

25 (Applause)

1 We should do everything we can to con-
2 serve. It is absolutely sinful that the people
3 of the United States with a sixth of the world's
4 population are using forty percent of the world's
5 energy.

6 SENATOR DUNN: Well, we aren't arguing
7 that point. But if you would suggest curtailing
8 the use of that energy, what type of opposition
9 would you run into?

10 MRS. ARDEN: I have not at this point
11 suggested curtailing it. I am saying the Arabs
12 at this point are going to hold, beyond all belief,
13 capital, and when they hold all that capital, we
14 are going to be in a very serious position from
15 our balance of payments view. And there is going
16 to have to be some direction of what the United
17 States will accept, and not what we will order.

18 SENATOR DUNN: I agree with you there,
19 too, but situations like that, less dangerous,
20 have caused wars in the past.

21 MRS. ARDEN: Well, what are the alterna-
22 tives, sir?

23 SENATOR DUNN: Well, I hope not.

24 MRS. ARDEN: I do too. But if you listen
25 to the meetings that we go to, you will hear that

1 coming from various places.

2 And, Senator McGahn, I would like to say
3 you mention the fact that this Bill was put in the
4 hopper before the energy crisis began. The President
5 of the State League asked me to start working on the
6 energy crisis in 1972, and I think that was a long
7 time, perhaps, before people were aware of this.
8 I have been going to many, many conferences in many
9 parts of the country since that time.

10 SENATOR MC GAHN: Mrs. Arden, knowledgeable
11 people were predicting this as much as fifteen
12 years ago. No attention was paid to it.

13 I certainly agree with you that we are
14 dealing as far as fossil fuel is concerned, that
15 it is a finite resource. I agree that six percent
16 of the world's population is utilizing thirty
17 percent of the energy, not forty percent.

18 However, my basic question is this:
19 Assuming the present rate of growth, the known
20 reserves of petroleum will be completely expended
21 by the year 2000.

22 Now, we do know there are certain in-
23 dustries that are absolutely dependent upon
24 petroleum. We know we can cut back use by a rather
25 small percentage. Let's say we cut back twelve

1 percent of our energy use; let's say twenty-four
2 percent as far as electrical generating plants are
3 concerned, forty-two percent as far as industry
4 is concerned. This can be supplied by alternate
5 sources other than fuel, so we can keep--

6 MRS. ARDEN: When the time comes.

7 SENATOR MC GAHN: That's right. So we
8 can keep the crude for that which is basically
9 necessary, you know, manufacturing the pantyhose
10 you wear, the aspirin you take.

11 MRS. ARDEN: Petrochemicals.

12 SENATOR MC GAHN: Absolutely, petrochemi-
13 cals. The point I am getting at, and I have yet to
14 hear anybody basically from your group give other
15 than esoteric methods of coming up with energy
16 use in which the lead time is fifteen or twenty
17 years beyond the time span that we are encompassing
18 here.

19 What is your position as far as the
20 use of coal, which is polluting; what is your posi-
21 tion as far as nuclear generating plants are con-
22 cerned, and what is your position as far as off-
23 shore drilling is concerned?

24 MRS. ARDEN: I don't know if you are
25 trying to catch us on that-I am kidding-because

1 that is the point where you catch the lead, and
2 we are very often hamstrung just because we do not
3 have a position. That is why we are put in the
4 position of asking questions. But our point is,
5 that we may very well suffer before we get these
6 alternate sources, and there may be some very short
7 years between 1985 and the year 2000.

8 SENATOR MC GAHN: This, I think again,
9 basically, differentiates the politician from the
10 individual who simply proposes something. The
11 politician must make the decision, and he falls
12 or rises upon that decision. We cannot simply
13 say well, we do not have any position on it.

14 Now, I am not trying to catch anybody,
15 but it just so happens until last year, this would
16 have been Senator Russo's baby. But at the moment,
17 the proposed nuclear nuclear generating plant
18 off little Egg Harbor Township, is strictly in my
19 district; it isn't even in Senator Russo's district
20 anymore, and I cannot get anybody to make a comment
21 concerning it.

22 Thank you very much, Mrs. Arden.

23 (Applause)

24 SENATOR MC GAHN: I have now twenty-
25 five minutes to one. We will recess at 1:00 for

1 dinner. No. We will continue on through. I
2 would ask the people testifying this afternoon
3 that they will extend the courtesy that if it is
4 repetitious testimony, just to register their
5 thoughts, if it is something that we have already
6 heard.

7 G. STEVEN GWIN:

8 I have submitted a statement as an
9 interested citizen, and to that statement I would
10 like to mention the offshore buoys will allow you
11 to keep your tankers away from the shore waters,
12 and in doing so, you will eliminate the possibility
13 of groundings. Groundings and collisions are the
14 greatest source of pollution. I think in 1971 of
15 ships over five hundred gross tons, there were
16 over twelve hundred collisions, and approximately
17 seven hundred groundings. Now, the majority of
18 these occur in the harbors or the approaches to
19 the harbors. By using the offshore buoy, you keep
20 the ships away from this area, and the pollution
21 will be much less than what we have right now.
22 And as far as the nuclear plants are concerned,
23 I think there is a note of interest in the Panama
24 Canal, and the lake which is the source of their
25 drinking water. They have a nuclear plant, they

1 have had it for years, and I don't think it has
2 affected anything. I do favor improvement.

3 Thank you.

4 SENATOR MC GAHN: Thank you very much,
5 sir, I certainly appreciate your remarks. Senator
6 Dwyer?

7 SENATOR DWYER: No questions.

8 SENATOR MC GAHN: Senator Dunn?

9 SENATOR DUNN: No questions.

10 SENATOR MC GAHN: May I say that what
11 the gentleman said is factual information. This
12 is exactly the case for the offshore unloading
13 facility by pipeline, it does cut down on the
14 number, basically, of collisions; it cuts down
15 upon oil spills, resulting from them. The pro-
16 cedure we have mentioned previously, as far as
17 lightering is concerned, while it is a source of
18 oil pollution, certainly it accounts for only
19 approximately ten percent of the pollution that
20 occurs in the ocean water today.

21 One of the factors that is involved in
22 the number or the amount of oil pollution has to
23 do with the number of port calls per ship. The
24 less number of port calls, the less the chance of
25 collision, the less the chance of grounding, and

1 the less the chance of a few other things. We
2 could, of course, go into some technical details
3 here. We, of course, unfortunately at the moment,
4 are not concerned with the very large crude
5 carriers that are flying under a foreign flag.
6 American very large crude carriers have a segre-
7 gated ballasting system, a loading on top technique.
8 All of these do tend to cut down on basically
9 a number of the procedures that today are respon-
10 sible for pollution of the waterways.

11 SENATOR DUNN: I don't have a copy of
12 Mr. Gwin's statement. I don't mean to embarrass
13 you, sir, but are you speaking as a private resi-
14 dent, a private citizen of Ocean County?

15 MR. GWIN: Yes, as a private citizen.

16 SENATOR DUNN: You are not representing
17 the oil industry or any other environmental group?

18 MR. GWIN: No, I don't work for the
19 oil industry.

20 SENATOR MC GAHN: I don't have a copy
21 of your statement but, sir, if you would please,
22 just for the record, state your qualifications
23 for being able to make the statement that you
24 did make.

25 MR. GWIN: I have served aboard merchant

1 ships, in the American Merchant Marine for eighteen
2 years, for the last seven years, I have held a Master
3 of Oceans Unlimited. And at the present time, I
4 am working for American Exporters.

5 SENATOR MC GAHN: Thank you, sir.

6 Therefore, from personal experience you know where
7 of you speak.

8 SENATOR MC GAHN: Don Philippi.

9 DONALD PHILIPPI, Local 195, AFL-CIO:

10 Good afternoon, ladies and gentlemen.

11 My name is Donald Philippi. I live in Point
12 Pleasant, and I speak for myself, not only as a
13 business man but as a member of the New Jersey
14 Transportation Engineers Employees Union.

15 As a union, we have not yet taken any
16 position with regard to the oil port or transport
17 facility. I would like to say that in my opinion,
18 and that of the residents in my area in Point
19 Pleasant, we are firmly against any oilport off
20 the shores of our area. At first we heard that
21 maybe with the proposition of an oilport being
22 off the shore here, there would be an increase in
23 certain jobs. Right now our area is heavy with
24 unemployment. But we see no proof of this. In
25 fact we have heard testimony here today that one

1 supertanker, as I understand it, could replace
2 some fifteen ships normally to bring in the oil.
3 What happens, for instance, to the crew on those
4 fifteen ships, if we have one supertanker bringing
5 in the oil?

6 I feel that the resort business is in
7 serious danger in putting up such a port along
8 the shores of New Jersey. We see, just a few in-
9 stances as last summer what happened when we, for
10 instance, had a shark scare near and around the
11 Point Pleasant area. We know that many people, in
12 fact, at that time, coming from northern New Jersey
13 and New York, and certain places during their
14 vacations, this actually kept them away from the
15 beaches, and from the shore.

16 I know that there is much testimony
17 here also today regarding, environmentally at
18 least, speaking that it might be safer, at least
19 ecologically speaking, to have a transfer port
20 as opposed to the small ships continuing to come
21 in and unload. I am not too sure we can take that
22 risk of having a port, at least a super port, off
23 New Jersey.

24 I haven't heard any testimony here
25 today from anybody concerning the fishing industry

1 off New Jersey and what it could do to the fishing
2 industry. But I do remember the time I was inter-
3 national representative, working in many states
4 throughout the country, particularly in the Chicago
5 area when there was a mercury scare in Lake Michi-
6 gan. It had to do with mercury being found above
7 standard. I want to tell you when that happened,
8 it discouraged many, many people from fishing,
9 and discouraged just about everybody from thinking
10 of eating it.

11 We have seen other things that happened,
12 for instance, off of Santa Barbara, and recently
13 off of the Delaware Coast, where oil spills did
14 serious damage, not only to the environment but,
15 as Senator Russo pointed out, property, boats, be-
16 longing to people, and a number of these other
17 things.

18 I see nothing in this bill that automati-
19 cally is going to give restitution to people suf-
20 fering these losses, because, as Senator Russo
21 pointed out, when you face the oil company's legal
22 staff against what the individual resident might
23 have to fight with, it puts a serious burden on
24 him.

25 I would just like to close by saying also

1 that it was discussed here today that if actually
2 a tank facility would be placed somewhere along
3 the New Jersey Shore, whether it would be crude oil
4 coming in or whether it would be refined oil. I
5 have not heard anybody here today from the oil
6 chemical and atomic workers, but in talking with
7 some of the people from that union, I understand
8 that, in fact, there could be a possibility it
9 could be refined oil coming in, and if that facility
10 was in the area, the jobs of these people could be
11 eliminated because of refined oil coming in. But
12 I think in looking at the overall picture, I see
13 no big increase in the jobs. And here is why I
14 say that.

15 There is nothing in this bill that I
16 see that New Jersey workers are going to see a
17 big increase in jobs because of an oilport. Let's
18 take, for instance, Gloucester County; normally
19 drafting firms would lay out the plans and the
20 drawings for the oilport. There is no guarantee
21 that is going to be done by New Jersey draftsmen.
22 Let's take, for example, other jobs as I mentioned.
23 There is no guarantee in there, that, for instance,
24 many people would not be laid off who are presently
25 on tankers coming in and out, with one supertanker.

1 In fact, it looks like, as Senator Russo testified,
2 we have a number of students who rely on the
3 shore resort business. Their employment during
4 the summertime puts many of them through school.
5 And we have many full time workers who rely
6 exclusively on the resort business for their
7 employment. As I stated, it only takes one spill
8 for these people to lose their jobs, and cause
9 serious damage to the economy and the resort busi-
10 ness along the shore area.

11 I thank you for coming down to Ocean
12 County. I think it is easier for us to come over
13 here than to the State House in Trenton. However,
14 with a serious question like this, I feel that if
15 the Bill is, in fact, released by your Committee,
16 which I hope it is not, but if it is released, I
17 think you will see from our area that our people
18 will go to Trenton.

19 I think that, as Senator Russo and
20 Assemblyman Fitzpatrick so very well put it,
21 that even over all the technical questions, we
22 have talked to people and they say they do not
23 want an oilport off our coast.

24 Thank you very much.

25 (Applause)

1 SENATOR MC GAHN: Mr. Philippi, I
2 think you are a member of the AFL-CIO, is that
3 correct?

4 MR. PHILIPPI: That is correct.

5 SENATOR MC GAHN: We would grant the
6 premise that there would be no increase in exist-
7 ing facilities, that there would be no increase in
8 employment. But look at the other side of the coin.
9 What has happened to industry in New Jersey as the
10 result of the recent energy crisis, with the inabil-
11 ity of the State to secure an additional or suffi-
12 cient amount of fuel? What was the impact then?

13 MR. PHILIPPI: We had many layoffs.

14 SENATOR MC GAHN: You have layoffs?

15 MR. PHILIPPI: Correct.

16 SENATOR MC GAHN: So, therefore, would
17 you again support the premise that at least it is
18 necessary to maintain a sufficient amount of oil
19 input or throughput to maintain the industries we
20 have today?

21 MR. PHILIPPI: I am not absolutely sure
22 of that question at all, sir.

23 SENATOR MC GAHN: You are aware of the
24 fact that your parent organization supports this?

25 MR. PHILLIPI: The State AFL-CIO, yes.

1 SENATOR MC GAHN: That is correct. You
2 are also aware of the fact, are you not, that
3 when you talk about crews on VLCs replacing crews
4 on the others, you are talking about foreign flag
5 ships that do not employ Americans to begin with.

6 MR. PHILIPPI: There are many Americans
7 employed on those ships, I believe.

8 SENATOR MC GAHN: Are they members of
9 your union?

10 MR. PHILIPPI: Not our local specifically.
11 We represent mainly state employees.

12 SENATOR MC GAHN: What I meant is that
13 the majority of employees on foreign ships that
14 carry foreign products are not Americans, the
15 majority.

16 MR. PHILIPPI: It could be possibly the
17 majority. But there are also people that are
18 connected with it. I mean there are people that
19 are local employees, people that run the tugs and
20 the things that bring these people in. If they
21 have a supertanker, there would not be any need
22 for these people.

23 SENATOR MC GAHN: That is correct, be-
24 cause basically, as part of this, there would have
25 to be barges that would be in support of the deck-

1 ing facility, the platform out there. There
2 would have to be people employed, Americans, that
3 would be monitoring, that would be in charge of
4 radar, and in charge of everything else, oil
5 containment, and everything. And this would be
6 under the American Flag.

7 By the same token too, the barges in the
8 neighborhood of thirty-seven thousand dead weight
9 tons now ply the trade, and they must fly the
10 American Flag. These cannot be foreign vessels.
11 At the present time, the vessels that are used from
12 the Bahamas and Nova Scotia do not of necessity
13 fly the American Flag. Most of these actually fly
14 a foreign flag, and consequently, as such, do not
15 employ Americans. By the same token, you are
16 also dealing with one type of VLC, and that is
17 simply oil carrying cargo. But you must realize
18 also there is a mixed type of large carrier. There
19 is a dry cargo, and these ships, frankly, carry
20 less. And, as a matter of fact, they are capable
21 of coming into the Port of Elizabeth, which the
22 City of Elizabeth gets no tax from. But I think
23 you would find you would lose some jobs; there
24 would be a trade-off, and this would be again
25 no problem.

1 I think we spoke of the Santa Barbara
2 oil spill because this is offshore drilling. This
3 is not the type of facility we are speaking of.
4 And your reference to Delaware Bay, absolutely,
5 and as far as I am concerned, the comments you
6 made about the Delaware Bay spill is the result
7 of the current system of transporting oil into
8 Delaware Bay. That would not occur if we did have
9 a pipeline system coming in. I am not saying I
10 approve of it or do not approve of it. It is sim-
11 ply a fact.

12 We had mentioned before the question of
13 the individuals that are suffering because of this.
14 This would be partially within the three mile limit,
15 a new law that the State could enact similar to
16 the Florida or Maine Act, which was upheld as far
17 as the constitutionality was concerned by the
18 Supreme Court. But this would depend upon further
19 legislation.

20 Thank you.

21 SENATOR DUNN: Mr. Philippi, you did
22 come here today as a private citizen, you are
23 not representing local 195?

24 MR. PHILIPPI: No, we did not take a
25 position on the oilport officially on behalf of

1 our executive board, that is correct.

2 SENATOR MC GAHN: Jack Tagart.

3 JACK TAGART, EXECUTIVE DIRECTOR, CITIZENS
4 CONSERVATION COUNCIL OF OCEAN COUNTY:

5 Good morning, Senators-it is probably
6 afternoon by now. We thank you all for coming here
7 to the Ocean County College and us not having to
8 come to Trenton.

9 I am a taxpayer and the Executive Director
10 of the Citizens Conservation Council of Ocean County.
11 There is a coalition of thirty conservation minded
12 organizations and agencies with a total membership
13 of over seven thousand people. I have prepared a
14 very brief statement, and I am glad I did because
15 the subject has been covered very well by the
16 speakers who preceded me, and if I may, I will
17 start.

18 The Citizens Conservation Council of
19 Ocean County statement regarding the proposed
20 deepwater oilport which will be authorized by
21 Senate Bill 200, and the hearing presented at
22 Ocean County College, Toms River, New Jersey,
23 on Saturday, April 6, 1974. And I am speaking
24 for the Council.

25 The Citizens Conservation Council of

1 Ocean County opposes the construction of a deep-
2 water oilport off the coast of New Jersey on the
3 following grounds. First, and probably most im-
4 portant, is the fact that we do not have an energy
5 crisis. What we have is an energy misuse. The
6 current practice of single occupant cars being
7 used for transportation from Ocean County to
8 Metropolitan areas by commuters is one of the exam-
9 ples of energy waste. Another is the unwise use
10 of electric power provided by the plants that
11 burn oil in the home and in industry.

12 The solution of the lone occupant commu-
13 ter automobile is mass transportaton. Ocean County
14 and the other shore counties must evolve an effi-
15 cient and effect mass transportation system.

16 For the oil burning power plant, the
17 solution is the use of low sulphur coal. And
18 there is a four hundred year supply of low sulphur
19 coal right here in this country in the four corner
20 section of the western states. That the facilities
21 be equipped with new technology anti-stagnant appar-
22 atus is mandatory to keep the air we breathe clean.

23 Further, a deepwater port will necessitate
24 the land facilities, such as storage tanks, pipe-
25 lines, refining equipment, etc., which Senator Russo

1 so greatly emphasized. I don't believe this could
2 be emphasized enough, because the evidence that I
3 have heard so far this morning seems to indicate
4 a deepwater port may probably be environmentally
5 sounder as far as the ocean is concerned. But
6 it will certainly disrupt the land use that we
7 are trying to achieve in the State of New Jersey.
8 The land facilities will, as we have seen, pollute
9 the air as that in the Arthur Hill area to the
10 extent that our shore conservation system will be
11 made worthless.

12 In place of a deepwater port an earnest
13 effort should be made by our legislatures to eval-
14 uate the use of low sulphur coal to produce power,
15 and also to investigate the alternate sources of
16 power, such as solar power, wind power, geothermal
17 power and finally, a brand new thing that has
18 entered the picture, nuclear fusion, in which we
19 use dytirium (phonetic). The Ocean contains fifty
20 trillion tons of dytirium, enough for the world
21 forever.

22 Doctor Melville Gottlieb, of the Prince-
23 ton University Plasma Physics lab says, and I quote,
24 "Fusion is our best long term possibility. All
25 energy production has undesirable side effects,

1 and there seems to be less with nuclear fusion than
2 with other power sources currently in use or under
3 exploration".

4 In conclusion, the Citizens Conservation
5 Council urges that Senate Bill 200 be defeated,
6 and no deepwater port built.

7 I thank you, gentlemen.

8 (Applause)

9 SENATOR MC GAHN: Thank you, Mr. Tagart,
10 I could not disagree with your statement.

11 I would like however, again playing the
12 role of devil's advocate, to discuss basically
13 several questions. Number one, with the American
14 population today so used to personal comfort and
15 personal transportation, do you think you can find
16 somebody being willing to revert completely to
17 mass transit rather than their own personal trans-
18 portation from point to point, if sufficient energy
19 is available, and if they are willing to pay the
20 price?

21 MR. TAGART: Well, you certainly have
22 gotten a lot of things into one question. And I
23 will try my best to give you the information from
24 my knowledge, my research, I will try to give you
25 a viable answer.

1 Number one, it is now time for America
2 to attempt and to start adopting a new means of
3 life.

4 (Applause)

5 I am an older citizen, sometimes referred
6 to as a senior citizen, although I do not like
7 the name. However, I have fifteen, twenty years
8 maybe, and by that time, we may not have the
9 accrued effect that is going to take place in
10 twenty to twenty-five years, and it probably will
11 not affect me.

12 I think the American people will accept
13 a new lifestyle, and I think they are not only
14 going to accept it voluntarily, they are going to
15 have to accept it, because as you say, Doctor
16 McGahn, the petrochemical industry, which we are
17 all dependent upon in the State of New Jersey,
18 is certainly going to require the use of crude
19 oil. And, if for no other reason, I would like
20 to see crude oil come into New Jersey. I would
21 not like to see it come in in a deepwater port.
22 I feel that a deepwater port is environmentally
23 unsound. There are various areas where we could,
24 perhaps, establish mass transportation. Then one
25 of the problems of the State is investigating here,

1 the three counties, Ocean, Middlesex and Mon-
2 mouth, which have all been investigating mass
3 transportation. And I do think it has some
4 merit.

5 As I said before, you have a lot of
6 questions in that one question, and I have probably
7 forgotten half of them.

8 SENATOR MC GAHN: I think you answered
9 it very well. Now, let me again give you, if
10 you will, the sixty-four dollar question.

11 To provide an adequate system of mass
12 transportation in the State of New Jersey would re-
13 quire, at today's price, seven billion dollars.
14 Would you, or your organization, and the people of
15 the State of New Jersey, be willing to support
16 the seven billion dollar bond issue on referendum?

17 MR. TAGART: Well, you put this in such
18 a way as to put me in a spot where I really can't
19 give you an answer.

20 SENATOR MC GAHN: We are talking about
21 political realities. We are talking about the
22 history of past bond issues. We are talking
23 about the cost of any one of these things. Any-
24 thing is possible if anybody is willing to pay the
25 cost.

1 Low sulphur fuel from coal is fine.
2 The technology as far as stacks today are not
3 developed to the point where you are still going
4 to get a completely non-polluting emission coming
5 from that. Coal is perfectly fine; it can be
6 mined, it can be utilized.

7 Number one, it is never going to be as
8 cheap as it was before, as is oil. Everything has
9 a price. It is not only a question of the cost
10 going up, because it is now a competitive fuel.
11 As petroleum becomes short, coal becomes plentiful,
12 the cost goes up, for any of a number of reasons.
13 Safety regulations, as far as mines are concerned,
14 to develop a deep mine takes four years. Strip
15 mining environmentally is not the greatest. Solar
16 power for space heating, yes, possibly. But let
17 me tell you, we have a woman at Stockton College,
18 whose husband is a physicist, who put in solar
19 heating. I said to her almost two weeks ago, "Lib-
20 by, how is it working?" She said, "This has been
21 a very mild winter, it hasn't been too bad. But
22 I am going to turn the heat on when it gets cold."

23 Where are we going to get geothermal
24 power in New Jersey? Geothermal power is not
25 available in New Jersey. This is fine out in

1 Wyoming; this is fine in California, but these
2 sources are not available to us. We are talking
3 about esoteric methods that are not available here.

4 Wind power, fine. Do you want windmills
5 down the Garden State Parkway? Do you want windmills
6 out in the ocean? You don't want a nuclear genera-
7 ting plant out there. You don't want to spoil the
8 view.

9 Are these the prices you are willing to
10 pay? This is simply what I am talking about.

11 I stated this morning, absolutely nuclear
12 fusion and the use of hydrogen is an unlimited
13 power source, both from the standpoint that is
14 non-polluting and an almost an unlimited source,
15 the source is endless, and it is dirt cheap. But
16 we are talking about technology that is not avail-
17 able today, and will not be available until at
18 least after the year 2000; mostly even with a
19 crash program, it would be the year 2000 to make
20 this economically feasible, to put it on the line.

21 What do we do in the ensuing years?

22 MR. TAGART: Here again, we are talking
23 about possibilities and theories, and so forth.
24 It has been demonstrated in many areas that solar
25 power is a very viable use of power. The sun is

1 there, you can store the stuff up, and store
2 the batteries, et cetera.

3 SENATOR MC GAHN: In the southwestern
4 part of the United States, fine. But here in the
5 east, where are we going to get solar power, in
6 the most densely populated state in the nation?
7 Are you going to use the pinelands?

8 MR. TAGART: If we were going to inves-
9 tigate this thing thoroughly, you see, I am attempt-
10 ing to illustrate alternatives. And if we are
11 going to spend some of our time investigating
12 things, they may not apply to New Jersey. And I
13 am not so sure they do not, but they may not. But
14 they should be investigated by any group or
15 committee that is seeking to create an oilport,
16 I believe.

17 Now, I would like also, to ask Senator
18 McGahn this: You say this oilport can be built
19 in two years, the superport. We talked about
20 six or eight years, and you say it can be done in
21 two years.

22 SENATOR MC GAHN: Let me simply define
23 one thing. A superport means numerous things to
24 numerous people.

25 There can be an artificial piling con-

1 cept, which has been projected in one of the
2 stipulations as far as the Army Corps of Engineers
3 is concerned, and Sam Hudson, as far as the Delaware
4 Bay is concerned. This is an artificial island
5 on which you have tank farms; you have docking.
6 This can be a single pier docking facility, because
7 they do have the facility for that in Milford Haven.

8 A monobuoy system is nothing more
9 than a single point monobuoy which is anchored eith-
10 er to a concrete base or to a system with anchors,
11 with a pipeline running to the shore. These mono-
12 buoys are already on the line. It is then just
13 simply a question of a pipeline coming in.

14 Now, we are not talking about developing,
15 if you will, if you want the entire concept, start-
16 ing from scratch in an undeveloped area of this
17 country, or any other country, yes. There are
18 four facets to this. There is the supertanker;
19 there is the oil receiving facility; there is
20 the pipeline, and there is the shore receiving
21 facility. This entire complex makes up what one
22 would like to call a deepwater port, or superport.

23 But I give to you the fact that with
24 the existing facilities already in our area, that
25 all that is necessary is that you think of this

1 single facet in logistics of transportation of
2 bringing oil in, so the vessels do not have to
3 come in. There is not the cramming or jamming of
4 the harborways, but the oil transfer occurs thir-
5 teen to thirty-five miles offshore.

6 This is one concept and this can be
7 built within one or two years time. An artificial
8 island, you have about five or six years lead time,
9 because it has a tremendous amount of environmental
10 impact. You have the matter of dredge spoils to
11 take care of. You really have disturbance of
12 the entire ecological system in that entire area.

13 MR. TAGART: Senator McGahn, I certainly
14 have to agree with Senator Dunn when he mentioned
15 that you have an inexhaustable supply of knowledge.
16 And I find most of it to be of great merit, and
17 you have done a lot of homework, and I appreciate
18 this.

19 (Applause)

20 The complete complex, as I see it, would
21 depend on the type of complex we want; the type of
22 land facilities we want, et cetera, the entire unit
23 before it became productive, providing, of course,
24 that it is acceptable.

25 If Senate Bill 200 is passed, which I

1 certainly it will not be passed, but provided it
2 is passed, how soon do you think we would get this
3 thing into operation and start re-employing some
4 of our unemployed in the State of New Jersey?

5 SENATOR MC GAHN: Sir, first of all,
6 Federal legislation would have to be enacted. The
7 State could not take a unilateral position at
8 the present time. The State could not, if it
9 wanted to, put a monobuoy up outside, because
10 Federal legislation has not been enacted. The
11 only recourse is that under existing Federal legis-
12 lation, the State could occupy the position as a
13 public corporation and apply for an application for
14 this type of thing, in competition with private
15 industry.

16 MR. TAGART: Fine. Now, actually, I
17 should have brought this up first, probably.

18 Is there a real need? The people of
19 New Jersey and Ocean County have had many things
20 more or less shoved down our throats, when they
21 were not needed. And I question now, is there
22 a need, since we cannot be assured that we can
23 get oil from foreign countries.

24 SENATOR MC GAHN: That is a speculative
25 question, very frankly. The best I can say is,

1 you can read the papers as well as I can.

2 Regardless at the moment of whether we
3 are getting it from foreign countries--incidentally,
4 most of our imported oil today is coming from
5 Venezuela, not the east.

6 MR. TAGART: Venezuelan oil cannot be
7 used for heating purposes.

8 SENATOR MC GAHN: Oh, no, it can't,
9 but you have to remember it is a sour crude oil.
10 I mean it has a very high sulphur content, so
11 there are, very frankly, very few refineries in
12 the country that can do this, since there have been
13 no major refineries built in the last fifteen
14 years. But certainly, for environmental reasons
15 or others, no action has been taken.

16 And I can tell you right now, most of
17 our major oil companies are putting their money
18 in building refineries overseas, because of the
19 opposition they are encountering here.

20 MR. TAGART: You just mentioned major
21 oil company. You are no doubt aware, as most of
22 us are, the major oil companies are also the major
23 owners of all the coal mining facilities, the
24 nuclear mines where we would obtain U-235, to oper-
25 ate nuclear generating plants. And these guys al-

1 most have us at their mercy.

2 SENATOR MC GAHN: Under the system of
3 free enterprise, as carried on by a shared monopoly,
4 they are not only vertically integrated, but hori-
5 zontally integrated as well. I agree with you that
6 uranium companies or oil companies, every possible
7 sort of energy protection is that.

8 My own personal feeling is that the
9 Federal Government should take some steps from
10 the standpoint of simply diversification of major
11 oil companies in favor of more free competition,
12 and less restraint of trade.

13 (Applause)

14 That is my personal opinion, unfortunately,
15 it is not the opinion of Congress.

16 MR. TAGART: The oil companies really
17 then do not stand to lose, no matter what we do.

18 SENATOR MC GAHN: I will say one thing
19 in defense of the oil companies. The majority of
20 profits they made last year were made at the expense
21 of foreign countries, not Americans. What basi-
22 cally happened in America, they did, through what
23 they were doing, drive independent refineries and
24 independent gas stations out of business. This is
25 what they did in America, by getting the price of

1 oil up.

2 MR. TAGART: Which I do not think is
3 right.

4 SENATOR DUNN: The oil industry is almost
5 as powerful as the American Medical Association and
6 the schoolteachers.

7 MR. TAGART: One thing I would like to
8 say further, if I may. I feel that the State of
9 New Jersey should adopt legislation making it man-
10 datory for any such thing as a superport, that you
11 have an environmental impact statement prepared
12 and presented to the people along the guideline
13 of United States E.P.A., environmental impact
14 statements. And I don't think we have this in
15 New Jersey. And I think it is sadly neglected.

16 If I am wrong, I would like you to make
17 a comment on that.

18 SENATOR MC GAHN: Sir, this is in the
19 Federal legislation since basically this is one
20 of the requirements. This would be required by
21 the Federal Government in the bill, whichever
22 bill it is they pass, whether it be the adminis-
23 tration bill or whether it is the bill sponsored
24 by Sullivan, whichever one. This is included in
25 the Federal Bill.

1 MR. TAGART: If I may be allowed another
2 minute. We were discussing no fault, and Senator
3 Russo brought this up. I think it was something
4 a lot of us did not know about, and, as a matter
5 of fact, I didn't know about it, and I try to keep
6 abreast of all the things that are going on.

7 No fault damage reimbursement would be
8 a wonderful thing. To me, when you are damaged,
9 no matter what it is, or no matter what area it
10 is, if you can be reimbursed, you feel a hell of
11 a lot better. But don't forget there is one
12 thing we have to keep sight of. We cannot lose
13 sight of this. After an ECO system is damaged,
14 it becomes worthless, it is too late. No amount
15 of money, and I don't care if it was a king's
16 ransom can return our shore to the condition that
17 it was in. And I thank you very much.

18 (Applause)

19 SENATOR MC GAHN: Carmen Federici.

20 CARMEN FEDERICI, CHAIRMAN, POLLUTION
21 COMMITTEE AND ENVIRONMENTAL PROTECTION COMMITTEE
22 FOR THE FEDERATION OF BEACHES, DOVER TOWNSHIP
23 AND BRICK TOWNSHIP:

24 I am Carmen Federici, and I am Chairman
25 for the Dover Federation of Beaches as well as

1 Brick Township Federation of Beaches.

2 I have no written statement at this
3 time, and I have no solution to your problem. How-
4 ever, we do have a few concerns which we would like
5 you to consider when you are pondering the fate of
6 this Bill.

7 As you know, the people who live on
8 the beach areas have several problems, mainly,
9 sewerage problems. Last year, perhaps you can
10 recall, I was instrumental in closing all the bay
11 beaches at Barnegat Bay. What the President did
12 not get, and I don't know whether you were aware
13 of it or not, but at the same time you were having
14 this problem at Barnegat Bay, we had northeast
15 winds on our ocean, and all the garbage from New
16 York was being dumped on our beaches, and several
17 of our ocean beaches were officially closed.

18 One of the things the people are con-
19 cerned about in addition to oil spillage is the
20 problem, where are all these rigs going to throw
21 all their garbage? Where are these boats going
22 to throw their sewage and garbage, in addition to
23 the oil?

24 Also, another concern. We have been
25 talking about money, reimbursing people for damages.

1 As far as we are concerned, there is no amount
2 of money that can be paid people for loss of vaca-
3 tions.

4 The third thing I would like to point
5 out is, as we look about us all the waters around
6 us are being polluted. We have Raritan Bay; Barne-
7 gat Bay is slowly getting there, and we have Hud-
8 son Bay. Pretty soon the only that will be available
9 to us will be our swimming pools.

10 So, we hope you will consider these
11 things, and the people who actually live on the
12 beach are very concerned, and are opposed to the
13 Bill. Thank you.

14 (Applause)

15 SENATOR MC GAHN: Oh, I certainly appre-
16 ciate such a lovely spokeswoman for your group.
17 When I called your name, I was a little concerned,
18 I was expecting one of the sons of beaches.
19 And I'm certainly glad you are a woman.

20 But basically to answer your question
21 concerning your position, and concerning pollu-
22 tion from other sources, and from the vessels,
23 this is covered through Federal law, and certainly
24 would be much better enforced than some of the
25 customs that are actually currently happening

1 today.

2 MRS. FEDERICI: There doesn't seem to be
3 any enforcement now.

4 SENATOR MC GAHN: Basically, the enforce-
5 ment practice here is under control of the coast
6 guard. It is a tremendously difficult thing. From
7 my understanding of this, we will be having testi-
8 mony from Congressman John Murphy, who is the
9 Sub-committee Chairman of the Coast Guard. We may
10 basically have the answer to it.

11 Again, it is a big wide ocean, and again
12 a lot of abuses can be done, and there are not
13 enough law enforcement people to do the job.

14 The hardest thing to do, very frankly,
15 you may believe they have done it, but, very
16 frankly, how do you prove it?

17 MRS. FEDERICI: Thank you.

18 SENATOR MC GAHN: Betty Cooper.

19 ELIZABETH D. COOPER, PRESIDENT, OCEAN
20 NATURE AND CONSERVATION SOCIETY, TOMS RIVER, NEW
21 JERSEY:

22 My name is Elizabeth Cooper. I am
23 President of the Ocean Nature and Conservation
24 Society, which is located or has its headquarters
25 at 380 Luane Road, in Toms River, New Jersey.

1 Our position is this. The Ocean Nature
2 and Conservation Society does vigorously and un-
3 alterably oppose Senate Bill 200, putting the
4 State of New Jersey in the business of building and
5 operating a deepwater port, including its shore
6 based facilities. The resort industry, which is
7 the backbone of Ocean County, cannot afford the
8 risk of pollution of its waters, the desecration
9 of its beaches, and the industrialization of its
10 shores. No authority established by the State
11 should have the power to ignore the ordinances
12 and protective regulations established by shore
13 communities. Nor should it have the power to ram
14 down the throats of its citizens the pollution of
15 shore based petrochemical and related industries.

16 We do not support the proposition that
17 modern technology can protect oil spills and ram-
18 pant pollution. Within the last three months
19 there have been three major oil spills in New
20 Jersey, and more than one hundred minor spills in
21 the New York Harbor area. If we have the technol-
22 ogy, why isn't it applied to the thousands of oil
23 spills occurring every year within our boundaries?

24 We consider it to be completely wrong for
25 the State of New Jersey to undertake such a danger-

1 ous and unwanted proposition as S-200.

2 (Applause)

3 SENATOR MC GAHN: Mrs. Cooper, thank
4 you very much for your statement. I have no
5 questions.

6 Senator Russo?

7 SENATOR RUSSO: No, thank you.

8 SENATOR MC GAHN: Senator Dunn?

9 SENATOR DUNN: No questions.

10 SENATOR MC GAHN: Thank you very much.
11 Mr. Morton Cooper.

12 A. MORTON COOPER, JR., CHAIRMAN, OCEAN
13 COUNTY ENVIRONMENTAL AGENCY:

14 I am A. Morton Cooper, Jr..

15 Since Mr. Pike, in his testimony, has
16 indicated that the Freeholders' position has in-
17 cluded the input from Ocean County Planning Boards
18 as well as the Ocean County Environmental Agency,
19 and since our statement is already on the record,
20 I am not going to burden you with it now. However,
21 I would like to make a few points. In the first
22 place, our environmental agency, and there is not
23 an environmental agency at the county level in
24 all counties, as you well know, and Ocean County
25 was one of the first ones. And the makeup of the

1 agency is such that it includes representatives of
2 industry, representatives of the building industry,
3 biologist, radiologist, and environmentalists.

4 And I might say to Senator Russo there
5 are no conservation kooks on that agency, and there
6 are no conservation kooks in Ocean County.

7 SENATOR RUSSO: I might say, Mr. Cooper,
8 that I was referring to an expression that we have
9 often heard, not necessarily one of my own.

10 MR. COOPER: I knew, Senator, what you
11 were referring to, but I just wanted to have that
12 on the record.

13 Also, I did a little calculating while
14 Senator McGahn was talking when he said that the
15 known recoverable reserves of oil in the world to-
16 day would probably run out by the year 2000. I
17 have heard figures of thirty years at the present
18 rate; and I have heard twenty-one years if they
19 keep on going at the rate of growth, without con-
20 trolling that growth. But take whatever figure
21 you want, the point is that a baby born this
22 afternoon after this meeting is over here in Ocean
23 County, would not be able to drive a car to a
24 hearing such as this in twenty-five or thirty
25 years. A baby born today, when he is old enough

1 to be in the position you gentlemen are and the
2 people here are, would not be able to drive a car
3 here, if you could conceivably get it all the way
4 up to the end before you chopped it off, but it
5 won't work that way.

6 We know you people that are anticipating
7 and studying and wrestling with these problems
8 are not going to let it happen. You cannot use
9 all of your gasoline for putting it into automobiles,
10 particularly Continentals or Chryslers, because
11 you have got to have crude oil for all these other
12 industries that are part of our life today. So I
13 just wanted to call that to your attention. I am
14 sure you recognize it.

15 One of the things that bothers me about
16 this bill, and I will direct my remarks primarily
17 to the bill rather than to a deepwater port per se,
18 the thing that bothers me about the Bill is it
19 puts the State of New Jersey into the business of
20 running it by means of a separate authority. We
21 have seen separate authority. When they get that
22 authority and they are turned loose, they are their
23 own regulators. The AEC are their own regulators.

24 (Applause)

25 They not only are charged with promoting

1 atomic energy, but they are also charged with
2 regulating. And it is a conflict that is hard
3 to resolve in favor of the people that have to live.

4 So I would like to point out that our
5 agency very strongly objects to the State going
6 into that business.

7 Also, reference has been made to this
8 being a buoy out in the ocean. If that buoy was
9 put off the Coast of Monmouth County, Ocean County
10 and Atlantic County, where would the other end of
11 that pipeline go? Would it go into existing facil-
12 ities or into new facilities? If it goes into new
13 facilities my question is, there has not been a
14 shore based facility that has not completely de-
15 graded, even eventually to the point where it is
16 written off as any environmental place to live.
17 And my position is that there is a question in my
18 mind about the facilities that should be weighed
19 very heavily.

20 One of the other things that you mentioned
21 Mr. Chairman, is that there is no such thing as
22 a free lunch. I have used that expression many
23 times, but I think that it is an appropriate state-
24 ment, there is no such thing as a free lunch, that
25 some environmental degradation is bound to take

1 place no matter what you do. When you take your
2 car down the road, you are doing something to
3 the environment, when the hydrocarbons and other
4 matter comes out of there.

5 My point is this, and I think this is
6 important to you in deliberating this thing,
7 is whether New Jersey should go into the business
8 of establishing an oilport and shore based facility.
9 In weighing the pros against the cons, the benefits
10 against the things that could happen to us, please
11 consider that Ocean County's livelihood depends
12 on the desirability of living in Ocean County.
13 Ocean County is the largest investment that most
14 of us have. And I am talking now, if you want
15 to call it that, as to the senior citizens. There
16 is a very high percentage of senior citizens in
17 Ocean County whose entire life's work, their
18 entire income of their life is invested in Ocean
19 County because of its environmental desirability.

20 So the number one thing to weigh is
21 to put a great deal of emphasis on the fact that
22 Ocean County would be killed if the shore based
23 facility and the risk of oil spills were to be
24 put here in Ocean County.

25 One last thing, Mr. Chairman, I would

1 like to just mention. You said at the beginning
2 you would likely be the devil's advocate, and
3 if you are going to raise your pay, you have done
4 a very good job, if that will raise your pay.

5 I would like to also mention that we
6 consider that you are also our advocate here in
7 Ocean County. We consider John Russo as the advo-
8 cate of the people in Ocean County.

9 So I would like to ask that in looking
10 at these things, both sides of the coin be looked
11 at, and you protect us here in Ocean County, as
12 much as you possibly can.

13 Thank you.

14 SENATOR MC GAHN: Mr. Cooper, thank you
15 very much.

16 I hope you are aware that in all these
17 studies, whether it was Arthur Little or the Army
18 Corps of Engineers was it suggested that Ocean
19 County be considered as an offshore receiving
20 terminal.

21 Point two. There has been in the past
22 testimony given before this Committee as well as
23 the Committee in the House of Representatives in
24 July of last year, in offshore reports and terminals
25 as well as the Army Corps of Engineers report, that

1 existing onshore facilities could be expanded by
2 a two plus factor, either by bottlenecking existing
3 refineries or expanding increased technology. And
4 likewise, of course, under the existing land use
5 as far as tank farms are concerned. And this was
6 specifically related to Middlesex County, where
7 there would be no further impact upon industriali-
8 zation or growth of the County.

9 MR. COOPER: Thank you very much.

10 I would just like to say that I think
11 your way of handling this thing has been very fine.
12 It has not primarily been a hearing on S-200 per se.
13 It seems to have become a more or less broad based
14 inquiry into energy and oil, and questions of that
15 kind.

16 But I would like to ask when S-200 is
17 considered, if the result of that would be to put
18 in an oilport, would there be a separate hearing,
19 and if the details of such a decision would be
20 exposed to the public so you could get the public
21 reaction.

22 SENATOR MC GAHN: This decision, I
23 think, would depend on the Committee. But I can
24 tell you as far as I am concerned, a public hearing
25 would be part of the process.

1 MR. COOPER: Thank you.

2 SENATOR DUNN: You mentioned that you
3 had confidence that the elected officials will not
4 allow us to run out of energy by the year 2000,
5 as some people have been predicting. And I
6 do not mean to be snide when I ask this question.

7 You are objecting to S-200 and the Oil
8 Transfer Facility. Would you still be as strenu-
9 ously opposed to this Oil Transfer Facility if
10 a way could be found to construct it off Union
11 County, for example?

12 MR. COOPER: No, absolutely not, I am
13 not concerned with the county. I am concerned
14 with one thing that you just touched on, and that
15 is the matter of regulating. I mentioned the
16 regulation of this thing.

17 Now, I do not believe that I could
18 stand here and say that I would oppose it off of
19 Ocean County or off of Union County, if you cannot
20 tell me what you are proposing. At this point
21 there is a question whether the State of New Jersey
22 is going into the business. Then I would like to
23 know what its going to be like.

24 I am no engineer, but I would like to
25 have some kind of assurance. It has already been

1 testified here by you, I think, Doctor McGahn,
2 that there has been thousands of oil spills over
3 the United States every year. Maybe those oil
4 spills do not apply to this thing, but I do not
5 think if a port was off Union County or any other
6 County that it should be done unless it is so
7 thoroughly examined that there is no chance of
8 destroying what is already here. I don't mind
9 downgrading something that has already gone, such
10 as some of the areas that have been mentioned.
11 But why build on what is left?

12 SENATOR DUNN: That is the point I am
13 trying to get at. Your objection is based entirely
14 on the fact that one of the facilities might be
15 located off Ocean County.

16 MR. COOPER: I am speaking of Ocean
17 County, because I am not at liberty to speak of
18 any other county, if I was in Union County, depend-
19 ing on the condition of Union County, now, I would
20 change my opinion. If Union County is already
21 ruined completely, and if somebody such as Senator
22 McGahn says, how about doubling that capacity of
23 the onshore material from offshore facilities,
24 I would not have the objections that I have here
25 now.

1 In other words, you are trying to make
2 me into a conservation kook.

3 SENATOR DUNN: I am trying to find out
4 whether your objection is simply because you live
5 in Ocean County and you are concerned only about
6 Ocean County.

7 We have a very, very serious problem,
8 many serious problems in the State of New Jersey.
9 One is raising money. This, perhaps, might offer
10 a way of offsetting those who are in favor of this.
11 And we have to find ways of getting money. And I
12 agree with you that while we are here specifically
13 for the purpose of discussing S-200, we are wander-
14 ing and we are going into the energy subject per se.
15 But we have so many problems that are involved with
16 S-200 and getting more money for the State, I am
17 simply trying to find out if the people who are
18 here today are opposed to an oil transfer facility
19 simply because they live in Ocean County.

20 MR. COOPER: My written testimony has
21 already been sent in, because there would be no
22 much repetition, and so much was said by Mr. Pike
23 that I didn't go into that. But the position does
24 not address itself for or against an oilport. It
25 addresses itself primarily for or against S-200.

1 So I would reserve any position on the
2 oilport until I knew what the oilport was going to
3 look like and where it was going to be, and all
4 that sort of thing. If it was going to be some-
5 place where it was a nice virgin beach and unspoiled,
6 I would have every objection. Now, if you go up
7 where it is already developed, with your shore based
8 petrochemical industries and all that, it would be
9 a horse of a different color.

10 SENATOR DUNN: Let me assure you, as
11 the good Doctor has already done, if S-200 is en-
12 acted into law, there will be a guarantee of pub-
13 lic hearings as to specific locations of offshore
14 facilities.

15 SENATOR RUSSO: With regard to the Senator's
16 comment, Tom, what I think it amounts to is this,
17 that at least as one of the Ocean County people
18 who spoke here today, whether it be off Ocean County
19 or Delaware Bay, as far as polluting water, my
20 feeling would still be the same. If we were to
21 determine, and there is a serious question, if we
22 were to determine whether an oilport would be harm-
23 ful to oceans, rivers, or bays, wherever it is,
24 I would still oppose it.

25 I would think that the second and main

1 reason I oppose S-200 is the onshore effects. I
2 think, in all honesty and fairness, that is an
3 Ocean County matter. I oppose it because I am
4 the people of Ocean County and do not want refineries
5 in Ocean County. As, for example, the refinery in
6 Union County. If the people in Cape May County do
7 not mind refineries, certainly that is for them to
8 decide because that is a local onshore problem.
9 My concerns about the onshore effect is Ocean
10 County.

11 However, my concern about the effects
12 upon the Atlantic Ocean would apply whether it was
13 off Ocean County or Cape May, or wherever it was.
14 And I think that is probably the view of most of
15 the people in Ocean County.

16 SENATOR MC GAHN: If we were simply
17 holding hearings on the contents of S-200, we
18 would have terminated it after the first session.
19 This is an attempt to get objective data. We as
20 legislatures, despite the fact we represent, from
21 a parochial standpoint, a particular district,
22 must also take into consideration that which is
23 in the best interest of the health, welfare, and
24 safety of the people in the State. There would
25 be no problem if this were only of beaches or rec-

1 reation areas. But we have competing interest in
2 the State. We have four sections--Delaware Bay,
3 with industrialization; northeastern New Jersey
4 with industrialization; the coastal area; then we
5 have the flowing hillsides, the fox hunting farms,
6 et cetera, et cetera. So this is why the problem
7 in New Jersey.

8 We get down to one thing, we get down
9 to what is best for all the interests in Jersey,
10 for North Jersey, or Elizabeth, the coastal area,
11 and to come up with land use protection to provide
12 for that.

13 But over and beyond that is another
14 question. Can the State, if we are forced into
15 something like that, can we be more effective in
16 the regulation of this by having a private company
17 operate the entire facility than having a state
18 agency or state authority. And I think this is the
19 crucial question. And as far as I am concerned,
20 I think very frankly public ownership controls
21 both what happens onshore and offshore much more
22 effectively. And despite the fact that Sea Dock,
23 which has a head start on Jersey, which is estimated
24 to be twenty-three miles off the shore of Texas in
25 the Gulf Coast, initially was a private corporation.

1 They have now made a recommendation in the
2 legislature that this be a public corporation.
3 But the pendulum is basically swinging back and
4 forth.

5 New Hampshire is contemplating building
6 a 1.2 million barrel refinery onshore and an off-
7 shore receiving facility. And all they have is
8 a twenty-one mile coast line.

9 So these are not exercises in futility.
10 Political decisions must be made, and they must
11 be made responsibly. They must take into considera-
12 tion the interests of all the people in the State.
13 And, very frankly, in the final analysis, there
14 may have to be some minor trade-offs.

15 MR. COOPER: I know there have
16 to be trade-offs. I go back to what you said,
17 there is no such thing as a free lunch. And all
18 I want to know is how valuable is our lunch to
19 us here in Ocean County.

20 Senator, the gentleman who had to leave
21 because of the late hour, asked me to tell you
22 that the Anchorage Homeowners and Residents Asso-
23 ciation have put a statement in the mail to your
24 Committee, and it has, he told me, sixteen points
25 he has brought up in connection with it. They are

1 all in opposition to the Bill.

2 SENATOR MC GAHN: Thank you very much.

3 (Applause)

4 SENATOR MC GAHN: William Tunney.

5 HONORABLE WILLIAM TUNNEY, MAYOR, SEASIDE
6 HEIGHTS:

7 Along with Senator Russo, I represent
8 a very small resort. I am Mayor Tunney from Sea-
9 side Heights.

10 I am here to mainly remind the Committee
11 that most of the communities of Ocean County, and
12 more particularly my community and Seaside Park
13 and Lavallette have sent, I think, quarterly resolu-
14 tions in opposition to this particular oilport.

15 Senator McGahn, you make me feel like
16 you are a doctor today. I get the feeling you
17 are giving me a dose of castor oil for my health.

18 We come from the grass roots and believe
19 in Home Rule here in New Jersey.

20 We are in opposition to the Bill, and,
21 of course, we base it on factual assumptions.
22 These engineering and engineering projects, we
23 have seen their numerous grandiose plans, and
24 some of the major projects like the Texas Oil Tower,
25 and a few of the spills that have happened through-

1 out the world. These are engineering defeats,
2 and of course they are engineering feats. It is
3 nothing more than a factual assumption.

4 If one small tanker has an accident,
5 or up to thirteen small tankers have accidents,
6 we are not talking about the magnitude of the oil
7 spill upon the waters to equal one of these super
8 tanks, if they should become a super duper pooper,
9 if I may use such a phrase. Actually they could,
10 and they will take our particular business in one
11 felled boat, if you want to put it in that category.

12 So we are concerned about the factual
13 assumptions, the engineering projects, which guar-
14 antee that there be a cleaner ocean. We are
15 concerned, you might say, where the tail wags the
16 dog, so to speak, in the oil shortage, as far as
17 price is concerned. It is quite obvious I would
18 not sell my oil for seven cents a gallon when I
19 can get a dollar for it in Europe. So, consequent-
20 ly, when the price went up, the oil appeared myster-
21 iously. I don't know where it came from.

22 So, basically we have to look to the
23 future, and we request this particular Committee
24 to look to the future, basing the facts on experi-
25 ence from the past. We have made engineering mis-

1 takes, we have made authority mistakes. And I
2 wish there was some other way to finance this be-
3 sides a private enterprise and an authority.

4 And I have a third method, that some
5 way the people would have more control over it
6 that would affect the operation of something of
7 this magnitude.

8 I am here to speak for the small people
9 of the individual community of Seaside, and the
10 many hundreds of thousands that we make happy from
11 day to day throughout the summer season. Our in-
12 dustry is a large one. We don't know exactly how
13 large; we hope to find out within a week from
14 Stockton College. We kind of hope they come up
15 with a good solution.

16 Thank you, Senators, for being here in
17 Ocean County.

18 SENATOR MC GAHN: Mayor, thank you,
19 very much.

20 There has been an Energy Crisis Study
21 Commission which are looking into the energy needs
22 and sources of energy for the State of New Jersey.
23 We do not feel the role of this Committee is to
24 pre-empt any of the progress they have made. But
25 we certainly would hope at the time they finish

1 their survey and study, that we could in unison
2 with them attempt to develop some type of policy
3 as far as the State of New Jersey is concerned.

4 Robert Santelli.

5 ROBERT SANTELLI, FOR CITIZENS AGAINST
6 OFFSHORE OILPORTS AND SURFING :

7 My name is Robert Santelli, and I would
8 like to present to the members of the Committee
9 and petition signed by the local surfers in the
10 Point Pleasant-Bay Head-Mantoloking area, register-
11 ing our opposition to the deepwater port. I am
12 here to represent the signers of this petition.

13 Many people consider the surfer apathetic
14 to things that go on about them. This petition
15 shows that surfers are concerned about ecological
16 hazards that endanger the coast of New Jersey.
17 The sport of surfing is growing at an overwhelming
18 rate, especially in New Jersey and other eastern
19 states. It is therefore necessary that we try to
20 rid ourselves of every potential danger to our
21 sport.

22 It is because of this reason that we
23 oppose any deepwater port off the coast of New
24 Jersey.

25 Thank you. And I have here the petition.

1 SENATOR MC GAHN: I thought at first
2 you were talking about surf fishing, but you are
3 talking about surfing. This is the first time
4 this has been brought to our attention. I cer-
5 tainly hope we may even, as a matter of fact, have
6 somebody representing the streakers. Thank you
7 very much.

8 If we may, we are going to take a ten
9 minute break, primarily because I think our stenog-
10 rapher over there, very frankly, is getting some
11 callouses on certain areas and not just her fingers,
12 and the least I think we could do is give her a
13 ten minute break.

14 We will reconvene in ten minutes.

15 (Whereupon, a ten minute recess was taken, after-
16 which the following occurred)

17 SENATOR MC GAHN: Ladies and gentlemen,
18 thank you for the respite, but now we have to
19 continue.

20 JOSEPH GALANTE:

21 Gentlemen, I would like to make two
22 comments before I speak.

23 The word, "kook", I understand means
24 a person of wild doings and an unbalanced mind.
25 That is what they told me is one of the definitions.

1 The Senator was speaking on energy before.
2 In Forked River, we have a plan that is absolutely
3 very good, and has been since 1967, and nothing is
4 done to correct it. In my speech I will comment
5 on what Mrs. Arden said about our oceans.

6 For the record, I sent you a copy of
7 my statement and we will give a copy of a few
8 additional paragraphs.

9 It is a very sad state of affairs that
10 we did not have an attendance of standing room only.
11 But at least those of us who do speak have the
12 backing of several thousands of our people of the
13 same mind, of organized senior citizens, and home-
14 owners. I was one of the members of the Citizens
15 Against Water Pollution. Since then it was given
16 to our school students who are active in this respect
17 in Dover Township, of which I believe did com-
18 promise about twenty-five percent of the attendance.
19 These people are the future of America. To this
20 day we are concerned with the health and welfare
21 of the children and the children of the future.

22 We have had so many fact-finding commit-
23 tees, research attempts, and studies made with the
24 useless spending of our money. We do not know the
25 true effects of any pollution.

1 There are remarks that I wish to
2 imprint upon your minds. First, I am a civilian
3 expert on pollutions, their causes and effects,
4 plus authenticated facts. I have spent ten years
5 on the waterfronts as a shipfitter, working in all
6 kinds of vessel, including oil tankers. We went
7 into very polluted waters. We went to waters that
8 ran into the Hudson past the Highlands of New Jer-
9 sey. We picked one that was a little cleaner than
10 the others, but oil soaked nevertheless. There were
11 no seagulls, no fish; plenty of debris, and cat-
12 sized rats that fed upon the dead fish and birds.

13 We have unrestricted protection of cars,
14 giant-sized ones, and the owners corralled like
15 cattle in small restricted parking areas prey to
16 thirty-two different departments to pounce on them
17 to hand our commoneses", besides the luxury price
18 to own the car. We have such polluted air from
19 car emissions that all self-respecting birds stay
20 clear for many miles of those areas. Imagine what
21 it does to our lungs and to our life span, and
22 normal living, especially those with lung defi-
23 ciency or cardiacs. All this forty-five years
24 ago, with all our pollutions can be added by forty-
25 five more years, and still going strong today forty-

1 five times as much.

2 We have seen over more than fifty years
3 passed how industry on the whole has shown total
4 disregard and disrespect for our rights that we
5 have steadily lost to the oil conglomerates, the
6 chemical corporations and all other industries
7 that have laid waste to our waters, our lands,
8 our forests and our parks, and are using hundreds
9 of billions of gallons of our precious waters,
10 giving America, its states, cities, towns, and
11 villages nothing in return of true benefits.

12 Instead they have made tremendous profits, return-
13 ing infinitesimal progress to the communities that
14 they have exploited, and not giving, especially the
15 polluting industries, their share of taxes, taxes
16 they could use for industry resources searches.

17 Comment is made in the newspapers that
18 too few of our people are concerned or show little
19 interest in it. The true facts are we are kept
20 busy trying very hard to make ends meet. And I
21 have become rather tired to see that our best efforts
22 are often times defeated through the courts, and
23 the actions brought about by the well healed con-
24 glomerates who hire local lawyers and present rather
25 pretty pictures, hiding the true pictures behind

1 beautiful made up models of their enterprises.

2 We do not have to go far to see to what
3 extent our oceans and other waters have become,
4 and still are, polluted with oils, plastics, and
5 many other kinds of wastes. We cannot make of
6 our waters one giant cesspool to plague eventually
7 the entire world. In fact, the oceans of the
8 world are fast becoming just that, cesspools,
9 according to Jacques Cousteau, the world marine
10 employer. We have an area many of many miles,
11 within one hundred miles off our coast; another
12 body lies off the Long Island Coast of New York,
13 very near our own. Let us seek rather to make
14 very wide uses of that which we have already and
15 be concerned with the over abundance of all our
16 needs existing close to us--waste, garbage, coals
17 and coal gases, solar energy, and other resources.
18 Let us too drastically curb all our non-essentials,
19 all needless uses of our energies. We are wasting
20 more than our true needs.

21 I have been an eye witness and have
22 personal experiences of what polluted waters can
23 do. In my youth we bathed and swam in canals and
24 ocean fed waters that can never been cleaned even
25 with incoming and outgoing tides. Let the oil

1 people talk to me, and I will stop them at every
2 turn with my knowledge of pollutions.

3 I would like the Committee to see some-
4 thing here, printed several years ago--"Birds Today,
5 People Tomorrow", and it shows a dead bird on the
6 beaches.

7 In closing, I leave this reminder, that
8 all the yesterdays are proof of the precautions we
9 must take today and in all the tomorrows to prevent
10 more adverse yesterdays.

11 I thank you.

12 (Applause)

13 SENATOR MC GAHN: Thank you.

14 Mr. Stanzione.

15 ALFONSE STANZIONE:

16 Thank you, gentlemen. First of all I
17 want to commend you on your endurance. I under-
18 stand you have been here since 10:00 this morning,
19 and it is almost quarter after two, without lunch.

20 SENATOR RUSSO: We would like to commend
21 you for your brevity.

22 MR. STANZIONE: I have been told already
23 that everything to be said on this topic has been
24 said already, and I will be brief.

25 I am unalterably opposed to the construc-

1 tion of any type of oil storage port off the coast.
2 I am opposed to the bill in its present form,
3 as it is presently before you. We have a major
4 natural resource in our beaches that should be
5 preserved, without any construction of any type
6 off the coast. I believe expansion on the mainland
7 has not been considered as much as it could be,
8 and I think this is a tremendous problem that
9 has got to be considered. I think the local zoning
10 ordinances and local townships, as far as zoning,
11 has to be considered, and they have not been con-
12 sidered in this bill. And it must be taken into
13 consideration.

14 And when we weigh everything in totality,
15 gentlemen, we don't need it, notwithstanding the
16 oil shortage. It is not going to help the State of
17 New Jersey and the people in the shore areas. And
18 thus, I must register a very strong protest against
19 this bill.

20 Thank you.

21 SENATOR MC GAHN: Thank you, Mr. Stanzione,
22 very much.

23 May I ask you one question, please. It
24 is my understanding that the coastal beaches in
25 this area and a number of the cities around you

1 have a practice of holding sewage in large acetylene
2 tanks until such time as they are ready to dispose
3 of it in out-flow pipes, and simply dumping the
4 sludge directly into the ocean. And this is not
5 two and half or two miles out.

6 Has there been any formal protest raised
7 by any groups in Ocean County concerning this
8 particular practice?

9 MR. STANZIONE: I believe there have been
10 and there will continue to be. The policy has
11 been practiced all too long in this area, of doing
12 just that, Senators, and that is something that
13 has to be corrected. I believe the Sewage Authority
14 Plant is now to put in treatment systems. And it
15 has to be done, we cannot have a holding tank in
16 the summer, and as soon as the season is over, having
17 everything dumped offshore. It is not the way to
18 go, and it cannot be, and that has also to be
19 stopped.

20 I believe there has been pumping from
21 these seepage pits and barging it out ten miles.
22 And you are correct, this has been the practice.
23 I have been always opposed to it. I believe there
24 have been strong stands against it, and there will
25 be continued strong stands against it.

1 SENATOR MC GAHN: Thank you very much.

2 Certainly this should be alleviated with
3 the Regional Sewage Authority now. And I know
4 there was a court order against them last year.
5 Thank you very much.

6 (Applause)

7 AUGUST FRANCOIS:

8 My name is August Francois, and I am
9 sorry, I didn't have a prepared statement ready
10 for you gentlemen today, but I was just made aware
11 of the hearings. I am a teacher in the Lakewood
12 Education Association, in the Lakewood Education
13 System--

14 SENATOR DUNN: We can't hear you, just
15 talk a little louder.

16 MR. FRANCOIS: I am not representing
17 anyone but myself, but as legislative chairman
18 of our local association, I have talked to several
19 of the teachers in the past couple days on this
20 when I was made aware of it, and I have gotten
21 several opinions. Before becoming a school teacher,
22 I might add, I had twenty-four years' experience
23 in the United States Merchant Marines. I have
24 travelled aboard the ships that you have been talk-
25 ing about. And Doctor McGahn noticed I was nodding

1 my head to some of these comments, and I was asked
2 if I would rebut on them, and I am going to try
3 to now.

4 Some of these places we were talking about
5 off the coast of California, who claimed they never
6 had spills have indeed had spills, which are minor
7 spills in their eyes, and therefore not recorded.
8 But they do have spills which do a great deal of
9 damage. And I think California has one of the
10 strictness set of laws regarding spills and water
11 pollution in the country. They require most of
12 these companies to clean up these spills. And with
13 all their legislation, with all their laws and
14 efforts to keep the beaches clean, they have a lot
15 of trouble keeping the pollution down.

16 In New Jersey, we are talking about oil-
17 ports that are deepwater ports thirty miles off the
18 coast, twenty miles off the coast. The State of
19 New Jersey would have jurisdiction within the
20 three mile limit. We are talking about a bill
21 now that is based on Federal legislation that yet
22 has to be proposed, legislation which up to now
23 can only go up to the twelve mile limit. We are
24 talking about passing a bill before we have any
25 of these guarantees of that legislation being

1 passed, or what will be passed when it is passed.

2 It seems to me that we have a gray area of several
3 miles between what the State would have jurisdiction
4 in and what the country itself, under Federal legis-
5 lation, has jurisdiction over now, or will have jur-
6 isdiction of.

7 We have Russian trawlers off our coast
8 that are fishing now in our waters right outside
9 the twelve mile limit, and we can't do a thing
10 about it. What are we going to do with these big
11 supertankers that lay off the coast these great
12 distances?

13 And I disagree with Senator Russo on
14 the environmental point of view, when he states
15 that it would be better in the eyes of the gentlemen
16 who made the statement from the engineers, that
17 it would be better to have a larger ship come in
18 with more oil than several small ones. First of
19 all, you have got facilities right now that will
20 allow these smaller ships in. They are not going
21 to discontinue them, they are going to still allow
22 the lighterage.

23 What they are proposing is additional
24 oil income, crude, refined, what have you, it all
25 does damage. And when they bring the ships in,

1 you are going to be subjecting the State to a
2 greater volume of oil. You are still going to
3 have the lighterage and the spillage and pollution
4 that you have from the existing facilities, with
5 an additional burden. It is not going to reduce
6 it any, it is going to increase it.

7 We also talked about alternatives. It
8 seems to me most of us are looking at our problems
9 environmentally, population-wise, like a person
10 who stands in the middle of the forest and can only
11 see the trees. Let's get up on the mountain top
12 and look down.

13 Up to now, we have been informed by
14 the oil companies that prices are going to go up,
15 that we are in a shortage, this and that, and the
16 people are being made to accept some of these
17 things as fact. The facts that we get are mostly
18 from the oil companies, they are rather nebulous.
19 I doubt if you gentlemen have the full correct
20 facts before you. And as it progresses, it seems
21 that the oil companies have the control of letting
22 us believe that we need this oil. And as long
23 as we continue to play the game, we're going to
24 keep needing the oil.

25 Senator Russo said he had a Lincoln, and

1 didn't know why he had it. Probably because of
2 being convinced that he needs it, although he does
3 not know why.

4 SENATOR RUSSO: It does ride nice.

5 MR. FRANCOIS: And it is kind of like,
6 if I could make a little simile, it is kind of like
7 a junkie that gets hooked on drugs. He doesn't know
8 what is happening to him, but unless somebody says,
9 whoa, hold the wagon, what are we going to do about
10 it? Do you want to kick the habit or not, or
11 do you want to keep on doing what you're doing?

12 And this is what we are doing by even
13 considering putting deepwater ports in. We are
14 just trying to plug up the ark a little bit, feed
15 the junkie a little more junk. We have to come to
16 an ultimatum sooner or later.

17 And, as it has been testified before,
18 we have been talking about shortages, energy cris-
19 es for fifteen years. But simply because the
20 oil companies are in a position they are in, and
21 they have the wherewithall to keep telling us
22 that we need this oil, everyone keeps dragging
23 their feet about changing the way we supply our-
24 selves with energy.

25 Now, right here and now, this Committee

1 has the power to step back and say it is time we
2 made a change; it is time to get the junkie off the
3 hook. If we let our feet drag for another twenty
4 years, we will be dependent on this oil and this
5 type of fossilized energy for another twenty years.

6 Let's quit right now. Force them to change
7 their habits; force them that have the power to
8 help us to change our habits to start doing it right
9 now, not put it off another ten years because we
10 are getting a little more oil; not satisfy the
11 oil companies because they are making money.

12 There are other alternatives. When we
13 lost Cuba, we lost a big sugar producing area. We
14 have made up for it. A lot of people are using
15 Saccharain nowadays. A person with diabetes,
16 can't use sugar anymore, but they have come up
17 with Saccharain. And they did it a lot quicker
18 than they figures they could do it. If we're put
19 in the position to, we will do it. But if we keep
20 dragging our feet, we will be in the same boat
21 twenty years from now that we are in now, plus we
22 will have all the pollution, we'll have all our
23 beaches ruined, and we will have the environment
24 polluted.

25 As far as the total amount of oil that

1 is brought in, the statement was made before, and
2 I am not sure of the facts, I am going by what
3 statements were made here, that our refineries were
4 up to 90 percent of their capacity during the
5 crises. This means if they bring more oil in,
6 they will have to increase the refinery capacity.
7 If they increase the refinery capacity, they are
8 going to add to the pollution. And all we are
9 doing by allowing it is to prostitute this state,
10 and allow the oil companies to produce more oil.

11 It is not going to increase jobs, be-
12 cause if they build any new facilities they are
13 going to be automated. It doesn't increase jobs
14 aboard ship because if a tanker has forty-seven
15 men in a crew, and now they bring in the new
16 supertankers that carry five hundred thousand tons,
17 with twenty some odd men, that carry much more
18 tonnage, and they are all automated.

19 Which brings out another point. You
20 have got a ship sitting out in the middle of the
21 ocean thirty-five miles on a single buoy, with
22 half the crew that a tanker had that carried one
23 tenth the load. And in an emergency, there is no
24 one there to do anything about it. All they have
25 is a couple of tugs to guide this big ship up to

1 moorings, and they have got the whole pipeline
2 out in the ocean, and they hook it right up to it.

3 I have seen it happen over and over again,
4 gentlemen, where they have spills day in and day
5 out. Oh, it is just a couple hundred barrels,
6 minor, it isn't even written in the log sometimes.
7 But yet that is pollution, and it adds up after a-
8 while.

9 What happens if we do damage one of these
10 ships? You have got an awful lot of oil floating
11 around out there, and it isn't going to affect
12 just the ocean. And I go to the question you asked
13 before, Senator Dunn, with the Gulf Stream the way
14 it travels past the State of New Jersey and the
15 prevailing winds that prevail off the Coast of
16 New Jersey, can scatter that oil all up and down
17 the coastline to all counties. In bad weather, and
18 bad weather comes up pretty quick out in the middle
19 of the ocean, it doesn't take long for a ship out
20 there pumping over the side to be faced with a storm.
21 And especially with a ship of that size, it takes
22 awhile to pump those ships dry. And when they are
23 all hooked up like that, it takes awhile to get
24 unhooked. And they don't like to do it, because
25 it wastes time, it cuts down on your schedules.

1 It costs money, so they continue to pump, taking
2 a gamble. And that is when you are gambling with
3 pollution.

4 If they have just one accident, and
5 in bad weather there is no way in the world that
6 any effort to clean that stuff up can be made right
7 at that time, you have got to wait until the weather
8 subsides. And, as I said, with the prevailing winds
9 during storm conditions around here, it is going
10 to blow that right up and down the coast.

11 I thank you.

12 (Applause)

13 SENATOR MC GAHN: Thank you very much.
14 I think that your discussion was primarily about
15 pollution and, very, very honestly, you have given
16 us more power than we really have a right to invoke.
17 Some of the things you asked us to accomplish or
18 to do is basically based upon federal policy.

19 I think as a teacher, and I certainly as
20 a physician, realize it is an extremely difficult
21 thing to change attitudes and values of people,
22 once they have been fixed. It is an extremely easy
23 thing to say, cut back, cut back your consumption
24 of energy. It is an easy thing to say to the house-
25 wife to get rid of the self-defrosting freezer-refri-

1 generator, get rid of your washer, get rid of your
2 dryer. Because if an individual has a disposable
3 income in order to afford that, he is still going
4 to afford that lifestyle. And New Jersey have, and
5 the United States has the third highest amount of
6 disposable income. Now, again, reversion of life-
7 style, we are operating under, again, a system of
8 free enterprise.

9 Granted one thing, the oil companies
10 are a shared monopoly. They may represent robber
11 barons if you will, at the turn of the century.
12 But, may I ask you, do you again, under these
13 circumstances simply say they should be nationalized,
14 that we should take over; that in order to control
15 the people and tell them what to do, we should
16 then be reverting back more toward a socialistic
17 form of government. Because in essence, some of
18 the things you are asking, this is basically what
19 you are talking about.

20 Now, I grant you one thing. Valid points
21 were made. I think you must realize, as you well
22 do the VLCCs today are departmentalized. With
23 a three hundred and twenty-four thousand dead weight
24 tanker, we're assuming total destruction, you would
25 be adding two point five million barrel oil spill,

1 which would coat the coast for two miles on seepage,
2 to a hundred mile area, to a depth of about two
3 centimeters.

4 May I ask you also what knowledge you
5 have and what factual representation you have of
6 any VLCC to this point in time, and I'm not talking
7 about the Terry Canyon disaster, in which that has
8 occurred.

9 MR. FRANCOIS: I can't relate to any
10 VLCC, but I can give you some parallels. The Titanic
11 was a compartmental vessel.

12 (Applause)

13 It was supposed to be the first unsinkable
14 vessel the Merchant Marine ever had. It sank.

15 (Applause)

16 The Andrea Doria was supposed to be a
17 very safe vessel. It sank.

18 You forget human failure, sir. There
19 are some mistakes we make when we think everything
20 is covered.

21 SENATOR MC GAHN: Well, the analogy
22 of the 1960 disaster and the analogy as to when
23 the Andrea Doria sank are two different things.

24 MR. FRANCOIS: I will give you a more
25 recent one. You spoke of a line pipe in which a

1 water jacketed pipe is used to convey oil.

2 SENATOR MC GAHN: I didn't speak of that,
3 somebody else did.

4 MR. FRANCOIS: The trouble they just had
5 on the Queen Elizabeth was due just to that system.

6 (Applause)

7 They had a leak in the fuel pipe, and
8 the fuel was injected into the water jacket, which
9 got into the tubes and into the boiler. And if
10 they continued to maintain the boilers, they would
11 have blown them up.

12 There are human failures, we can make
13 mistakes about technology.

14 SENATOR MC GAHN: The technology of
15 pipelines that Senator Russo mentioned basically
16 has nothing to do with that which is coming from
17 a boiler where there may be an explosion.

18 I think you are aware of the fact that
19 if anything was beyond ten miles at sea, there
20 would have to be a platform pumping station. The
21 throughput would depend again on the capacity of
22 the pipe, whether it be 46 inches or 55 inches.
23 It would depend upon the ability of the pumping
24 they have, whether they be automated valves, cut-
25 off valves.

1 I agree with you in one respect, the
2 pollution that occurs as a result of docking a
3 VLCC to a single point mooring system, the greatest,
4 problem is the hose, the connection of the manifold
5 from the offshore facility to the manifold on the
6 ship. This is where failure occurs. This is where
7 basically oil containment systems with the barges
8 around are necessary.

9 I think you are also fully aware of the
10 damage possible as far as transmission of oil is
11 concerned, because, very frankly, docking is not
12 possible under these circumstances. And this is
13 why: You have a VLCC, an artificial island; a
14 single pier docking facility. This could not
15 operate out in that area; it would have to be,
16 as you know, a sheltered area-the Delaware area,
17 Milford Haven, wherever it may be.

18 MR. FRANCOIS: Any rigid system in the
19 ocean, as you said, at thirty-five miles would re-
20 quire some sort of docking system.

21 SENATOR MC GAHN: There has been increased
22 technology in this, so that the type of system,
23 and not being an engineer, I honestly can't explain
24 it to you, but now instead of floating on the sur-
25 face, it is a revolving type of thing on a revolving

1 head. And, of course, the pollution and the
2 spills coming from this has been basically less.

3 And, of course, another important fact
4 would be the replacement of the transfer hoses
5 more frequently. However, I think you will agree
6 with this, this again would have to be under a
7 system of rigid regulation and inspection of both
8 the facilities and the ship, or whatnot. And this
9 would be under most likely, I don't know, but
10 possibly most likely under the Coast Guard. The
11 pipeline would be D.O.T..

12 MR. FRANCOIS: This is one of the points
13 I made before. We are talking about passing a bill
14 that will allow this before we're sure of the rami-
15 fications of what will happen after we allow it.

16 SENATOR MC GAHN: We are attempting only
17 to follow the same thing that Louisiana and Texas
18 have already done. And, frankly, Alabama and
19 Mississippi are already a year ahead of us. This
20 is assuming that it is passed.

21 MR. FRANCOIS: I have seen some of those
22 operations down there. I have been running up and
23 down the Mississippi. In fact, I was on one of
24 the first newly made liquid sulphur carriers, bulk
25 carriers. And due to the shape of the ship, and

1 they allowed it because they were told it was
2 new, easy, it would not pollute, et cetera. Well,
3 this ship ended up knocking down a railroad bridge
4 in Savana, Georgia, because of its size, because
5 of the way it was built.

6 These are things that are told to legisla-
7 tors by these companies, and they are glossed over
8 with a lot of facts. And the facts are accepted in
9 good will, but they are not often given in good will.

10 And getting back to your point about
11 a rigid system out at thirty-five miles. Any good
12 sailor knows that any ship that is anchored perman-
13 ently to the ground, in bad weather he is a lost
14 sailor. It does not improve the situation by anchor-
15 ing something fast. Any ship that is in bad weather,
16 or if bad weather is coming to a port, the ship
17 will pick up anchor and go. He is better off
18 flaunting free up the ocean.

19 The swivel system that was mentioned,
20 I tied up to the several times. They had one of
21 the first ones in North Africa. And because of
22 the swivel joint in the bottom, they wear from the
23 ship continually swinging around with the weight
24 on it. And these behemoths that are such great
25 ships, they are more resistant to wind and currents

1 than a smaller ship. They exact more of a force
2 on the swivel joints, and they wear. And they
3 don't often know when they're going to wear or
4 pop, and they start to leak from the floor of the
5 ocean, and before they can stop the leak, they
6 spread thousands of barrels of oil into the water.

7 SENATOR MC GAHN: However, I think the
8 North African behemoths that you are referring to
9 was one of the first built in 1959, and there have
10 been increases in technology since that time, marked-
11 ly so.

12 SENATOR DUNN: Mr. Francois, what do you
13 teach in school?

14 MR. FRANCOIS: I teach industrial arts.

15 SENATOR DUNN: Why do you suppose there
16 is such an honest difference of opinion based on
17 your twenty-four years of service in the Merchant
18 Marines, and Mr. Gwin? Were you here when he testi-
19 fied?

20 MR. FRANCOIS: Yes.

21 SENATOR DUNN: Both of you spent a great
22 deal of time aboard ships, yet there seems to be
23 a very wide difference of opinion as to the success
24 of the monobuoy system or the oil transfer.

25 MR. FRANCOIS: If you remember, in his

1 testimony he stated he was a ship's captain for
2 a number of years. Although I hold a third mate's
3 license, I have never sailed one. I have sailed
4 as chief petty officer, which is equivalent to
5 chief petty officer in the Navy.

6 I am trying to give you an honest opinion.
7 My opinion is not biased, and I think his opinion
8 is biased to the point of view that he would be
9 leaning more toward management than through an
10 open view.

11 (Applause)

12 SENATOR MC GAHN: Very good point, we
13 appreciate it.

14 SENATOR DUNN: That is why I asked the
15 gentleman if he was representing the oil industry.

16 MR. FRANCOIS: If you would talk to
17 fifty seamen and get a cross section, you will find
18 that most of the officers are for it, because they
19 don't replace the officers on those ships, they
20 need them, because most of the ships are automated
21 and they have to have the technical background and
22 licenses to operate the ships. What they are dele-
23 ting from the ships to make money, to make them
24 more economical, are the workers in the crew.

25 What happens when these ships break down?

1 We don't have the facilities to repair them.
2 What are you going to do with them? Are they going
3 to be repaired out at sea? Where are they going
4 to take them to be repaired if they can't be moved?
5 If they have a collision or a break or something,
6 they would have to tow them somewhere because there
7 isn't any channels around here that will hold the
8 draft ship that we're talking about. And if they
9 are losing oil and if they don't have any way to
10 put what we used to call a collision mat, we used
11 to call it, that oil would be trailed thousands
12 of miles up and down the coast before they found
13 a port with enough water to accept them.

14 SENATOR MC GAHN: The seaport at Brooklyn
15 can accommodate two hundred and fifty thousand, I
16 think.

17 MR. FRANCOIS: Depending on the beam,
18 because as you increase the beam, you decrease the
19 draft. But if you increase the draft and decrease
20 the beam, it has to be just the right ship.

21 SENATOR MC GAHN: You aren't talking
22 about the American built, with bubble bottoms;
23 you are talking about the foreign ships.

24 MR. FRANCOIS: I am talking about any
25 ship.

1 SENATOR MC GAHN: No further questions.
2 Thank you very much.

3 (Applause)

4 SENATOR MC GAHN: Doris Lindstrom.

5 DORIS LINDSTROM:

6 I didn't know you had to have a prepared
7 statement.

8 SENATOR MC GAHN: You don't need a pre-
9 pared statement.

10 MRS. LINDSTROM: Oh, all right, I just
11 had notes on what I wanted to talk about.

12 You are talking about something that is
13 in theory so far, because it is not an accomplished
14 fact. There is no oilport out there.

15 SENATOR MC GAHN: That's right.

16 MRS. LINDSTROM: And I heard you say
17 before that you want only facts. Well, you can't
18 very well give facts when the thing you are discus-
19 sing is only in theory. You can only give what
20 you think would be the effect of it. And primarily,
21 I am concerned with quite a few side effects of
22 what would happen if we had this oilport.

23 SENATOR MC GAHN: There is not a single
24 deepwater oilport in the United States today.
25 Currently there are sixty-five throughout the world,

1 and there will be over a hundred with the ones
2 on the planning board. However, the tanker fleet
3 in the world today is such that VLCCs which are
4 very large carriers now approximate over a hundred
5 and fifty thousand dead weight ton, and represents
6 some five hundred vessels.

7 There is currently pending Federal legis-
8 lation which will establish a Deepwater Oilport Act.
9 It is in anticipation of this that we are conducting
10 hearings on this Bill S-200.

11 MRS. LINDSTROM: Thank you very much. I
12 wanted to say, in case you think we are just worried
13 about our own back yard, that I am a resident and tax-
14 payer of Dover Township; I am a member of the Ocean
15 County Nature Conservation Society. I am a member
16 of the National Wildlife Society, the Internation
17 Wildlife Society; the League of Women Voters, and
18 so forth and so on. I don't know if I am still
19 librarian of the Clean Water Association of Ocean
20 County, because Bob Broom (phonetic), one of our
21 Committeemen that started it. He has never notified
22 me whether it is still in existance or not.
23 It came to sort of a deadend.

24 However, the side effects that a readily
25 available supply of energy could have on us, in-

1 stead of curtailing this ready supply of energy,
2 this supply could be devastating in the long run.
3 I think you are taking the short range measure at
4 the expense of the long term gain. You are really
5 trying to keep us at the pace we have been going,
6 and accelerated even by installing this port; where-
7 as we have to get used to not using so much energy
8 in the wasteful manner we have been using it.

9 This, then, comes down to our local
10 communities in the way the planning boards act; the
11 way the developers act when they build homes. In
12 every home and school in Dover Township, you have
13 your automatic dishwasher, you have your dryer,
14 you have a dishwashing machine; you also usually
15 have a garbage disposal. You have stoves now that
16 if it is a gas stove, the pilot light is burning
17 twenty-four hours a day. People don't think to turn
18 those pilots off and strike a match whenever they
19 want to use the gas, and therefore, conserve on
20 this energy.

21 By the way, you are right, we do have
22 holding tanks under the boardwalk. We have a very
23 good plan for the disposal of sewerage, but that
24 is an unspeakable thing around here.

25 And the other point I wanted to talk about

1 is that when you put a facility that far out in
2 the ocean, we are already being usurped in our
3 fishing by a foreign government. You are opening
4 us up to a tax. I use the word "you" collectively
5 and not personally, I hope you understand that.

6 SENATOR MC GAHN: I don't take anything
7 personally.

8 MRS. LINDSTROM: From the things that
9 have happened in the world, we find our allies are
10 not really our allies as far as oil is concerned.
11 The price is up, and so forth, and so on, and
12 now we can have it at their terms. And our fishing
13 fleet, it can go hang for the fish while a foreign
14 government can even come into our ports and refuel,
15 because of some agreement that some government
16 official made with them.

17 Now, while we were having the shortage,
18 these fishing boats were going into New York and
19 refueling. In other words, the American people
20 themselves were not only told to be very careful
21 and not drive, and we had to stand in line to get
22 gasoline, but these people could even come from
23 outside our waters and fish. And then they go
24 in and get refueled to go out and do it again.

25 Now, I don't like that situation. And

1 also you are more subject to a tax when you have
2 your facilities that far away from shore. I am
3 greatly concerned about the oil spills also.

4 Then I wanted to mention about the planning
5 board, which I already have. But I think also, if
6 you okay the installation of this oilport right now,
7 it will delay the research that is necessary for
8 the hard to get at ports.

9 If I am repeating myself, I am reading
10 my notes the wrong way. The effect of spills has
11 been touched on, I won't go into that.

12 I think also, if we slow down on the
13 ready supply of energy, it would be more of an
14 encouragement to have mass transit installed, which
15 we are looking for instead of having more roads.
16 Dover Township for one, and Ocean County for one,
17 are having roads forced on them that they do not
18 want. This encourages individual car traffic.

19 So, all in all I can't see it. And I
20 do think that the utilities companies which are
21 now pushing the use of appliances, and all, are
22 worsening our situation in the use of energy. This
23 oil that is coming in would help to generate this
24 electricity. So, what do you see on T.V.?

25 You see buy this, and buy that, and buy the other

1 thing. And these are paid for by the utility
2 companies.

3 Then too, you are having your planning
4 boards in the individual towns okay buildings that
5 are of a different context than we have ever had
6 before; buildings with windows like slits. The
7 windows cannot open; this requires total air
8 conditioning. Another use of energy that is wasteful
9 to my mind.

10 SENATOR MC GAHN: Mrs. Lindstrom, I
11 appreciate your comment. But as I mentioned before,
12 there is established by law a Committee looking into
13 the energy crisis situation. It is not within our
14 power to find ways of conserving electrical power,
15 or methods of conservation. I think we mentioned
16 before, as far as the scope of planning boards are
17 concerned, it is completely outside of the ken of
18 this Committee. I think this is something you have
19 to take up with your own local municipal officials.
20 And, frankly, if you don't like the way things are
21 run, there is one way to change it, you simply
22 vote them out. We appreciate your discussion, I
23 think it is very relevant. But I think you are
24 getting a little bit afield from the purpose of
25 the hearing we are holding today.

1 MRS. LINDSTROM: Perhaps you are right.
2 I was just looking at it as to the fact that we
3 had a shortage of oil, we had to curtail certain
4 things. I think it was very helpful to the country
5 in certain ways. And if you put in this oilport,
6 it will only make the instant energy supply more
7 readily available.

8 And as I do not have a statement, I
9 would like now to endorse in full anything that
10 Senator Russo said. I think he made a very, very
11 good statement. And there was that man named
12 Tagart, who I thought made very good remarks.

13 SENATOR MC GAHN: Thank you very much
14 for your comments. And I am certainly sure Senator
15 Russo appreciates that, and I will see that he sends
16 you a letter concerning that.

17 (Applause)

18 SENATOR MC GAHN: James Howell.

19 JAMES HOWELL:

20 I want to thank you for the opportunity
21 of appearing here today, in Ocean County. There
22 have been many things said since I arrived today,
23 and I would like to echo some of the remarks. I,
24 myself, am a former marine engineer, and a question
25 was asked a few minutes ago by Senator Dunn as to

1 why the difference of opinion. Well, I stand here
2 free and sixty years of age, and I am not employed
3 by an oil company. So what I say I can swear to
4 God is the truth, because if I was employed by an
5 oil company, I would lose my job tomorrow morning.

6 So, without any further ado, as I said,
7 my name is James Howell, and I gave my brief quali-
8 fications. And I am a charter member of the Diesel
9 Engineers International Association. And my first
10 objection to any offshore activity would be my
11 personal witness to the conditions in the Houston
12 Canal in Texas.

13 I might point out that when I was in
14 Texas one time, there was a convict that escaped
15 from a jail, and he used a channel. And this was
16 in 1944, that was a few years ago. Rather than
17 swim the channel, he would rather go back to jail,
18 which he did. He did have a chance of going to
19 his freedom. He might have been caught on the
20 other side, but that is neither here nor there.

21 Oil is oil, and no matter where you put
22 it it is filthy, no matter where it is. If we take
23 a pile of manure and put it by John Russo, and
24 then move it over to this gentleman, it is still
25 going to smell up the whole table. Let's put it

1 that way very crudely.

2 We do not want to destroy the economic
3 value of the whole New Jersey Coast by transferring
4 this filthy operation into our ocean waters merely
5 to satisfy the oil companies, under the guise of
6 phony oil shortages.

7 Now, anybody in Ocean County knows that
8 the green flags were flying very fluently at the
9 gas stations just a couple days after Senator
10 Russo and some others instituted the oil suits.
11 And, of course, the prices were increased. Some-
12 body, I can't prove it, but there was a threat made.
13 Now, where was all this gasoline that was supposed
14 to be short? Where was it buried? The green flags
15 came out as soon as the price went up. Where was it,
16 I ask you?

17 Now, I don't think we should ask the oil
18 companies about clean oilports or drilling. As I
19 said before oil is oil and it leaves a film, like
20 the gentleman before me said, who had the experience
21 at sea, and it is still oil.

22 Now, it was recently telecast in the
23 World of Survival, on Monday, March 16 of 1974 on
24 channel 7, and reference was made to the way oil
25 comes to our coast. One way was to have an offshore

1 oilport.

2 Now, if they don't have any oil spills,
3 why do they engage small boats with high pressure
4 detergent, of all things, to spray on this oil?
5 What are you trying to do, ruin us altogether? This
6 was on television just two weeks ago.

7 I may be an old timer at the oil game,
8 but as I said, it still stinks. And there were
9 ducks dying with the oil all over them, and every-
10 thing else.

11 Now, there is already a serious problem
12 in ocean dumping, and I would like to explain this,
13 if I might take a moment. A lot of people are of the
14 opinion when oil is spilled on the top--we all under-
15 stand specific gravity, that oil is lighter than
16 water, it floats on top. Now, already we have a
17 problem, of these things going into the ocean and
18 destroying the vital plankton. This is an oxygen
19 producing element of the ocean that destroys your
20 air cycle.

21 Now, if you gentlemen in Congress or
22 the legislature want to choke us all to death at
23 the shore, fine, put the oilport out there.

24 Now, I might deviate a couple of minutes
25 here too on something else. Something was mentioned

1 before about garbage and energy. I intend to
2 testify in Washington on some of these things. And
3 I would like to bring to Senator Russo's attention
4 that just yesterday in the paper it said they are
5 going to buy all these twenty-one or twenty-two
6 garbage dumps, which are filthy things, when it
7 can be done some other way. This garbage can be
8 mixed with sewage.

9 I have all the technical data in my
10 suitcase. And guess what, a Rutgers Report from
11 1960, why wasn't this put in? This is mixed with
12 the sludge they are so worried about taken out
13 of the sea. The sludge is put with the garbage
14 and turned into a fuel.

15 Now, of course, the man I know is not
16 going to turn this over to Standard Oil to be
17 shelved like a lot of other things were shelved.
18 He is not going to do this. This is going to the
19 people; I hope it is going to stay that way.

20 In 1937, I started in Newark to become
21 a diesel engineer. The Hemphill School in Long
22 Island set up an old diesel engine, and sent it
23 out to the west coast. It was less than fifteen
24 dollars fuel oil costs. It was about eleven dollars
25 and sixty cents, if I remember right.

1 These oil companies screamed to the
2 high heavens that we were going to put all the gas
3 stations out of business. And I ask you, if they
4 are so interested in conserving energy, why don't
5 they let the diesel engine go into the automobile?
6 I have one, it was made in Germany, a diesel from
7 1959, but it runs though.

8 SENATOR MC GAHN: Mr. Howell, I would
9 like to ask you to confine your remarks to the basis
10 of this hearing.

11 MR. HOWELL: Aren't we here to conserve
12 energy?

13 SENATOR MC GAHN: No, we are not talking
14 about conservation of energy.

15 MR. HOWELL: Aren't we talking about
16 bringing oil here that we need so sorely?

17 SENATOR MC GAHN: If you want to go into
18 the use of watering gas as a fuel, if you want that,
19 go the Trenton Speedway tomorrow and you will see
20 a race in which something is being used which is
21 only fifty-five percent of conventional fuel,
22 fifteen percent gasoline, and the other is emulsi-
23 fying agent, non-polluting; a heck of a lot more
24 mileage and very fine.

25 In answer to your question specifically

1 about the use of garbage along with sewage disposal,
2 there was a pilot project reported. The main problem
3 there was that there was no effective means of
4 recycling the materials, garbage, glass, or whatnot,
5 that was in that. And as you know, at the present
6 time, the Hackensack Meadowlands are considering
7 this use of this energy recycling to come up with
8 the O.B.T. fuel.

9 Now, if you will kindly and honestly,
10 and I don't mean to cut you short, it has been a
11 long day. I know you have been sitting here, you
12 want to testify, but we would prefer that this not
13 be a statement against the oil companies. But we
14 are talking on the Bill S-200 and what is really
15 related as far as offshore pollution is concerned.
16 And we want facts, we do not want personal opinions.

17 MR. HOWELL: I think I already gave facts
18 about the plankton and all that. I have an objection
19 to it, and I don't care if the State of New Jersey
20 runs it or the oil companies run it, we don't want
21 oil slick on the ocean out here.

22 SENATOR MC GAHN: Mr. Howell, what has
23 been the effect upon the plankton, what has been
24 the effect upon the cycle as far as the food cycle
25 to the fish, with the effect of the dumping of the

1 sludge. These communities along the beach head
2 have been doing that for years.

3 MR. HOWELL: It is increasing, as we
4 said before, the population is increasing. And
5 it is going to get worse, and worse, and until
6 we get other forms of energy, we will die in our
7 own mess.

8 But I would like to say in closing, I
9 would like to urge legislative hearings into these
10 oil companies and so forth. I would like to testify
11 to that. They are operating under free enterprise,
12 and everything is free. Everytime an inventor
13 comes up with something, they either buy it and
14 shelve it, or they buy it and make him a prostitute
15 for their own company, or a robot; he is not
16 allowed to speak for himself.

17 In other words, the whole question is
18 money. And until the people of America get together
19 and demand that we have these other forms of energy,
20 we will have trouble. They are right here, right
21 now. I think the hydrogen you spoke about is a
22 lot closer than you think. And I will see it,
23 that is if I live.

24 SENATOR MC GAHN: Thank you very much
25 for your comments.

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(Applause)

SENATOR MC GAHN: May I thank everybody that has sat through these meetings. It has been a pleasure to be here to conduct these hearings for the people of Ocean County. Again my appreciation to Senator Russo and his staff, and certainly to Ocean County College, which has provided us with these absolutely marvelous facilities. I would like to steal this sound system.

Good afternoon, and thank you.

(Hearing concluded.)

OCEAN COUNTY ENVIRONMENTAL AGENCY

STATEMENT IN CONNECTION WITH SENATE BILL - 200

"OIL TRANSFER FACILITY CORPORATION ACT"

The Ocean County Environmental Agency has studied the proposed "Oil Transfer Facility Corporation Act" designated as Senate Bill #200, and wishes, through the hearing, to voice its strong objection to this bill which would put the State of New Jersey in the business of building and operating a deep water oil port, including its shore based facilities.

The resort industry, which is the backbone of Ocean County's economy, cannot afford the risk of pollution to its waters, desecration of its beaches and industrialization of its shores.

In addition to the many specific provisions incorporated in the proposed act, to which we object, we vigorously and unalterably oppose the entire concept of it. No authority established by the State should have the power to ignore the ordinances, protective regulations, zoning and planning established by the County and its shore communities; nor should it have the power to ram down the throats of its citizens, polluting shore-based petro-chemical

1 and related industries; neither should it have
2 the power to take off of the local tax rolls any
3 property it deems necessary to its purposes, thus
4 reducing anticipated tax revenues and increasing
5 taxes for the municipalities and counties involved.

6 The impact which these related onshore
7 facilities could have on the resort and residential
8 character of the County would be disastrous. The
9 development of a major petroleum-oriented industrial
10 complex within or in close proximity to Ocean County
11 would pose a grave hazard to the vast investment
12 in seasonal homes clustered along the waterways and
13 Ocean front of the County. These homes and the direct-
14 ly- resort-oriented commercial development account for
15 more than one billion dollars in private property
16 investment which represents a substantial portion
17 of the property tax base in the County.

18 This propos-d act would create a public
19 corporation as an instrumentality of the State
20 which would have the power to condemn land and to
21 locate onshore facilities anywhere in the County
22 without regard for State laws which were enacted
23 for the protection of the shore environment,
24 such as the Coastal Areas Facilities Review Act
25 and the Wetlands Act, or for local or County

1 master plans, zoning ordinances, building codes,
2 subdivision ordinances or other regulations. The
3 creation of such a public corporation, with such
4 broad power and authority is unnecessary, ill-con-
5 ceived and inappropriate.

6 Although the proposed bill provides for an
7 Environmental Impact Statement and for liaison with
8 other governmental agencies, the proposed corporation
9 would leave the power and authority to totally ignore
10 any environmental input from any source. The cor-
11 poration would be authorized to ignore or violate any
12 environmental safeguards or planning regulations of
13 any municipality, or County or the State government
14 itself, Section 8, subsection t, for instance,
15 reads "Determine, as hereinafter provided, the loca-
16 tion type, size and character of an oil transfer
17 facility or any part thereof and all other matters
18 in connection with all or any part of the oil trans-
19 fer facility, notwithstanding any land use plan,
20 zoning regulation, building code or similar regulation
21 heretofore or hereafter adopted by the State, any
22 municipality, county, public body politic and cor-
23 porate, or any other political subdivision of
24 the State".

25 This arbitrary grant of power to a

1 semi-autonomous body such as this poses inherent
2 dangers to our democratic processes and a serious
3 threat to the freedom of this and future generations.
4 Once financing is arranged and a trust agreement
5 established with the bondholders, there is no
6 way for the State of New Jersey or its citizens to
7 control or withdraw from the deep-water port and oil
8 transfer business.

9 The authority would be empowered to exer-
10 cise eminent domain and to relocate county and
11 municipal roads which might interfere with their
12 operation. To grant this corporation these all-
13 encompassing powers is unnecessary and an invasion
14 of areas that would be more appropriately carried
15 out by private enterprise under the regulation of
16 State, Federal and local governments. Passage
17 of this Act itself would represent an irretrievable
18 commitment to the necessity of a deep-water port off
19 the coast of New Jersey and all other matters
20 would be considered incidental details and the
21 die would be cast.

22 We do not support the proposition that
23 modern technology can prevent oil spills and ram-
24 pant pollution which would be disastrous to this
25 County. Within the last 4 months, there have been

1 3 major oil spills in New Jersey alone, and
2 more than 100 minor spills in the New York area
3 in the last 6 months. If we have the technology, why
4 isn't it applied to the thousands of oil spills occur-
5 ring every year within our boundaries? Would this
6 proposed authority, answerable to no - one, be
7 able to prevent and control the environmental degrad-
8 ation that has followed every major oil-related instal-
9 lation in the country, and which would spell the end
10 of Ocean County as we know it today?

11 It would be unfortunate if this legisla-
12 tion were enacted based upon public hysteria arising
13 from the energy crisis and motor gasoline short-
14 age which exists in New Jersey today. This legis-
15 lation will not solve or mitigate the motor gasoline
16 shortage, but will only create an additional cast
17 of characters to add further confusion to a con-
18 fused situation.

19 We consider it to be completely wrong
20 for the State of New Jersey to undertake such a
21 dangerous and unwanted proposition as the
22 proposed Senate bill - 200.

23 OCEAN COUNTY ENVIRONMENTAL AGENCY

24 A. MORTON COOPER, CHAIRMAN.
25

1 Public Hearing, HR #200, Ocean County
2 College, Toms River, New Jersey. Mr. David M.
3 Mateek, Chairman:

4 The Anchorage Homewoners and Residents
5 Association has just recently learned that a public
6 hearing on HR #200 is being held on April 6, 1974
7 at Ocean County College. We have hastily put together
8 testimony in the form of questions that our
9 Association believes is relevant to the proposed State
10 supported oil transfer facility. I am unable to
11 attend, due to a business commitment out of State,
12 therefore, Mr. Hartwell Speerin will represent me
13 for our Association at this meeting.

14 We have divided the area of testimony
15 into two areas; economic and environmental. First
16 the economic questions:

17 1. Do we need a deep water port facility
18 as opposed to the shallow water facilities now in use?

19 2. Is this facility replacing those
20 facilities now in use or an addition to the
21 present oil ports? If the latter, will we then need
22 larger and more refining fac-lities to handle the
23 additional crude oil?

24 3. Is the approval of this facility
25 also an approval of more and?or larger oil refineries?

1 4. Why should the State of New Jersey
2 enter the docking business in the form of an oil
3 transfer facility? ARE not ventures such as these
4 usually the avenue of private capital and risk?

5 5. What is the best estimate of a final
6 cost to the taxpayer?

7 6. Won't the fees charged to the users
8 of this facility (oil companies) offset, to some
9 extent, the money saved by the use of large tankers
10 in the first place?

11 7. Will the State of New Jersey, as the own-
12 er of the facility, be liable for damages suits
13 that might result from an oil spill?

14 8. Who will be responsible to pay for the
15 damages and cleanup of an oil spill?

16 9. Since the State is creating a monopoly
17 who will control the price paid to the use the
18 facility--the State or the lessee?

19 10. Regarding shore-related facilities,
20 who will have the final say on location and construc-
21 tion of same--the Corporation, the State or who?

22 11. Who will construct and own the shore
23 facilities--the Oil Company or the Corporation?

24 12. Will there be a geographic limit to
25 these shore facilities?

1 ENVIRONMENTAL

2 1. What agency of the government will
3 police this facility--federal or state?

4 2. Is the use of large tankers as safe
5 or more safe than our present tankers?

6 3. What methods will be used in the
7 event of a large open water oil spill and what
8 is the estimate of damages resulting from a
9 half-million ton oil spill?

10 4. Will the pipes that carry oil to the
11 shore facilities damage the beach area and
12 what effect will such pipes have on sand drift
13 and beach erosion of adjacent beach areas?

14 5. Will future pressure, resulting from
15 the fact that large amounts of money were already
16 spent, give both public and private interest in-
17 volved, an excuse to build more and/or large shore
18 facilities? Will this then turn New Jersey into the
19 oil port and refinery area for the eastern United
20 States?

21 We are sure many of the above questions
22 will be answered during your presentation. We
23 are looking forward to those answers and the
24 answers to many other questions before the go-
25 ahead to this project is given. Sincerely, D. Ronald

1 Fox, President.

2 In an age when the terms "crisis and
3 shortage" might be used to blackmail the public
4 into accepting such a proposal as an offshore oil-
5 port, it is particularly imperative not to panic
6 and submit to the pressures of the oil conglomerates.

7 The last thing New Jersey needs is the con-
8 stant threat of a major oilspill occurring off her
9 coast and further damaging the environment. The
10 Jersey Shore is already subject to intense pollu-
11 tion in the form of raw sewage and improperly
12 treated chemical wastes from the metropolitan area
13 of northern New Jersey and New York City.

14 The legislators of our state assembly
15 must realize that the building of an offshore oil-
16 port would not end the gas crisis in our state.
17 One must wonder why New Jersey was not getting her
18 proper share of gasoline during the past two months.
19 Could it have been that the major oil companies
20 were applying direct pressure on the public so that
21 they would be "tricked" into approving an oilport
22 off of Long Branch? Many people are beginning
23 to believe this was the case.

24 Enclosed you will find a list of
25 signatures that agree with the above statements.

1 Most of the signers have a strong
2 relationship with our coastal areas. Many are
3 surfers who enjoy their sport the year around.
4 Surfing has become part of our lifestyle and a
5 basic affection with clean and unpolluted waters
6 off our beaches has firmly been established.

7 Needless to say an offshore oilport
8 would perpetually endanger our precious sport and
9 desired lifestyle.

10 Therefore we ask you to represent our
11 feelings on the floor of the state assembly and
12 not to become a victim of the "panic" that the
13 gas crisis in our state has created. New Jersey
14 needs many other things before she can begin
15 to think about an offshore oilport. Thank you so
16 much for your time and patience.

17 Sincerely yours, Citizens AGAINST Offshore
18 Oilports.

19 1. Millions of people in New Jersey
20 and in the USA depend on the automobile for
21 going to and from work
22 recreational purposes

23 2. Everybody attending this meeting had
24 to drive and use a car, and all the students and
25 staff of this college have to drive to classes.

1 3. The automobile is an essential
2 and important part of our lifestyle; the car needs a
3 lot of gasoline. Any shortage or extremely high
4 price can disrupt employment and ruin resort
5 operators, as many ski resort people can tell from the
6 first hand experience.

7 4. At present the Port of New York
8 cannot handle a fully loaded supertankers. They
9 have to be partially unloaded to barges; then the
10 treacherous journey continues through the dangerous
11 harbor channel.
12 A deepwater port would avoid all this double handling.

13 5. About a year ago, in this very same
14 auditorium, an authority on water pollution,
15 Charles Lindbergh Jr., spoke of these same problems.
16 He stated that the safest way to handle oil, is
17 through a deepwater port and from there through
18 a pipeline to the refinery. This system, he pointed
19 out, is far safer than ships winding through narrow
20 channels and tying up at docks.

21 6. Now we should build these deepwater
22 ports in New Jersey and I am for it.

23 7. The majority of the people depend on
24 the gas-driven automobile for their living. I do
25 not want unemployment in industry or in resort areas,

1 because of an oil shortage, high prices of
2 gasoline or pressure from small groups for environ-
3 mental reasons who would not and could not give
4 up the automobile.

5 8. I am sure that I am speaking for mil-
6 lions when I say that we need a deepwater port for the
7 safer and more efficient handling of the most
8 important commodity the world; fuel oil.

9 9. This legislation should be enacted
10 without delay.

11 Oscar Marbach, 101 Holly Street, Toms
12 River, New Jersey, 08753.

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