

Volume V

PUBLIC HEARING

ON SENATE BILL 200 OF THE
SENATE COMMITTEE ON ENERGY, AGRICULTURE AND ENVIRONMENT

Held:
April 10, 1974
Monmouth County College
West Long Branch, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Joseph L. McGahn (Chairman)

David Mattek, Legislative Aide

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1 SENATOR MCGANN: Good evening, ladies and
2 gentlemen. We're going to have some order because we
3 have a rather large agenda this evening. We'd like
4 to get under way right now. I'm Senator Joseph McGann,
5 Chairman of the Senate Committee on Energy, Agriculture
6 and Environment. To my right and your left is Senator
7 Murray Dwyer, Vice Chairman. At the end of the table
8 is Mark Reefer and David Mattek, legislative aides
9 and to my left, I believe I think his name is Senator
10 Buehler. He wasn't invited up here really, but none
11 the less he's up here. Thank you very much for your
12 kind attention.

13 Well, we ought to get started. I think,
14 however, before we do this, if you don't mind, we will
15 establish just a few ground rules. We have an agenda
16 present here with some 55 speakers. I think we can
17 certainly realize that it's going to be impossible
18 to give everybody an unlimited amount of time to
19 testify. Let me say this, the Committee has held four
20 previous public hearings and I'm almost certain that
21 we have heard every possible argument pro and con that
22 we can.

23 We, as a Committee, at the moment are
24 simply completely objective about this issue. We are
25 attempting, if we may, to get information that is

1 pertinent and that which is in the better interest,
2 certainly insofar as energy is concerned. I myself
3 come from a coastal area, I come from Atlantic County
4 and I realize the problems involved. As far as
5 recreation and tourism is concerned, again, emotionalism
6 does not enter into this thing. I can tell you right
7 now as far as Bill S-200 is concerned, the Committee
8 has agreed upon the fact that there is insufficient
9 land use controls in that bill. Even if the bill was
10 to be passed, the Committee knows there will be
11 substantial amendments. So there will be certain
12 strong land use provisions that would be at the present
13 time under the existing land use proposals that we
14 have close to the wet lands of the Coastal Facility
15 Review Act and the right of the Commissioner of the
16 Department of Environmental Protection both to review
17 and approve the issue other than public hearings and
18 various other types of safeguards.

19 The section relating, if you will, to the
20 authority and the right is something again we feel,
21 as a Committee, certainly should not be in there. I
22 make mention of this because if anybody in their
23 prepared testimony is going to criticize those aspects
24 of the bill, the Committee has already taken these
25 into consideration and, very frankly, we are fully

1 cognizant of what the situation is. Our position, if
2 you will, is basically to find out what are the facts.
3 Will a deep water oil port, so called, or a transmitting
4 oil line into Jersey be number one, environmentally more
5 sound than what we have at the present time.

6 Number two, from an economic standpoint, will
7 it be advantageous.

8 Number three, in the instance in which it is
9 necessary or the possibilities would exist that this
10 would basically occur, would it be better to simply
11 have private industry do this or would it be better
12 to have a quasi public authority do this as under the
13 circumstances possibly better control could be made
14 by the state over what is actually occurring off shore
15 and landside. We must realize, of course, that we
16 are preempting and jumping the gun to some degree
17 because federal legislation has not been enacted and
18 we do not know what the ultimate end is going to be.
19 We don't know whether the joint of state will simply
20 be in consultation with the state and shall be in
21 conformance with existing land use later.

22 Be that as it may, and as I say, what we
23 would of course like to do here is to come up with
24 factual information where upon we can vote upon this
25 as a committee and if we feel there is something here

1 that is beneficial to New Jersey, we will so advise
2 the senate as to the action to be taken upon it. Any
3 statements made, and if you have written statements,
4 we would certainly like you to submit them to the
5 Committee in advance and they will be made a part of
6 the public record. I would again ask in the interest
7 of time, please do not repeat statements, repeat
8 criticism or objections that have been raised before.
9 We will record your objections upon a specific point,
10 but if it has been mentioned before, do not elaborate
11 upon it. If we have any particular questions that we,
12 the Committee, would like to ask you, we will do this.
13 But again, it will be from an informational standpoint.

14 At this time I would like to say that
15 Senator Dwyer is going to have to leave in about one
16 hour because he has to get back to Trenton. Congressman
17 Murphy was supposed to appear here this evening and
18 testify. His wife went into labor this afternoon and
19 she's now down in Georgetown having a baby. With that
20 I will call to the podium the first speaker, Senator
21 Alfred Beadleston from District 11.

22 SENATOR ALFRED BEADLESTON: Senator McGahn,
23 members of the Committee, I'm not going to take more
24 than three minutes, because I don't think that the
25 bill should take the Committee more than three minutes.

1 The details of the bill you have pretty thoroughly
2 already set forth and I'm here to express to the
3 Committee the fact that the overwhelming majority of
4 the people in the area that I represent are 100%
5 opposed to this measure and do not want it or any part
6 of it under any circumstances whatsoever. They are
7 not impressed and I am not impressed that we have a
8 condition now that is a serious menace to our shores
9 and that it will be helped anyway by using the large
10 tankers that are contemplated and the deep water port.

11 We understand the problem that exists and
12 we think it can be handled and cured. We certainly
13 are not terribly impressed by the importation of
14 overseas oil after what we went through at the hands
15 of the Arab nations just a few weeks ago. For this
16 state or this country to contemplate a facility that
17 would be based upon the importation of overseas nations
18 and to have this country or this section of the country
19 rely upon that as a source puts us at the hands of
20 foreign nations under circumstances that we as
21 Americans find intolerable and, therefore, we don't
22 believe that the overseas need is something that has
23 to be met and certainly not at the expense of New Jersey
24 and at the expense of Monmouth County.

25 There has been mention of how many jobs this

1 would bring. I can assure you that if there is or
2 would be a serious oil spill from this super port,
3 deep water port, oil port, whatever you want to call
4 it and there will be and they admit there will be
5 and they admit there can be and there has got to be
6 particularly in an area of northeast hurricanes and
7 storms such as we are in here, one of the worst places
8 in the entire east coast for a danger of a storm; that
9 the destruction to the resort area and to the resort
10 business of New Jersey and particularly Monmouth
11 County would be absolutely horrendous and far outweighing
12 any economic opportunity or benefit of any deep water
13 port. This state has an industry called the resort
14 industry which is over \$1 billion a year and Monmouth
15 County is one of the great contributors to it and
16 dependent upon it and a disaster of that kind would
17 wipe out the resort area and have an adverse publicity
18 effect all over the nation such as in Santa Barbara.
19 I was just there and they have not gotten over it yet
20 and they never will. Rightly or wrongly the publicity
21 is still there and the onshore facilities which the
22 army engineers have told us in a separate report may
23 not be necessary, we fear them. We fear them as an
24 eyesore, a means of wrecking the values of our real
25 property values along the Jersey shore, the North Jersey

1 shore, especially along the bayshore and the north
2 part of Monmouth County. We think it would be an
3 outrage control or not control, they are just not the
4 type of facilities or the type of industrial or
5 commercial real property addition that we want and
6 I'm here to tell you, sir, that no matter what the
7 bill contains, it is absolutely a menace to the people
8 of Monmouth County that I represent and they want me
9 to come and tell you that no matter how the bill is
10 written, they are opposed to it now, they will be
11 opposed to it tomorrow, next week, next year and for
12 the future.

13 SENATOR McGAHN: Dr. Richard Sullivan.

14 DR. RICHARD SULLIVAN: Thank you, Senator.
15 I'll simply identify for the record some of the
16 problems that I see with this bill, which as Senator
17 McGahn has pointed out, has been dealt with at length
18 at four proceeding hearings.

19 I'm here tonight speaking for the first time
20 in my life representing a citizens' organization
21 called the Coalition Opposed to an Oil Port Authority.
22 I think the exact title of that is important as I will
23 endeavor to show as I proceed with my brief comments.

24 I'm also here, I might add, for the first
25 time speaking with the privilege of academic freedom

1 which is sometimes a luxury for a bureaucrat.

2 S-200 starts off with certain legislative
3 findings, an energy crisis of a shortage of oil to
4 meet our needs and a continued dependence upon imports
5 to meet these needs and I agree with both of these.
6 However, unfortunate it is that we are now dependent,
7 especially here on the east coast upon imports from
8 Arabian nations. It is a fact and it's a fact that
9 will remain with us for at least the next 15 years.
10 However, having made these findings with which most
11 of us probably can agree, the resolution that a
12 super port, essentially, will resolve these difficulties
13 is a fallacious one. Very simply put, if our problem
14 is a shortage of oil coming either from Venezuela or
15 the Arabian nations, that shortage is not eliminated
16 by increasing the size of the vessels that transport
17 the materials across the ocean. The essential
18 motivation for the construction of the super port
19 wherever, is a reduction in the cost of the transpor-
20 tation of these materials and I found that in reading
21 the transcript of the hearings somewhat disingenious
22 of the part of one of the early oil company representa-
23 tives to claim that the principle motivation for the
24 construction of a super port is the protection of the
25 environment. The fact is that there are ships now in

1 service and even larger ones being built that cannot
2 be accommodated in any of the ports of the eastern
3 seaboard of the United States.

4 There is an urgent need, therefore, to meet
5 the demand of consumption versus time for the next
6 decade and I agree with this. I'm chagrined somewhat
7 especially during the period of recent shortages of
8 fuel when people had difficulty in some cases in
9 finding enough gasoline to get to work. We find we
10 still have enough fuel to generate electricity, to
11 light billboards, to allow snowmobiles to race through
12 the lands of our public lands and so forth and the
13 question is, I think the degree of environmental
14 effect that we can accommodate in order to accept
15 these uses as well as the less frivolous ones.

16 At the present time, I think we are slaves
17 of the demand, I think it can be flattened, I think
18 many things can be done to reduce that demand, but
19 with respect to this evening's schedule, I will
20 identify that as another essay for another forum,
21 but whatever we do in the way of conservation and the
22 demand for fuel to operate our economy and keep us
23 warm and provide everything we need will rise in the
24 coming years.

25 I have found at previous hearings in which

1 I had involvement in other than as a witness somewhat
2 disconcerting that some people were willing to come
3 and testify who were perfectly willing to enjoy the
4 benefits of some of the technological progress, but
5 were completely unwilling to put up with the incon-
6 venience that accompanies it, including environmental
7 inconvenience. So, as those who will come to testify
8 against power plants and to say we have enough power
9 now, meaning of course that they have enough power
10 now, but what about the rest of the people? In my
11 judgment, if New Jersey will benefit from increased
12 benefit of importation of fuel in the future, it has
13 some obligation to at least share in the inconvenience
14 that will accompany it. As I look at our scene, I
15 think we already do share it. I think that we have
16 to take steps to avoid New Jersey becoming an oil
17 refinery and storage capitol of the world, which I
18 regard as a real possibility. In 1972 we had refinery
19 capacity in this state for about a half a million
20 barrels of oil a day. At the present time in 1974 we
21 are consuming it at approximately at the rate of 800,000
22 barrels a day, so gallon per gallon, while there are
23 all sorts of discrepancies with imports and exports
24 of various products, we are not refining as much as
25 we burn and virtually all the refineries now existing

1 in New Jersey are doubling their capacity. Some work
2 is under way now for others and other work will be
3 under way shortly.

4 So, with no other steps being taken, by 1978
5 we will be refining at least 150,000 barrels a day
6 above that which we consume and I think that's a fair
7 contribution to make, especially when it leaves us as
8 net exporters of refined products and that doesn't
9 count for new refinery down near Delaware in Gloucester
10 County. The Environmental Protection Agency has advised
11 that there should be some dispersity of these facilities
12 in the interest of clean water and clean air. It's
13 possible, in my judgment, that the abrupt industrial
14 development that will surely follow the enactment of
15 S-200, along with whatever else can be said about its
16 bad effects, that kind of development in western
17 Monmouth County or if it's in the south in Cape May
18 and Cumberland County would in addition be in of the
19 provisions of the Federal Clean Air Act and Water Act.
20 How about the impact of the statute itself? First is
21 the issue of oil handling, the question of controls,
22 the spills which makes everyone nervous.

23 The argument is made that the buoy is better,
24 which in principle I think is true. It should be
25 pointed out, though, for the record, that in the last

1 four years we have had very few experiences and none
2 of them significant in oil spills in New York Harbor
3 or Delaware Bay. If it can be avoided, we can better
4 take care of the distribution of fuel without it coming
5 up to our lands. I wonder if it's possible under the
6 terms of the bill for ships not only to be unloaded
7 but for fuel to be piped to the shore, but also
8 unloaded at smaller vessels at the port itself in
9 order to give it more flexibility in transporting
10 these oils to the harbor of Boston and Norfolk and
11 elsewhere. There is nothing in the statute that would
12 preclude that.

13 Another question, that if the port is
14 constructed as in the bill, would we reduce lightery
15 or would we absorb the imports that would come upon
16 us. The buoy is needed in terms of environmental
17 control with one exception that we had, the extra
18 hazard of recommended locations off our recreation
19 areas, you know, like the locations where the lightering
20 is now occurring. Now, the major impact which I gather
21 from Senator McGahn's introductory comments are not
22 the threat of oil spills of a facility 14 miles off
23 the coast for which we have technology to employ if
24 we wish to control it. The major impact would be the
25 second land use, which would occupy the rest of the

1 evening. I'll not be the cause of doing so.

2 The proponents of the bill, particularly
3 those who have testified on behalf of the industry
4 have rather blightfully assumed that the State of
5 New Jersey can decide what level of industrial growth
6 it wants and proceed to provide this and no more. The
7 political facts of life are that this is not the case
8 and as long as we continue our insane reliance on the
9 property tax and with the enormous pressure that oil
10 would exert being in our front door, I think we will
11 have uncontrolled industrial development in places
12 where it ought not to occur. I'll get into that
13 inasmuch more detail as the chairman chooses, if he
14 wants to ask any questions.

15 The Coastal Area Act is a very important
16 statute adopted into law last June to give particular
17 regard to the type and character of our shore. In
18 the first place, I think we'll need a couple of years
19 of practice with that statute to know how effective
20 it really is in determining future land use patterns
21 to give us all the pressures that are upon us, but to
22 give relevancy to Monmouth County, the Coastal Protection
23 Act is practically useless in this country because in
24 order to get the statute passed, the recommendations
25 of the Monmouth County Planning Board was accepted by

1 the legislature pushing the boundary of jurisdiction
2 of the statute practically to the beach.

3 In S-200, it's an authority that is created.
4 It's called a corporation, but it's really an authority
5 and it has its characteristics. I have a personal
6 bias concerning authorities, I think there are places
7 where public interest is served by their creation, but
8 I think in many cases, especially the single purpose
9 ones require a personality, if you want, and they
10 become probably the most irresponsible unactable form
11 of government that we have.

12 Article 2-B in the statute recognizes four
13 problems, but in my judgment Section 3 sets forth
14 what I would call nonseculators to solve them. The
15 problems are there and the provision of the statute
16 would not eliminate them.

17 In Section 5, a zone is established in which
18 one of these facilities could be constructed by the
19 authority. In a late version of the bill, a correction
20 was made in the one I reviewed, Salem County was
21 omitted in between Camden and Cumberland and I can
22 assure you after many contacts with the officials of
23 Salem County, they don't want to be left out of anything.
24 I think there is an interesting and constitutional
25 question concerning the establishment of an agency of

1 government like this proposed corporation and authorizing
2 it to build something outside the boundaries of sovereign
3 New Jersey, which is what is authorized in this bill.

4 As a matter of fact, as I look at the literal
5 meaning of the language, it appears to me that the
6 corporation is authorized to build a super port in
7 the State of Delaware, the State of Delaware has
8 already had something to say on that subject in its
9 own legislation. In Section 6 we deal with the
10 environmental impacts taken in which presumably a
11 review of the likely environmental effects of such a
12 facility would be made before the fact with which I
13 completely agree. However, the environmental impact
14 statement is a process, it's not a document and that
15 process is not observed here and if this bill is to
16 move forward, I would strongly encourage the Committee
17 to incorporate in it all of the provisions of environ-
18 mental review that have made the national environmental
19 policy acts, in my opinion, a successful piece of work
20 today. That means not just consultation, it means
21 circulation of the document to all interested parties
22 and public hearings, which I was pleased to note we
23 have. When it's all finished, the document should lead
24 to something and not left dangling in empty space, which
25 it appears to be from an examination of the pure rhetoric

1 of the statute. I think it's somewhat revealing that
2 environmental review process is stuck in between a
3 lot of other procedural rules as if it were something
4 that would have to put in to make it right, but some-
5 thing that no one took very seriously.

6 Dr. Michaels also talked about the power of
7 eminent domain and I will not deal with that issue
8 specifically, except to say that that's an interesting
9 case where the public's power of eminent domain would
10 be used to condemn properties which in turn would be
11 used for essentially commercial purposes, which means
12 this enterprise would have some of the benefits of
13 being a public utility and yet have none of the
14 restraints.

15 In Section 8, it appears to me to give the
16 agency free right to build anywhere. Again, I'll not
17 dwell on this because it's obviously been the subject
18 of previous hearings. This organization is not subject
19 to existing statutes and they in turn are not adequate
20 to protect us, even if it were so. I thought it was
21 a curious thing in reading Section 8 that in this
22 whole enterprise to be carried out to meet urgent
23 needs, legitimate urgent needs of the public, why must
24 we empower this entity to spend public funds to advertise,
25 to propagandize, to encourage people to come and use the

1 super port. In fact, it seems to me that the use of
2 public funds to encourage growth in New Jersey with
3 the knowledge that we're not able now to accommodate
4 the growth that we already have, is more than a waste
5 of public money. I'd like in the few remaining moments
6 to list a couple of options and to be against things
7 is very easy, I've had contact with many issues in
8 which the response was entirely negative, no one
9 really had anything to offer as an alternative. It
10 seems constructive to me to line up the change of
11 choices and with the knowledge that we may be
12 selecting the least objectionable from a long series
13 of unhappy choices.

14 One alternative, for example, is to keep
15 the current level of imports constant, you know, and
16 handle the whole system as we do now, which means
17 either zero growth, which I don't think anyone
18 seriously contemplates, or the use of domestic supplies
19 entirely, which wouldn't be available for at least
20 10 years, and if they would arrive by ship and put us
21 back where we started, or consider the present system
22 and let it grow. It's a feasible way of dealing with
23 the problem and actually, it's not much more expensive,
24 based upon the testimony given by the oil industry
25 itself. It does result in increased lightering in

1 New York Harbor and in Delaware Bay.

2 We could dredge deep channels, either the
3 Hudson or the Delaware, to accommodate ships with a
4 90-foot draft. The costs are practically out of sight
5 and we'd pay them all, the problem with rock land, and
6 with the possible danger of the ground water and there
7 is an enormous amount of dirty junk that would be
8 taken out with this dredging with the inevitable
9 question of where in the world are we going to put it
10 all, in all making the project inevitable.

11 After all, for 400 years we've been bringing
12 materials from Europe in ships that fit in our harbors,
13 it's more expensive, but actually the transportation
14 of fuel oil is a very small portion of its total cost
15 to anybody. Maybe we have hope that the Suez Canal
16 would be opened and this would be less expensive than
17 we think and the result would be no lightering at all.
18 We could bring super tankers to the Caribbean or Nova
19 Scotia and then transport smaller vessels to us. This
20 is slightly more expensive than in the words of the
21 Exxon representative that testified and because the
22 small ships can be accommodated, there is no lightering
23 at all.

24 We could construct additional deep water
25 facilities in the State of New Mexico, where the states

1 of Mississippi and Alabama want them. Then the crude
2 or product could be piped without lightering to the
3 points of use in the east coast with a slightly higher
4 cost, a fraction of a cent. I think the gasoline has
5 gone up 10 or 12 cents in the last six months for
6 reasons I can't comprehend and I don't think it's
7 out of perspective.

8 We could dredge a channel in Sandy Hook
9 deepening the one we have now from 40 feet to 60 feet.
10 This seems feasible, although the word dredge in
11 environmental circumstances unfavorable, that it is
12 dredging the environment. But the materials taken
13 out could be used to replenish the gateway beach in
14 the stand of the project.

15 Now, the in between vessels that are now
16 carrying fuel oil from Arabia to the United States
17 which are even lighter could be accommodated in the
18 new Sandy Hook without lightering and these exports
19 could be prevented.

20 We could accept S-200 as it is with its port
21 and with its land use consequences, some of them very
22 bad, I think the bad features have already been pointed
23 out; or finally we could accept the super port off the
24 coast of New Jersey with some kind of a mechanism for
25 absolute control of land use impact, which I regard as

1 environmentally the most significant aspect of this
2 whole question. Maybe a private entity should complete
3 it, maybe they are best able to do it. Maybe it's best
4 for the government to remain as the regulator and not
5 proponent of this. Perhaps the authority should be
6 licensed and control the destination of all the
7 petroleum that reaches our shores.

8 We've attempted recently to help New Jersey
9 avoid becoming a garbage state. Some of the courts
10 have given us, what I think, are temporary reverses.
11 I'd like to see us do what we have to do to avoid
12 becoming the oil state. When it comes down to hard
13 choices, I think it would be safe to say that our
14 group of all the options available to us would prefer
15 the shipment to Nova Scotia, the Caribbean or the Gulf
16 of Mexico with trans shipment of oils here as needed
17 to meet the expansion of our refining facilities and
18 spare us the risk of offshore ports.

19 If, however, it is decided in Trenton or in
20 Washington that an oil port will be located off the
21 coast of New Jersey anywhere, and I think we should
22 be most insistent that we have a network of land use
23 controls that do not now exist.

24 One final point. There is a big question
25 as to where New Jersey is going in future years. We

1 can be done in by bits and pieces if we'd let them
2 happen to us without control and without perspective,
3 without knowledge and without some judgment of what
4 our values really are.

5 We have a new council in the future which was
6 welcomed into existence by outgoing Governor Cahill and
7 incoming Governor Byrne, given the charge of trying to
8 determine what kind of a place we want the Garden State
9 to be in the future. The council comprises a remarkable
10 selection of talented people to answer this question
11 which has never been addressed in the past. I can
12 think of no individual issue that could be more
13 determinative from the kind of place that New Jersey
14 will be in the future than a bill like S-200 and I
15 hope that all those who are involved with it have the
16 wisdom to make the right decisions concerning them.
17 Thank you.

18 SENATOR McGAHN: Thank you very much, Dr.
19 Sullivan. I think your remarks were most appropriate
20 and certainly, coming from you they should be judged
21 by all present here as being basically those from a
22 basically objective individual. I have one or several
23 questions. You mentioned lightery as being, of course,
24 the chief source of oil production from the smaller to
25 the big vessels. This is, incidentally, only a small

1 portion of oil production that occurs. I think, as you
2 know, a large proportion of this as well as groundings,
3 collisions, structural failure, et cetera. Now, it
4 has been projected in the course of the present time
5 in the New Jersey-New York area we have about 3,000
6 port calls per year, assuming the use of the same type
7 of vessel, meaning coastal barges coming from the Gulf
8 Coast transshipment by either Nova Scotia or the Bahamas,
9 there would be by 1985 approximately 20,000 port calls
10 per year of these vessels, so we are in essence increasing
11 by a factor of about seven the number of vessels that
12 are coming in and out.

13 Now, most accidents are in the entranceway
14 to the harbors and I think we can see that. Now, you've
15 been addressing yourself primarily up here to North
16 Jersey. In South Jersey we saw what happened just
17 recently in Delaware Bay as far as the oil spill is
18 concerned. Since June of last year there has been
19 over three million gallons of oil spilled. There was
20 a collision a short time ago, a 600-gallon tank, a
21 ship exploded off the dock and that oil, of course,
22 is drifting over to the Jersey side, so that I do
23 think there is two situations involved. Of course,
24 70% of the oil that comes in here we ship to Delaware,
25 30% to New York.

1 Again, my question is, do you think simply
2 on that basis that from environmental standpoints that
3 simply another system, transshipment to Delaware would
4 be possible, because that's not in our jurisdiction.
5 The point is simply as a facet, deposits of oil into
6 already existing facilities in New Jersey today with-
7 out any anticipated expansion of those facilities,
8 would you consider this as an environmentally sound
9 method of oil transportation?

10 DR. SULLIVAN: I agree with your introductory
11 comment that lightery has not been an important con-
12 tribution to oil transportation. The ultimate result
13 has been accidents occurring with collisions and so
14 forth. If we continue to receive all of our petroleum
15 in vessels of say 40 foot draft that can be accommodated
16 in our existing harbors, we will increase the risk
17 inevitably of accident occurrences because of large
18 number of vessels being received.

19 In my judgment, I think I used the word
20 it's tidyer to use off loading facility for large
21 vessels. However, I've heard on so many occasions the
22 fact that the present lightery system is so dangerous
23 that we'd have to go to this new arrangement. I was
24 simply addressing myself to that. A final point on
25 that question, I think it's also important to give us

1 perspective to look at the total number of port calls
2 made by ships of all kinds. While we're talking today
3 about the avoidance of having oil tankers crash against
4 one another, the rapid transport may make this even
5 seem rather small.

6 SENATOR McGAHN: We were talking, of course,
7 about not depending upon reaping oil. In other words,
8 basically we should become more self-sufficient. I
9 think in the Committee hearings we have attempted to
10 get beyond the narrow scope of S-200 and deal as an
11 umbrella in the overall picture as it relates to New
12 Jersey and, of course, again in order to cut down on
13 a need for crude oil to New Jersey. Basically, that
14 would require certain other alternatives as far as
15 other methods of simply using fuel, mainly as far as
16 electrical generating plants are concerned. There is
17 three alternatives here.

18 Number one, of course, is the use of coal
19 which, of course, then is environmentally degrading
20 as far as air pollution is controlled. By the same
21 token, if you do put into effect the costs which are
22 going up in deep coal mines. There is still four years
23 to develop coal mines.

24 The second is offshore, the reference that
25 was made to the Santa Barbara spill, it was not offshore

1 transport, and the second and third is nuclear--

2 (At which time there was an interruption from a member
3 in the audience.)
4

5 SENATOR McGAHN: If you don't mind, sir,
6 if this continues and if you are disrupting this
7 gathering, we'll ask the security police to take you
8 out. I hope we don't have to take that action.

9 Again, in order again to decide what are
10 the alternatives as far as New Jersey is concerned,
11 because it's been anticipated by 1985 that maybe 50%
12 of the electrical generating power as far as New Jersey
13 would be nuclear generating plants and I hate to put
14 you on the spot about this, but will you comment on
15 those three alternatives I mentioned? Coal, offshore
16 drilling and nuclear generating plants.

17 DR. SULLIVAN: Sure. I have been on the
18 spot as an occupation, if I may.

19 I think you have aptly illustrated the notion
20 that I refer to in my remarks, that very often these
21 situations with selecting the least bad on a list of
22 things, all of which have bad things about them.

23 There are hazards to nuclear power and
24 hazards that I think can be controlled and in my
25 judgment, there will be greater reliance upon nuclear

1 power in the future, which in turn will reduce the
2 rate of increase of importation of oil.

3 It takes a long time to build these plants.
4 I'm not so sure it's a bad idea. I think they should
5 be carefully scrutinized before they are constructed.
6 I would not give an opinion as to the ones that are
7 now proposed. I think nuclear power could be proposed
8 as to not create danger to those in a vicinity. I
9 wish to say they should be built in a way as to not
10 create waste and a need to have someone babysitting
11 them.

12 So far as the use of coal is concerned, it
13 would be very distressing to me if we went back to the
14 bad old days of burning nine million tons of coal in
15 New Jersey as compared to the two million we are doing
16 now. There have been remarkable increases in the
17 quality in regard to the air directly as a result of
18 that conversion and I would hate to see us return to
19 it. I don't think we should be using coal to power
20 our generators and we should learn ways to control it
21 into cleaner liquids.

22 Now, we are beginning to devote funds to the
23 determination and methods of doing this and only if
24 they'd put the couple bucks in of the magnitude that
25 the government has put in to produce the atomic, I

1 think we could have clean fuels in a relatively short
2 period of time. I agree that the nation will rely in
3 the predictable future on the imports of oil to fuel
4 itself. I think President Nixon's objective of self-
5 sufficiency of 1980 will not be realized, it simply
6 will not happen. I think the time will come when we
7 will decide that we're probably better off exploring
8 for oil off our shores, 50, 60, 70 miles away. Of
9 course, again it's lucky that New Jersey happens to
10 have the oil to fuel our economy and then to continue
11 to be enslaved by the wishes of the rulers of the
12 Arabian companies.

13 As I say, there are bad things about all
14 of these, but I think with diligence and with technology
15 they can be employed so as not to have unreasonable
16 effects on the environment and I hope we do it.

17 SENATOR McGAHN: Thank you very much. Dr.
18 Sullivan, I think that you believe, as I possibly will
19 also, there is no such thing as absolutes and the
20 situation we are talking about. There are trade offs
21 and it's basically that which is less economically
22 devastating to the state that we should simply take
23 and address ourselves to in the case of nuclear
24 generating plants. I think, as you know, I'm confronted
25 with one which is 2.8 miles off my district and the

1 people down there say this is basically to supply the
2 needs for the people in the Monmouth County. I don't
3 know, that's just a comment.

4 Senator Dwyer, do you have anything to ask
5 Mr. Sullivan?

6 SENATOR DWYER: No questions.

7 SENATOR MCGAHN: Thank you for taking the
8 time and trouble to appear this evening and I think
9 this is certainly well received and the public record
10 will certainly go a long way toward making that
11 determination. We agree with you 100%, as far as
12 strong land use controls are concerned.

13 DR. SULLIVAN: Thank you very much.

14 SENATOR MCGAHN: Incidentally, may I add
15 that I think I forgot to mention this while we were
16 considering S-200. We were considering another bill
17 that was introduced by another senator from Monmouth
18 County, S-689 which banned the oil port. Would you
19 mind keeping the applause down? Now, Senator Buehler.

20 SENATOR HERBERT J. BUEHLER: Senator McGahn,
21 Senator Dwyer, we welcome you to Monmouth County. This
22 is the last hearing, this is the final hearing in the
23 State of New Jersey and I welcome the opportunity to
24 come back here for the second time. I know that your
25 rules have stipulated that one testimony is enough

1 and I appreciate the fact that you've allowed me to
2 come up and speak very briefly.

3 It's an honor to follow the former commissioner,
4 Richard Sullivan, who has contributed so much to the
5 environmental protection of the State of New Jersey.
6 I hope he's not running for office. I'm reminded
7 of the fact that our chairman, Senator McGahn, has
8 set some ground rules here and we have rules concerning
9 this college and we have to be out of here by 11 o'clock
10 and I would hope that myself included, from here on in
11 we can confine our remarks to the rules of five minutes
12 so we don't have an empty house by 11 o'clock and only
13 10 out of the 50 people speak.

14 Since this is the last hearing and since I
15 have to remind the chairman that we're considering
16 two bills in the environmental committee, I am not
17 going to speak on S-200, I'm going to speak on S-689,
18 an act prohibiting the construction of an offshore
19 port apparatus and attending pipeline and storage
20 facilities. I don't think the people that I represent
21 want an offshore super port.

22 For the record, this being the last hearing,
23 I want the Committee to know that I'm holding here
24 the 22 towns that I represent, 17 towns passing
25 resolutions objecting to S-200 and supporting S-689 in

1 Monmouth County from Long Branch to Point Pleasant
2 Beach. Also, countless letters that I'm sure represent
3 the obvious members of our 180,000 constituents to the
4 very members who do not want to see an offshore super
5 port off the coast of Long Branch. I think we have
6 two major objections to S-200 and I think the reason
7 why we're going to support S-689 and why it's ultimately
8 going to win--and I'd like to say right here and now
9 that we are on a winning streak in Monmouth County;
10 after four years we convinced the governor and the
11 new Commissioner of Transportation that we need
12 improved railroad service in Monmouth County and they
13 are ready to give us the quality that the commuters
14 have asked for over the years. We're going to win
15 this battle.

16 The people object for two reasons. We have
17 a multimillion dollar business that we are attempting
18 to protect in Monmouth County and Ocean County. We
19 want that business and we want to maintain the kind
20 of trade that has attracted so many thousands of
21 people to the shore to enjoy the benefits of our
22 recreation.

23 We have an economic objection because of the
24 fact that we resist any attempt by the oil refineries
25 to try to sell the super port on the idea of new jobs,

1 when we know that the attempt is being made to infiltrate
2 what we had in North Jersey, storage tanks, refineries
3 that would be in Monmouth County and in Ocean County
4 if we would allow this to happen. We resist that
5 attempt by the oil refineries to penetrate into
6 Central Jersey. I think I speak for all the people
7 of Monmouth and Ocean County who have called and
8 written when I say we don't want a super tanker the
9 size of the Empire State Building coming in Long Branch.
10 We don't want the pipes into our county and we don't
11 want storage tank facilities in Monmouth County.

12 Finally, Senator McGahn and Senator Dwyer,
13 I hope you carry the message back to Trenton that we
14 had an overflow crowd, that there is overwhelming
15 support that out of the 50 people that were here
16 testifying, more than you had in any other hearing,
17 99% of them opposed S-200 and support S-689, for the
18 record and also, I am encouraged by the number of
19 people that are here so much so that I intend to speak
20 with the governor, since he is so concerned about a
21 referendum as so many of us are in the State of New
22 Jersey concerning legalized casino gambling. I'm
23 going to ask for and assist and demand that the people
24 of New Jersey don't want to see the prime recreational
25 area in the State of New Jersey risked or underlined or

1 threatened by any potential risk. We want to protect
2 and preserve this coast for the years 2100, 2200, 2300
3 and I'm going to ask for a referendum of the people of
4 New Jersey to vote yes or no on the offshore port off
5 the coast of New Jersey.

6 Thank you.

7 SENATOR McGAHN: Don't go away, Senator
8 Buehler. Senator Buehler, you are cognizant of the
9 fact that when the Coastal Facilities Review Act passed
10 last year, that Monmouth County was largely excluded
11 from this and this was at the insistence of the
12 legislators last year as a prerequisite of having
13 that bill passed.

14 SENATOR BUEHLER: They are not there.

15 SENATOR McGAHN: I beg your pardon?

16 SENATOR BUEHLER: They are not there anymore.

17 SENATOR McGAHN: Okay. Would you then have
18 the idea what the intent of that was, to exclude
19 Monmouth from those provisions?

20 SENATOR BUEHLER: No, I wouldn't, Senator.

21 SENATOR McGAHN: Since you've been doing a
22 good job of lecturing, I think you could come up with
23 a good answer.

24 SENATOR BUEHLER: Senator, you received the
25 answer here tonight from Monmouth and Ocean County. We

1 don't know what the other 19 counties are saying.

2 SENATOR McGAHN: I'm not talking about the
3 other 19 counties, I'm talking about the Monmouth
4 County last year having been excluded from the provision
5 of The Coastal Review Act.

6 FROM THE FLOOR: We don't understand, we
7 are included all the way out to the parkway.

8 SENATOR McGAHN: Ocean County goes in 35
9 miles, Atlantic County goes in 25.

10 FROM THE FLOOR: That's lowlands over in
11 Ocean County.

12 SENATOR McGAHN: I think if you recall,
13 Dr. Sullivan made reference to the point that I brought
14 up. Thank you, Senator.

15 SENATOR DWYER: The point that Dr. Sullivan
16 made was that the act stopped very close to the Ocean
17 County shoreline or south of here, in the counties
18 south of here. The act went 35 miles inland as Dr.
19 McGahn pointed out, and apparently the point was made
20 by Dr. Sullivan that in order to get that legislation
21 passed, that was the legislative agreement that had to
22 be made.

23 SENATOR McGAHN: I think the importance that
24 this Committee recognizes is the fact that Monmouth
25 County does need stronger land use regulations in its

1 Coastal Facility Review Act than what it currently has.
2 I think this is the point that Senator Buehler would
3 make.

4 Likewise, I'd like to point out, if you will,
5 two other things.

6 One is, nowhere in the bill--I'm not
7 testifying to the bill, but I'm simply pulling out
8 facts. Incidentally, I am objective. I also live
9 in Atlantic County.

10 Gentlemen, let me say one thing before we
11 start. I'm up here, I'm up here basically to get
12 information. I'm up here if something is said wrong,
13 to try to point out basically what the intent is.
14 There is nothing in this bill that says anything
15 concerning Monmouth County or Cape May, as far as
16 that's concerned. There is nothing in here that says
17 this is where it's going to be. The Army Corps of
18 Engineers Report, Arthur D. Little basically made
19 those particular comments and those recommendations.

20 Furthermore, Arthur D. Little's relationship
21 or statement concerning onshore development was
22 predicted and projected upon foreign countries; the
23 development there, the haphazards in the development
24 that occurred when there was no land use planned at
25 all. There is no defense, but let us, if you will,

1 get the ground rules straight on this and that is
2 simply that we are trying to bring out pertinent
3 information. I think as Dr. Sullivan said, and he's
4 extremely objective, and that is that there is no
5 simplistic answer to the problem that we have in Jersey.
6 Unfortunately, we have two competing interests. We
7 have industry and recreation and that doesn't mean to
8 say these are totally conclusive. By the same token,
9 certainly I think accommodations can be made where
10 both are protected and this is essentially what I
11 think that we are attempting to do. We are not going
12 to be simply making the final determination of what
13 is going to happen. We are going on with a bill, we
14 are holding public hearings on it and we've gone
15 somewhat beyond the intent of S-200. I can tell you
16 right now, if S-200 comes out, it will come out with
17 amendments in which there will be strong land use
18 controls, each stronger than what you have at this
19 particular point in Monmouth County. There will be
20 all the things that Dr. Sullivan mentioned, but again,
21 we cannot close the options.

22 First of all, as far as Atlantic County is
23 concerned, I know the legislators from Monmouth do,
24 but we also have a higher responsibility and that is
25 also to the State of New Jersey and we have to have a

1 balance between everybody.

2 Assemblywoman Gertrude Berman.

3 ASSEMBLYWOMAN GERTRUDE BERMAN: Senator McGahn,
4 Senator Dwyer, for the record, I would like to state
5 here that I serve in the State Assembly representing
6 the tenth district, the coastal corridor that fronts
7 the seashore from Monmouth and Ocean County and in
8 addition, I serve as a councilwoman in the City of
9 Long Branch.

10 Before I proceed any farther, I should state
11 that the Mayor of Long Branch, Henry Cioffi was in
12 the audience early. He had to leave and he wanted
13 me to reflect in my remarks his strong opposition and
14 the opposition of the City of Long Branch to this
15 particular oil port bill, S-200, and the location of
16 an oil port off the coast of New Jersey.

17 I am opposed to Bill S-200 because it
18 proposes to construct an oil transfer facility through
19 a state authority without providing necessary safe-
20 guards against the hazards that an oil port can create.
21 It is an important bill badly conceived and inadequately
22 framed. If enacted, it would open the door to many
23 abuses. It vests broad powers in a six member authority--
24 I'm sorry, seven member authority, five of whom can
25 make any decisions without adequate control regulations

1 or any public monitoring. If this bill were enacted,
2 it would be possible for five men, without any public
3 hearings, to locate and build an oil port on over
4 4,000 acres of land or three quarters of a mile of
5 our coastline, relocate roads and issue bonds that
6 could obligate us for longer than our lifetime.

7 The foundation of this county that promulgated
8 by our family and fathers had to do with a system of
9 checks and balances, never concentrating power on a
10 single man or five men to make decisions without
11 checks. This has been the strength of our counties
12 throughout the years. If place in the hands of five
13 men who are needed to make a decision, broad powers
14 with neither guidelines nor controls, we in the
15 legislature, myself among them, will be abdicating
16 our responsibility to regulate a public facility that
17 will have far reaching impact on the lives of the
18 citizens of our state.

19 Further, it is a root that will be irreversible
20 once the wheels are set in motion. Once bonds are
21 issued, rescinding the powers of the authority would
22 almost be impossible and as I go through my talk,
23 you will find me referring each time to the original
24 source of it. I have in my hand Bill S-200 and I
25 will now read from it relating to this particular

1 statement that I have just made.

2 "The corporation may be desolved by active
3 legislature on condition that the corporation has no
4 debts or obligations outstanding or that provisions
5 have been made for the payment or retirement of such
6 debts or obligations." We are locked in. Further,
7 nowhere in this act are limitations set forth toward
8 the bonds to which these five men can commit the
9 authority. All right. Now, let's turn our attention
10 to these five men. Let's read directly from the bill.
11 I go to page five line 12.

12 "The corporations shall consist of the state
13 treasurer and the commissioner of labor and industry."
14 I don't see the depth of environmental protection
15 included. Anyway, let's continue.

16 "Who shall be members with full voting
17 rights and three other members, three of whom shall
18 be residents of the shore zone."

19 Now, let's turn to the shore zone. What is
20 the shore zone?

21 "In New Jersey, shore zone is hereby created
22 and shall embrace the entire land area of Middlesex
23 County, Monmouth County, Ocean County, Atlantic County,
24 Cape May and Cumberland Counties. The shore zone is
25 designed as the entire land area of seven counties,

1 two of these Camden and Middlesex have little or no
2 concern about tourism. Larger areas of these seven
3 counties are physically far removed.

4 I say we shouldn't be hoodwinked into
5 believing that the unchecked power vested in these
6 five men will be safeguarded by such representation
7 by three men of their number.

8 Let's go back to the bill again. Let's
9 get, in unvarnished form, the leasing powers of the
10 authority.

11 "The exercise of this power to lease the
12 oil transfer facility shall be in the uncontrolled
13 discretion of the corporation."

14 Clearly spelled out. What procedures for
15 leasing public bidding, negotiating any guidelines?
16 What about leasing for profit? Or can the five men
17 lease on a non-profit basis to say Standard Oil as
18 an accommodation in the interest of public energy
19 supply.

20 You won't find answers to these questions
21 in the bill. Environmental impact certainly is one
22 of the major considerations in any effort to create
23 an oil port. Let's see how the bill treats that
24 matter.

25 "The corporation shall have prepared a

1 detailed statement on one, the environmental impact of
2 the proposed action, two, any adverse and environmental
3 effects that can be avoided, four, the relationship
4 between local short term uses of mans' environment
5 and maintenance and enhancement of long term productivity
6 and, five, any irreversible and irretrievable commitments
7 of resources which would be involved in the proposed
8 action, should it be implemented."

9 Impressive sounding? Where does the statement
10 go, except to these five men and nowhere in the bill
11 does it say that their actions have to be bound by
12 the contents of this statement.

13 To read further on this section, "In the
14 preparation of such detailed statement, the corporation
15 shall consult with and obtain the comments and views
16 of any federal state or local government agency which
17 has jurisdiction by law or special expertise with
18 respect to any environmental impact involved."

19 Fine, we ought to draw upon the expertise
20 of federal state and local governmental agencies and
21 where does it go? Another dead end. Again, nothing
22 binds these five men to these rules.

23 SENATOR McGAHN: At the expense of being
24 rude, the only thing here is that we're not going to
25 get to hear 55 people tonight if you are going to

1 read through this entire bill. You may continue to
2 speak, if you so desire.

3 ASSEMBLYWOMAN BERMAN: I'll try to move as
4 rapidly as I can with the remainder of what I have to
5 say.

6 I would just comment on the last excerpt
7 that I feel that pretty sweeping powers are contained
8 in this kind of provision. This bill specifically
9 limits the oil transfer facility from constructing
10 or operating oil refinery. Fine, but in so doing it
11 opens the door wide to private development of this
12 type. We have no way of preventing this with only
13 coastal perimeter covered in the Coastal Areas Facilities
14 Review Act.

15 How is the oil to be transferred to the
16 refineries? No long distance pipelines are called
17 for in this bill. Does this mean a vast army of
18 trucks will rumble over highways between here and
19 Perth Amboy or Elizabeth? Is this where the rerouting
20 of highways mentioned in the bill comes into play or
21 does this mean private refineries will be encouraged
22 nearby.

23 Neither of these is an appealing prospect.
24 S-200 puts five men squarely in the oil distribution
25 business. It is this same distribution business that

1 has come in for some very serious questioning recently
2 during the energy crisis in this state. Certainly the
3 remarks of Senator Dodd in his minority report of the
4 Senate Committee on Energy and Environment one year
5 ago--that was a statement made by Senator Dodd one
6 year ago which reflects some of the naivete of him
7 in the present crisis period and this is what he
8 states and he's talking particularly about the fact
9 that New Jersey brings in and refines in New Jersey
10 in excess of their own needs. While it is true that
11 no present law requires that New Jersey be supplied
12 with oil first and the excess then transported to
13 other states, these companies, these oil companies
14 should be mindful of the needs of the state which
15 has so graciously made available its facilities to
16 them.

17 Certainly, no state officials or citizen
18 is out to make such a statement today. We must know
19 exactly what factors were involved in the recent
20 energy crisis before we enter into any long term
21 commitment such as an oil port. Hard information is
22 essential, manipulation of the public interest by
23 the oil companies is still a burning issue. We know
24 great changes can be brought about by this oil port
25 and it is very possible, if we do not proceed cautiously,

1 that the oil companies will be the primary beneficiaries
2 of those changes.

3 To sum up, we have before us a bill that is
4 weak, that does not safeguard the public interest.
5 In fact, this very weakness can be construed as aiding
6 and abetting the interest of the oil industry at the
7 expense of the citizens of our state.

8 Third, the premises that underly this bill
9 for creating an oil port must be completely reevaluated
10 in the light of recent events before responsible
11 legislative action can be taken. At a time when
12 authorities have come under heavy fire creating yet
13 another authority, probably unresponsive to the
14 public needs and not answerable to the people is not
15 what is indicated. The glaring example of the port
16 authority with its towering trade center while New
17 Jersey languishes with conditions of transportation
18 that are reprehensible is a good example. I for one
19 am not prepared to give five men sweeping powers
20 and I would say just in conclusion that too much is
21 at stake. Thank you.

22 SENATOR McGAHN: I say again, my apologies
23 for attempting to cut you short but frankly, in the
24 interest of time, this is the only reason I have done
25 it because you had spoken for some 25 minutes. One

1 question, if I may. The petrochemical industry is
2 first, the tourism and recreation is second. The
3 recent oil crisis that you alluded to showed that
4 there was certainly a shortfall of gasoline for the
5 State of New Jersey. Had this not been alleviated
6 at the present time, you have any realization of what
7 the impact could have been upon the seashore resorts?

8 ASSEMBLYWOMAN BERMAN: I'm sorry, Senator
9 McGahn, but I can't address myself to that shortfall
10 until I am sure that that was not a manipulated short-
11 fall, if there was in fact a shortage.

12 SENATOR MCGAHN: Thank you very much. I
13 agree with you as far as that is concerned, however,
14 basically from a constructive standpoint, I would ask
15 you as I said before and asked Dr. Sullivan, because
16 this again is a question the legislature of the State
17 of New Jersey must meet and that is, what are the
18 alternate sources of energy that you feel would be
19 acceptable as far as New Jersey is concerned?

20 ASSEMBLYWOMAN BERMAN: I don't think it
21 would make any sense for me at this time as a layman
22 and without adequate materials before me to address
23 myself to that particular question. If it becomes
24 my responsibility to research and come up with these
25 kinds of answers, I certainly will be prepared to do

1 that.

2 SENATOR McGAHN: One of the primary reasons
3 that we're doing what we are doing is because you are
4 going to be faced with these problems in the immediate
5 future, you're going to be faced with the problem of
6 offshore oil drilling and which we have no control
7 over as a state, we have no control over the siting
8 of the deep water port or the licensing, because it
9 is--well, it's not within our jurisdiction. We can
10 control the passage of pipelines through the three
11 mile territory as far as the state is concerned. But
12 we are being faced with the possibility of nuclear
13 energy plants off the coast and I'm saying that we
14 should address ourselves to this and not only this
15 one issue and this is why we have been attempting to
16 develop constructive alternatives rather than simply
17 condemning a particular bill. Thank you.

18 I now call on Assemblyman William Fitzpatrick.

19 ASSEMBLYMAN WILLIAM FITZPATRICK: Before, as
20 I did in Ocean County when I testified, I indicated
21 that I'm strongly opposed to such a facility. I
22 stand with my two fellow constituents, Senator Buehler
23 and Assemblywoman Berman in opposing this offshore
24 port.

25 I'd like to offer just two additional

1 comments in opposition.

2 Such a facility, I believe, would not
3 generate any substantial benefits for the New Jersey
4 consumer. In fact, according to one report that I
5 examined, the Arthur D. Little Corporation, the per
6 capita income of New Jersey would be affected very
7 little. We would rise by perhaps only 1% due to the
8 facilities, the industries created by a deep water
9 port, and while it is true that employment opportunities
10 and total income would increase, the question of how
11 the people feel who populate the region that would
12 be directly affected by an offshore facility must
13 be considered.

14 The relatively modest financial gains which
15 might be realized must be waived against the environ-
16 mental costs of additional pollution, potential over
17 crowded areas and further development of what open
18 spaces already remain to this unoverly populated area.
19 I believe I speak for the majority of 187,000 people
20 of the district when I say we do not want the oil
21 port.

22 There are some other factors to consider.
23 Jobs will be lost in the tourist industry, in the
24 industry most important to the residents of Ocean and
25 Monmouth County. There will be no tax revenue default

1 to the people of New Jersey, the people of our district,
2 because of the additional services required by the
3 expanded population and industries.

4 The consumer will not benefit at the gasoline
5 pump and I agree with Assemblywoman Berman, the oil
6 companies will. Another point I would like you to
7 consider is the oil demands will necessitate. Pro-
8 jected oil would reach 1.1 billion gallons a day by
9 the year 2000. There are so many negative factors
10 that weigh heavily against this proposed oil port,
11 this facility and related land use operations will be
12 designed to process oil imports from foreign countries,
13 countries which recently closed the door on America
14 and its need for crude oil.

15 Why should we be heading in a direction of
16 further reliance on such a shaky downfall of oil. I
17 feel this country should have, as one of its first
18 priorities, complete energy self-sufficiency. We
19 have to start somewhere, let it be with the prohibition
20 of the New Jersey offshore oil port.

21 I'm sure you gentlemen will carefully weigh
22 all the testimony you've heard this evening as well
23 as the volumes you listened to over the last few
24 months. I do not enjoy your position or the decision
25 you must make. Thank you very much.

1 SENATOR McGAHN: Assemblyman Fitzpatrick,
2 thank you for your brevity. I can tell you, our
3 Committee certainly got the word from the legislators
4 of Monmouth County. Don't think we haven't from the
5 others, because we did from Cape May and from Ocean.
6 May I, however, simply say one thing, because we have
7 been hearing time and time again the testimony from
8 Arthur Little as well as the Army Corps of Engineers.

9 Unfortunately, I think generally speaking
10 one takes out of that report what one wants to take
11 out of the report. In Cape May it was that which was
12 relating to the onshore development in Cape May and
13 there have been studies shown down there that the
14 type of terrain in Cape May County is not the type
15 that could accommodate the number that would be
16 projected from an offshore development. The same
17 thing is concerned with Monmouth County and you must
18 admit the high options which will follow the type of
19 pattern that occurred in foreign countries.

20 Now, the statement said historically it
21 will show that such and such occurred. There is no
22 history in the United States, there is no deep water
23 port. So, therefore, there is no deep water port
24 with any resulting onshore construction that one can
25 say is peculiar to the United States. But to under-

1 developed countries and areas of countries that have
2 no industry, absolutely not, because this is what
3 they wanted as does the Gulf Coast. This is the type
4 of development they want. We do not want it. I did
5 not hear you refer to the report of Arthur Little
6 concerning Middlesex, concerning bringing lines
7 directly into Middlesex saying there would be no
8 pressureable impact upon industrialization of any
9 increased use of facilities as up to 1985. Now,
10 this is again a statement of Arthur D. Little. I
11 agree with you, but again I'm going to ask you one
12 question. You talk about energy self-sufficiency
13 and these are words I would like to understand. I
14 would like to know specifically what energy self-
15 sufficiency means. What are you willing to give in
16 trade offs? Do you want generating plants? Do you
17 want the use of coal or do you want offshore drilling?
18 Again, there is no free lunch. We need it, but put
19 it in somebody's backyard, that is what is being said.
20 What is energy self-sufficiency?

21 ASSEMBLYMAN FITZPATRICK: I realize, as we
22 all do, that there are no simple solutions to this
23 particular problem, but I feel so strongly that
24 development--or, I'm sorry, reliance on fossil fuels,
25 which all indications by scientists and other learned

1 individuals indicate that we simply cannot rely on
2 forever. I'm no scientist, perhaps I can be allowed
3 to speculate a bit. You mentioned the use of coal.
4 I don't know, I'm hopeful. American technology has
5 done so much, maybe they will be able to use coal as
6 an energy source minus its pollutants; that we might
7 be able to develop nuclear energy plants that are so
8 absolutely safe that we don't have to worry. Again,
9 I know I don't have the answers. This is perhaps
10 my hope in it.

11 SENATOR MCGAHN: I appreciate it. This may
12 be a little unfair, but again I think these are
13 questions that these legislators must face up to. Let
14 me say in relationship to what you said, it is true,
15 given the present use of fossil fuel by the year 2000
16 the supply will probably completely be depleted
17 in the world. By 2010 we have to come up with an
18 alternate source of energy.

19 Now I will call upon Assemblyman Walter Kozloski.

20 ASSEMBLYMAN WALTER KOZLOSKI: Thank you, Dr.
21 McGahn, for inviting me here today, such as Al
22 Beadleston for delivering my entire speech and Dr.
23 Sullivan for giving such a lengthy talk to explain it.

24 Dr. McGahn and members of the audience, as
25 an assemblyman representing 22 municipalities, I am

1 very concerned about this matter. Otherwise, obviously,
2 I would not be here. About three or four of the
3 communities that I represent do touch on the Atlantic
4 Ocean, and the greater percent, therefore, do not.
5 These municipalities, all but about three or four have
6 filed formal petitions to me in the form of resolutions
7 that they do not want an oil port. These are
8 communities stretching from here out to Freehold, where
9 I live, and beyond, because they are afraid of the
10 length of pipes that are going to have to come in
11 from that oil port through the onshore area to get
12 to the refineries.

13 Senator Buehler has a bill to ban the oil
14 port. I personally feel there should be a bill saying
15 there should not be any oil port off New Jersey, not
16 just Monmouth County. People have talked about
17 destroying the beaches, talked about tank farms. We
18 are known as the Garden State, and as a person
19 interested in fishing as well as agriculture, as I'm
20 sure many of you gentlemen in the audience are tonight,
21 we don't want to turn this Garden State to what I can
22 see happening and possibly becoming the garbage state.
23 I think the federal government is responsible for me
24 being here tonight and you people having to listen to
25 so many people because I believe they have neglected

1 over many of the past administrations to come to the
2 point of providing some type of energy, whether it
3 be solar, whether it be nuclear or whatever.

4 There was mention early about the coal
5 industry. I was born and raised in the coal mines,
6 great country, and there was coal there for many, many
7 years. Of course, that's hard coal, shaft mining.
8 It's all flooded now and I don't know how much money
9 it would take to get them started again, never mind
10 to use the coal that's there.

11 I'll make myself very brief, as Mr. Fitz-
12 patrick, as they say the shorter speech is usually
13 the better speech. We don't know if that is true.
14 I'll say to Dr. McGahn, I'll do my best to influence
15 my fellow legislators in Trenton to vote no for this
16 bill, the same way I expect them to talk to me to
17 vote for anything that will destroy the farmlands of
18 Salem County or the rolling hills of Morris or other
19 parts of the state. We all must be concerned with
20 the environment and we do have problems here.

21 As I said earlier, this whole thing could
22 have been done without if our federal government would
23 have gotten off their comfortable chairs and done
24 something. Mr. McGahn's a very patient man to have
25 sat through, now, the fifth hearing. Mr. Chris Burke

1 of the New Jersey Public Interest Research Group, I
2 haven't met you, but you are number 55. I hope you
3 have an opportunity to speak this evening. Thank
4 you very much.

5 SENATOR MCGAHN: Mr. Kozloski, I think your
6 remarks were well taken as far as the federal govern-
7 ment, but the road to hell is paved with good intentions,
8 and unfortunately, we find yours is confronted with
9 situations not as they should be, but as they are
10 and, therefore, we must start from that particular
11 degree. You touched on the subject that Dr. Sullivan
12 alluded to, he thought I would take him up on it. I
13 did not at that time, I did not want to become involved
14 in it, but I will mention at this particular point in
15 time and I ask you very frankly if you think that the
16 tradition and the people of a municipality can rely
17 on their elected officials insofar as zoning is
18 concerned to pass, if you will, zoning ordinances
19 which they have the right to do under any one act
20 of the state to control land use development in the
21 municipalities.

22 ASSEMBLYMAN KOZLOSKI: I think they are
23 doing a very good job here in Monmouth County, in
24 this area. I myself feel, as I said before, I hope
25 this bill gets beat, so I don't think I have to worry

1 about what the people in Shrewsbury will do or the
2 people in Marlboro Township. Your question could
3 start a great deal of commotion or whatever on home
4 rule with zoning, et cetera. I just personally feel
5 as was suggested off Maine, maybe they can put an oil
6 point in. I suggested it off South Carolina and I
7 think during the crisis, South Carolina looked into
8 it deeply, as we have tonight, and as you in your
9 other meetings have looked into this matter. I think
10 we have our share of refineries, I don't think we
11 need anymore.

12 SENATOR McGAHN: I will call Assemblyman
13 Morton Salkind, and following his presentation we
14 will have a ten minute break.

15 FROM THE FLOOR: When is the public going
16 to speak?

17 SENATOR McGAHN: I was not responsible for
18 drawing the agenda up and, consequently, this is it,
19 this type of a discussion goes on for quite a bit of
20 time. Assemblyman Salkind?

21 ASSEMBLYMAN SALKIND: Ladies and gentlemen,
22 as the last of our delegation supervisors, I will not
23 repeat the remarks of my colleagues, except to endorse
24 them totally up and down the line. You've heard from
25 the sixth member delegation of District 10, the so

1 called coastal district from Long Branch running down
2 to the end of the county and, of course, to Point
3 Pleasant and you've heard now including myself, from
4 the other three members who will comprise District 11's
5 delegation and that district, as you will see momentarily,
6 is the district which will be most adversely affected
7 by the pipeline, should this pass.

8 Now, before I get into describing where
9 the pipelines are going to go as new testimony, I
10 think it's most important to recognize why we are
11 here and I am surprised, Mr. Chairman, with all due
12 respect, that maybe these hearings, thank God, were
13 delayed until this point because I remember back in
14 January and February when we were being squeezed dry
15 deliberately in Monmouth County and I could get gas
16 going across to Trenton and Mercer County, but I
17 couldn't get it in Monmouth County. I said then on
18 the floor of the General Assembly and I say tonight
19 that the reason why our wives were sitting in car
20 lines overnight waiting for their husbands to relieve
21 them in the morning so they could get gas to go to
22 work, that was all for the benefit of the oil companies
23 and the big oil magnates who recorded record profits
24 during that period.

25 I want to say once and for all that it's time

1 that the big money interests stop running our state
2 and let the people have their say. Mr. Chairman,
3 there is one particular point in addition to all the
4 others in S-200 that I particularly find offensive.
5 It's bad enough to take away our beauty, it's bad
6 enough to threaten our tourist industry, it's bad
7 enough to threaten the ruination of our very Monmouth
8 County way of life, but then, darn it, don't take
9 away \$500,000 of state money and give it to set up
10 their corporation in addition to shoving it down our
11 throat.

12 For years leading authorities have been
13 pointing out the steadily developing so called energy
14 crisis and for once the United States appears to be
15 heading towards an intelligent development of our own
16 natural resources. I'm sure, Mr. Chairman, that at
17 the end of my remarks you'll ask me the same question
18 you asked my colleagues about what future methods we
19 might offer, so I'll save those remarks for then.

20 Let's look at the map. This is information,
21 Mr. Chairman, that fortunately and thank God as a
22 municipal official last year I was able to drag out
23 of the correspondence of engineers in Philadelphia by
24 going down there and getting the data. This is a map,
25 that's about the way they treat us down there. This

1 is a map of Monmouth County and I've taken the liberty
2 of outlining legislative District 11 in blue, to prove
3 the point.

4 Over here we see Manalapan, Freehold, Howell
5 and over here we see Seabright and Atlantic Highlands.

6 The corps of engineers has already completed
7 detailed engineering drawings and they are sitting in
8 Philadelphia and it goes like this.

9 From the offshore facility of Long Branch,
10 it cuts across through Ocean Port, almost hits here,
11 then comes down through Long Branch, through Shrewsbury
12 and I drew Howell Township just below Freehold Borough
13 through Manalapan Township just below Englishtown and
14 then to Middlesex County. That's the route which
15 they propose to put 54 inch diameter pipelines running
16 through the core of our county right through the heart
17 of my election district and I'm not going to stand
18 for a quarter of a million people getting taken over
19 that way.

20 Mr. Chairman, you talked about the need for
21 our great petrochemical industry of New Jersey. I've
22 been proud to serve that industry in past years.
23 Indeed one of my major clients a decade ago did major
24 work in the field of gastrofushion of coal and some of
25 the other activities that are related to this field

1 back in 1967. I even did an add that it was titled
2 gasoline is too valuable to be used as motor fuel,
3 pointing out how tremendous the petrochemical industry
4 of our area, our state, of our nation was, but I might
5 say one thing, Mr. Chairman, and I listen to Commissioner
6 Sullivan, former Commissioner Sullivan's remarks about
7 western Monmouth County which is part of my district as
8 well as the other remarks that I listened to with fear.
9 I'm mayor of a town in western Monmouth County as well
10 as being an assemblyman. My town is one of the
11 fortunate that has been able to lower their taxes by
12 good administrative ratables, but we didn't do it by
13 bringing in petrochemical plants, without bringing in
14 storage facilities and we didn't do it by liquifying
15 petroleum facilities and we will never do it and I
16 don't think western Monmouth County wants that and I
17 might say, Mr. Chairman, with all frankness and respect
18 to the remarks of the former commissioner, that I don't
19 want to see this pipeline for an additional reason.
20 If this pipeline goes through the heart of our county,
21 it will destroy the farmlands of the great western
22 part and southern part of our county. Oil spills have
23 horrifying as the Santa Barbara experience showed less
24 than a decade ago on the west coast and think of what
25 it does to land. Think about what other uses of hydro-

1 carbon going through these pipelines could do as well.
2 I don't even want to think about it, frankly.

3 Now, we've listened to the remarks that have
4 been made concerning S-200. As Senator Buehler brought
5 along his, I too have brought along mine. I have
6 letters from the governing bodies representing the
7 majority of the people who live in District 11,
8 unanimously opposed to S-200. I have yet to receive
9 a single letter from any elected official in Monmouth
10 County advocating S-200 and that is a fact on record.

11 Mr. Chairman, I hope and pray that S-200
12 will not be released to the floor with recommendation
13 by your Committee and if it should, God forbid, be
14 released to the floor, that the senate in its wisdom
15 will not adopt it. But if that day should come, I am
16 very proud of the fact that my colleague in District 11,
17 Mr. Kozloski, is a member of your like committee in the
18 General Assembly because I know that he will see to it
19 that the right face for S-200 occurs and if he doesn't,
20 the old war days from the first term are going to return
21 and I think I can talk long enough on that General
22 Assembly floor, Mr. Chairman, to make sure it isn't
23 enacted. Thank you, Mr. McGahn.

24 SENATOR MCGAHN: Thank you, Assemblyman. May
25 I say in relationship to the plan that you said there

1 that's on file in the Army Corps of Engineers in
2 Philadelphia that there is 32 similar alternate plans
3 that were strictly recommendations. They were not
4 drawn for any one specific purpose. In the Army Corps
5 of Engineers Report that they come out with, they
6 dwell upon 32 alternate sites and each and every one
7 of those have the same situation and this could be
8 from Norfolk to Maine. The same thing goes as far
9 as the Delaware Bay is concerned.

10 ASSEMBLYMAN SALKIND: I don't know if they
11 did the same detailed engineering as they did on the
12 one for Monmouth County, but if they did, no wonder
13 our federal taxes are so darned high.

14 SENATOR McGAHN: That might not be a bad
15 idea. The next time there is a congressional seat
16 in this district, consider going to Washington. I
17 have no further questions.

18 FROM THE FLOOR: Let's hear his alternatives.

19 SENATOR McGAHN: I will, since the audience
20 wants to hear your alternatives to the "energy" crisis.

21 ASSEMBLYMAN SALKIND: We're going to go a
22 step at a time. First, let's take the subject of
23 petroleum. New Jersey is a petroleum refinery exporting
24 state. We export finished petroleum products from New
25 Jersey. No one can dispute that fact. I wouldn't bore

1 all of us with the figures, although I can.

2 The Alaska Pipeline, whether we like it
3 or not, is a fact. Throughout West Texas in the last
4 two months, wells that have been closed down when
5 petroleum was selling for one third of the rate that
6 it is selling for today have suddenly been reopened
7 and are producing in good quantity and as far as
8 petroleum goes, I wonder whether to believe our
9 eminent Mr. Simon or the Shah of Iran on what was or
10 what wasn't being shipped from the State of Iran.

11 Let's leave the subject of petroleum alone
12 for a minute, but I could go on for an hour just on
13 that one subject and let's talk about other sources.

14 SENATOR McGAHN: The court stenographer
15 can't make it. The court stenographer can't hold
16 out for another hour.

17 ASSEMBLYMAN SALKIND: After I know the
18 way you were able to assist at the delivery of
19 Assemblyman Perskie's twins, I know your staff could
20 hold out as long as necessary and I'm the father of
21 twins myself.

22 SENATOR McGAHN: That was not a paid
23 advertisement.

24 ASSEMBLYMAN SALKIND: Mr. Chairman, there
25 are other sources of energy that you've alluded to.

1 You mentioned our great Lacey Township Plant down in
2 Ocean County two point something miles out. I said
3 I thought it was out of your district, Atlantic
4 County is reaching--

5 SENATOR MCGAHN: This is the first proposed.

6 ASSEMBLYMAN SALKIND: We have an existing
7 plant in this general region in as a tax ratable. It's
8 been a boom, they just about abolished the tax in that
9 community. Lacey Township has found that the nuclear
10 plant there which supplies this electricity that we
11 heave here tonight and supplies most of Monmouth
12 County is working satisfactorily and the only
13 environmental damage that has occurred is because of
14 the required federal shutdowns which cause great fish
15 deaths because of the lowering of temperatures in
16 this artificially warm water that has been created
17 around the plant.

18 I'm reminded of the fact that just this
19 week the government of France has purchased seven
20 additional United States--namely Westinghouse, atomic
21 reacting facilities for a generation of electricity.
22 It's fantastic. We do the technology, they build
23 the electric plants out of it.

24 I might say one thing. I understand why,
25 because atomic power to electricity today in this

1 region, in Central Jersey, the Central Jersey Power and
2 Light by their own figures, it costs 80% less, 80% less
3 to produce each kilowatt of electricity by nuclear than
4 it does by oil, so we would save 80% of our bills, and
5 who the heck wouldn't want that? That's a fact.

6 Now, in addition to nuclear we have new
7 sources that are hardly touched in the United States.
8 We have our solar energy sources and we have the
9 gaseous conversion of coal, which I as a chemical
10 engineer can talk about for another half hour. The
11 work has been done in the United States for 20 years
12 and in Europe for 20 years before that. The fact of
13 the matter is, that technology is all here. All we
14 have to do is want to see it utilized and again, the
15 money interests do not.

16 Last but not least, in addition to our coal
17 supplies extending way into the next century and beyond,
18 we also have something called shale oil and the United
19 States has an awful lot of shale oil supplies which
20 last hundreds and hundreds of years. Once again,
21 once again, environmental controls can be thoroughly
22 established to totally protect the environment while
23 at the same time saving people money. There is no
24 conflict between environment and cost savings and it's
25 only people who try to play games that say there is.

1 SENATOR McGAHN: One comment only on your
2 last thing concerning shale oil. I'm sure you'll
3 find most environmentalists will not share your
4 concept until such a point in time as there can be
5 inground recovery of that oil without the environmental
6 desecration that's going to come from the vast amount
7 of spoil in the western part of the country where this
8 is going to be basically. It could desecrate the
9 Colorado River, making this completely changed and
10 I think we're talking about something that within
11 the time span that we need for what we're talking
12 about, until such a time as the year 2000, during
13 that time shale oil, I think, is a question here
14 from what I can understand that whether it's going
15 to be worth the effort to recover it in relationship
16 to the environmental impact as a result of it is the
17 question.

18 ASSEMBLYMAN SALKIND: I may very well
19 personally agree and that is why I listed shale oil
20 recovery as the fifth of the priority items in order
21 of priority, but I will say something to you, but I
22 will say something to you that it was interesting to
23 note that the big cost the United States was willing
24 to bid, they were willing to bid over half a billion
25 dollars to get in there and start testing, work and I

1 might say one thing as a trained technological person
2 myself, although not as a medical doctor as you are;
3 I will say that science is able to do good things
4 within sound environmental considerations as long as
5 those who are thirsty and hungry for the almighty
6 dollar don't get in the way.

7 I have found through the years that our
8 nuclear powers were 20 years behind the technology
9 and the technology itself was impeded because the big
10 money interests wanted it that way.

11 Now, I know, Mr. Chairman, how to stop all
12 this nonsense once and for all, but it's only out of
13 respect for your fairness and your great wisdom that
14 I feel that the hearings throughout our state are
15 producing a productive result. It's easy enough for
16 us to introduce some bills which will be supported,
17 I think, by both houses, for example, a bill to
18 advocate no approval of any hydrocarbon pipelines
19 unless approved by a referendum of the people of the
20 subject municipality. That bill would pass and that
21 bill would stop all this in a minute and if necessary,
22 Mr. Chairman, I'll introduce the bill and I'm sure
23 I'll find sponsorship on the floor as well. Mr.
24 Chairman, thank you very much. It's been nice to be
25 with you.

1 SENATOR McGAHN: Thank you very much.

2 (At which time there was a ten minute recess.)

3
4 SENATOR McGAHN: Please take your seats. In
5 the few moments you are taking to get to your seats,
6 I would like to express my thanks to everyone who
7 helped set up this meeting this evening and certainly
8 I would likewise express the Committee's gratitude for
9 extending to us the use of these beautiful facilities.

10 Coming from Atlantic County where we have a
11 community college in Stockton, this is certainly quite
12 a pleasure to be up here and I can certainly see why
13 the people of Monmouth County wishes to keep Monmouth
14 County the way it has been and is at the present time.

15 What we will attempt to do in order to try
16 to expedite this hearing just a little bit more, we
17 have received statements that we will make part of
18 the official record of these hearings from individuals
19 who will not continue to stay and do not want to
20 testify. One of those is the report of the Women's
21 Club of Asbury Park and that is in opposition to this
22 bill. We have the statement of Mr. Robert Brown,
23 Vice President of Chevron Oil, the statement for the
24 Shrewsbury Environmental Commission for the Committee
25 on Agriculture and Environment. This again is in

1 opposition to S-200 and the statement by the Bureau of
2 West Long Branch represented by Arnold Levin of West
3 Long Branch. This likewise is in opposition to S-200.

4 At this time, if there are any individuals
5 present who feel that they do not want to continue the
6 wait before we can call them to testify, I'll do
7 everything I can in my power to get it over as fast
8 as possible so that you are called up, but at this
9 time if you wish to submit a written statement, if
10 you have one it will be entered as part of the official
11 record.

12 If on the other hand you do not have an
13 official statement, but you would like to submit an
14 official statement, we will keep the record open for
15 approximately two to three weeks time so that any
16 statement that would be submitted or that could be
17 submitted by an individual or group that you represent
18 could be addressed to David Mattek, M-a-t-t-e-k, Room
19 223 State House, Trenton, New Jersey. That would be
20 in care of the Senate Committee on Energy, Agriculture
21 and Environment and any statements that will be sent
22 in in the next--I think we'll have to say two weeks
23 because we're going--okay, the next three weeks, we'll
24 keep the record open for three weeks for any written
25 statements submitted by any individual or group. We

1 will be most happy to accommodate you in that respect.

2 At the present time, a suggestion was made
3 to me by the woman who is representing the Asbury Park
4 Women's Club that simply if there is anybody present in
5 the audience who is in opposition to this, and does
6 not have a written statement and, very frankly, do
7 not wish to submit a written statement but would
8 simply like to voice their opposition representing a
9 group and you do not wish to stay and testify, we
10 could ask you to testify, just state your name, the
11 group you represent and I would assume opposing this
12 because I doubt very much if anybody is going to
13 stand in support of it.

14 At the present time, is there anybody here
15 who is representing a group that does not have a
16 prepared statement or that does not want to wait
17 until the tale end of this or whenever you happen to
18 be called to stand and submit your comments concerning
19 this for the record.

20 KITTY BRENDL: I'm from East Keansburg
21 Benevolent Association representing 450 people. I am
22 against the oilport and our group is against the oil-
23 port. We have frontage there on Raritan Bay and I
24 think it would be very detrimental and I make this
25 statement to this Committee.

1 SENATOR McGAHN: Thank you. When I asked
2 you to stand simply to state your opposition, I did
3 not mean to read any prepared statement. If you wish
4 to do that, you may.

5 KITTY BRENDDEL: No, I just want to say I--

6 SENATOR McGAHN: Are you and your group
7 simply opposed to it?

8 KITTY BRENDDEL: Opposed to it simply because
9 we had no oil embargo, there was none.

10 SENATOR McGAHN: Thank you very much.

11 Mr. Joseph C. Irwin, Board of Chosen Free-
12 holders. Mr. Freeholder, we are going to be imposing
13 a five minute limitation, if you don't mind. This is
14 not against you personally, but simply to try to
15 expedite things.

16 JOSEPH C. IRWIN: I'm going to give you two
17 things, brevity and the decision of the Monmouth County
18 Board of Freeholders of Monmouth County, their
19 opposition to an oilport off the coast, that they are
20 in opposition to your Senate Bill S-200 and the
21 reasons will be discussed more fully by Donald Sterner,
22 Planning Board Representative. Thank you very much.

23 SENATOR McGAHN: Donald Sterner, correct?

24 MR. STERNER: Correct.

25 SENATOR McGAHN: Would you state your

1 position at the present time, sir?

2 DONALD STERNER: My name is E. Donald Sterner
3 and I am a former state assemblyman, former state
4 senator, former state highway commissioner and I am
5 presently Chairman of the Monmouth County Planning
6 Board. I am before you today to voice our objection
7 to Senate Bill 200, titled the "Oil Transfer Facility
8 Corporation Act" because of the fundamental and pro-
9 found impact that a deepwater port and the subsequent
10 landside development would have on Monmouth County
11 and Central New Jersey.

12 Before I begin this testimony, however, I
13 wish to comment on the role that the State of New
14 Jersey apparently is willing to play in this proposal.
15 When the deepwater port (in the form of a regional
16 mono-buoy 13 miles off Long Branch) was first proposed
17 there was great opposition to it in the legislature.
18 Monmouth County was also against it. Now with this
19 bill proposed and having progressed this far, it is
20 evident that the same number of the legislature have
21 changed sides and are now promoting a deepwater port.
22 Monmouth County has not altered its opposition to the
23 port.

24 In my testimony today, I will address our
25 comments to two major areas of concern. (1) Inherent

1 weaknesses in the bill (Senate Bill #200) itself and
2 possible usurpation of state, regional and municipal
3 land codes and plans, and (2) the landside on-shore
4 effects a deepwater port off Long Branch would have
5 on our Monmouth County seashore resorts. These
6 impacts would include environmental damage; harm to
7 the fishing and shellfishing industry, the tourist
8 and recreation industry; including our valuable ocean
9 bathing beaches: The effects that a refinery or
10 petrochemical complex would have on water use and
11 traffic circulation; as well as the development
12 associated with a great number of new jobs and an
13 increased population growth within Monmouth County.
14 The full text of this statement will be submitted
15 for inclusion into the record.

16 SECTION I

17
18 Senate Bill Number 200, titled the "Oil
19 Transfer Facility Corporation Act", would create a
20 corporation which would build an oil transfer facility
21 for the loading, unloading, handling, storage, etc.
22 of crude oil or petroleum products and would be funded
23 primarily by the issuance of bonds and notes of the
24 corporation, much as the turnpike authority is funded.

25 The rationale on which this bill is based

1 assumes that the United States will continue to depend
2 upon crude oil imports from the Middle East or else-
3 where for a great many years to come; notwithstanding
4 the fact that President Nixon has publicly stated
5 that it is the administration's policy to have the
6 United States self-sufficient in respect to energy
7 supply (coal, oil, gas, etc.), particularly petroleum,
8 by 1980. If this will be the policy of the United
9 States then why try to undermine this policy by making
10 foreign imports more attractive than development of
11 domestic fields such as new fields in the interior
12 United States and deep drilling in the Permian Basin
13 in Texas and New Mexico, the Williston Basin in North
14 Dakota and other established oil fields in the United
15 States, and thus increasing rather than decreasing
16 our dependence upon this oil? Surely, the recent
17 embargo (oil embargo by the Organization of Petroleum
18 Exporting Countries (OPEC) on oil has taught us that
19 a heavy dependence on a foreign import commodity of
20 such importance is a mistake. With this in mind it
21 simply does not make sense to build a deepwater port.

22 It is important to bear in mind that the
23 province of Nova Scotia, Canada, has ample facilities
24 to handle our supertankers and are willing to let our
25 ships dock there. The Shaheen Petroleum Company is

1 currently building three additional deepwater ports
2 in Eastern Canada and this construction is 70% funded
3 by the United States. Thus, our oil could be brought
4 into Eastern Canada and transshipped to New Jersey and
5 the Delaware Bay.

6 Another important point is that a deepwater
7 port located 13 miles off shore in international
8 waters represents a potential threat to our national
9 security. Ships docking there would be in the high
10 seas and would be vulnerable to enemy submarines.

11 In view of these points, the remainder of this
12 statement will deal with Senate Bill #200 and with
13 potential shore impacts.

14 1. The bill has no provision to prevent
15 additional non-corporation oil storage, handling or
16 distribution facilities from locating near or adjacent
17 to the corporation facility.

18 2. The "shore zone" as defined by the
19 bill includes all of Monmouth County and allows oil
20 storage anywhere therein without concern for local
21 zoning.

22 3. Only provisions exist for "consultation"
23 with environmental agencies: There is no system of
24 checks and balances to prevent an environmental white-
25 wash.

1 4. Under the provisions of eminent domain
2 the corporation would be exempt from the provisions
3 of the State Wetlands Act of 1970, the Coastal Area
4 Facility Review Act of 1973, the Monmouth General
5 Development Plan and municipal ordinances.

6 5. The provision allowing the corporation
7 to accept gifts of land, etc. is much too broad and
8 would be effect allow the corporation to become a
9 landholder for future industrial development.

10 6. Section 8, Subsection T, gives the
11 corporation power to override zoning or land use
12 regulations of the state, county or municipal
13 governments.

14 The possibility of major industry moving
15 into Monmouth County after the construction of a
16 deepwater port is real and should be given full con-
17 sideration. The rationale for considering these
18 developments is two-fold. (1) A lack of large areas
19 of land along the Aruthur Kill in Middlesex County
20 for expansion of petrochemical facilities and (2) the
21 obvious economic advantage of locating an industry
22 near a port of entry, be it a ship terminal or a
23 pipeline. In view of this projected subsequent
24 development, I will make several comments on the
25 effect that such development would have on the

1 environment, land use, water supply, pupulation and
2 employment.

3 1. While small amounts of oil can be
4 absorbed and broken down by wave activity and
5 biological processes, damage from a large spill can
6 be devastating.

7 2. The on-shore winds common in this region
8 during the summer would tend to push any pollutants
9 from the unloading facility shoreward.

10 3. With a deepwater port and a probable
11 increase in incoming oil quantities, there will be
12 an increase of transshipped refined oil and oil
13 products. Thus, the actual reduction in ship move-
14 ments may be quite small.

15 4. Land use impacts in Monmouth County
16 could be as much as 14,000 acres by the year 2000.
17 This amount of land is nearly equal to the total land
18 set aside for industrial development in Monmouth County.
19 With the other types of industrial development that
20 would naturally occur, much more land would go for
21 industrial development than planned. Such land use
22 would cause a serious imbalance.

23 5. With the construction of a 100,000
24 barrel per day refinery and a standard (as defined by
25 A. D. Little) petrochemical complex, 25-30 MGD of

1 water would be required. This water requirement
2 represents an increase over 1985 levels of 28-33%
3 and over 2000 levels of 18-21%. It will be difficult
4 to provide such water to industry.

5 6. The construction of a deepwater port
6 in Monmouth County and the subsequent primary and
7 secondary industrial development will create a
8 situation whereby population growth will be
9 accelerated and intensified and thus put a strain on
10 services such as sewers, roads and water supply.

11 7. Any new industrial development will, of
12 course, have a favorable impact on the job situation.
13 What needs to be considered, however, is whether the
14 added benefit of many new jobs is worth the increased
15 strain on services that would occur and the degrada-
16 tion of the environment that would also result. We
17 in Monmouth County feel that the tradeoffs which would
18 be necessary to accommodate these added jobs are not
19 justified.

20 Thank you.

21 The assemblymen talked about calling it a
22 garbage state, it would be a better description to
23 call it an oil state. Let Union and Hudson Counties
24 have the refineries and the tank farms and everything
25 that goes with it. You've ridden up the turnpike and

1 the parkway and saw them and we in Monmouth County don't
2 want them and we'll fight them to our dying day. Thank
3 you.

4 SENATOR McGAHN: May I say again, also you
5 referred to President Nixon and his self-sufficiency
6 of 1980. I think he amended that to be able to be
7 self-sufficient. I am not here to defend Senator Dodd,
8 but I think the displays the legislature of New Jersey
9 despite the fact that it is a democratic authority, it
10 does disagree with the government, it doesn't necessarily
11 have to be the same. This is democracy, again it's a
12 two party situation.

13 I think everything that you stated was
14 perfectly fine as far as the country being self-
15 sufficient. One thing, however, you did fail to
16 mention and this is in the President Nixon's energy
17 self-sufficiency program and that is offshore drilling
18 and that is one of the prime areas of this is the east
19 coast. The canyon which unfortunately does happen to
20 lie closer off of Atlantic City than it does off of
21 Long Beach, again, at the present time there is no
22 method of importing crude oil to the State of New
23 Jersey except by more and more traffic. There is no
24 pipeline that brings crude oil into New Jersey. The
25 Colonial Pipeline can bring products, but not crude.
Crude comes in simply and strictly by water form

1 transport. I think again, if we could simply think
2 of a concept, and I'm saying this again simply from
3 the standpoint possibly of argument as the bill states
4 there, you're thinking of a deepwater port as a complex.
5 When a complex as an offshore receiving facility going
6 underground and onshore and you're considering the
7 whole thing as a comparable; I do not have it with me,
8 but to my recollection I received a press release and
9 I believe it was either the member of the Monmouth
10 County Planning Board--my memory may not serve me
11 correctly--who has a speech for Asbury Park or Red Bank
12 and I'm not sure which, condemning, if you will, this
13 particular proposal of an offshore receiving facility
14 and the pipelines coming in through Long Branch to
15 New Shrewsbury and then finally he said, however, if
16 this should occur, why can't these pipes not be
17 rerouted through Raritan Bay into Middlesex. In other
18 words, here's a gentleman who is willing to accept--
19 I'm sorry, I didn't realize it was you, but that
20 stuck in my mind because while I didn't know who you
21 were, I think you did consider that in your speech or
22 at least when the press release went out as an alterna-
23 tive, as a last resort that you could accept.

24 MR. STERNER: I didn't say we would accept it.

25 SENATOR MCGAHN: I didn't say you would, I

1 said as a last resort alternative you could accept it.

2 MR. STERNER: I said if the federal and state
3 with all their power--I was particularly referring to
4 the federal government, I said if. You mention it
5 yourself, the power of the federal government and off-
6 shore drilling and what's outside the three miles limit
7 is going to be federal decisions over which we really
8 have no power, but if it finally develops, we still
9 urge them to go to Nova Scotia or Freeport, but we
10 still insisted that rather than to come up on the
11 beach and destroy our beaches and towns and run pipe-
12 lines all across the state to go to the turnpike to
13 run north and south from the turnpike, which is what
14 we were told, rather than do that if we finally had
15 to do something, since they are already on the floor
16 of the ocean, go around Sandy Hook and Raritan Bay
17 which New York and them have so polluted now they
18 are not fit for anything, go there instead of up on
19 our beaches.

20 SENATOR McGAHN: I am very happy to have
21 you mention that, at least as a possible alternative
22 because in the interest of offshore drilling, you're
23 not going to have barge traffic, it's going to be
24 brought in by pipeline and certainly as far as the
25 international seas are concerned, very honestly, at

1 this point in time this is considered a reasonable use
2 by the country that's contiguous to these areas. How-
3 ever, this particular point will be basically discussed
4 more on June the 6th.

5 I have no further questions. What we're
6 attempting to do, very honestly, is to now to try to
7 alternate elected public officials with people
8 representing the public, so at least there is some
9 input from the individual citizens rather than all
10 public officials.

11 FROM THE FLOOR: Start on the agenda and go
12 to the first citizen group.

13 RAY SMITH: I'm a citizen. I'll be very
14 brief, I'm not a politician.

15 SENATOR McGAHN: I respect your statement
16 and we will do that following Mr. Smith.

17 FROM THE FLOOR: We were delayed in Trenton,
18 we were not allowed to speak.

19 SENATOR McGAHN: I'm sorry, we'll have one
20 elected official and then we'll have you.

21 RAY SMITH: Thank you, Senator McGahn. Gentle-
22 men, ladies and gentlemen, my name is Ray Smith, my
23 office is in New Shrewsbury and I'm only an over
24 interested citizen. Before reading my statement, I'd
25 like to say that many of you are for and many of you

1 are against, I'm a middle of the roader. I'm an
2 ecologist and a planner who knows that the needs have
3 to be planned after a thorough examination of the facts
4 so as to be able to make a proper decision in the best
5 interest of all of us.

6 The hearings in Senate Bill #200 and referred
7 to as The Oil Transfer Facility Corporation Act will no
8 doubt separate most New Jersey residents into two factions-

9 A- Those who strongly oppose any possibility
10 of allowing an Oil Port to be built on or off our shores
11 because of their well founded fears of oil spills con-
12 taminating our waters and beaches.

13 or B- People who honestly feel that the needs
14 for more oil supercedes all other considerations and
15 that we must begin today to build a port.

16 But there are a few of us who try to be
17 practical and concerned citizens who wish to only have
18 all options put before all voters so as to be able to
19 evaluate the problem in all aspects and then come to
20 the best possible decision. This is my wish.

21 Almost three years ago when the oil shortage
22 first really made an impact on us and before the recent
23 Near East war, some of us tried to think of possible
24 solutions to the problem. We have preliminary design
25 sketches for a "Fail Safe Oil Port" and had our patent

1 attorney in Washington make a search of similar design
2 patents so as to understand what has been done in the
3 past regarding similar problems. We now know the
4 problems better as well as understanding that our
5 application could be a giant step forward in this field.
6 The State is welcome to our work at no cost if the
7 proper person will examine the design and trade infor-
8 mation to help all of us. My personal suggestions are-

9 1- Encourage the Bill #200 in the organiza-
10 tion of a Oil Port Commission and have them submit a
11 study in the very near future. Time is truly of the
12 essence.

13 2- Add an amendment that would have that
14 report ready within a year or when the \$500,000
15 authorized by the bill is spent. Whichever comes first.

16 3- Allow a three months period from com-
17 pletion of that report for the news media to inform
18 the voters of the contents and allow them to inform
19 their representatives of their desires. Then have the
20 Senate vote on whether or not the Commission should go
21 into a true construction phase.

22 The amount of \$500,000 sounds large but the
23 problem is acute and the monies are about \$.07 per
24 person in the State. Our observations were-

25 The construction of a safe deep water port

1 would sharply reduce the present traffic in the smaller
2 tankers who presently use our Rivers, the Bay and the
3 nearby Ocean waters. These tankers have little or no
4 facilities aboard to control accidental spills. And
5 they must flush bilges. A properly constructed port
6 is in the interests of all of us, the Ecologists and
7 the State. This is "if" a deep channel could be
8 built. Another important function would be to build
9 a Scrubbing Station at the port to flush out all
10 bilges and offer them a "seal" in some manner to show
11 compliance with our State laws. This also could be
12 made part of the functions of the new Oil Port.

13 Now, in closing, I wanted to mention again
14 the public funds. You should use public funds, so
15 we could agree that we should get to know the subject
16 for only \$.07 a person and shouldn't we really go
17 ahead with Bill S-200 up to the point of knowledge.
18 What is an oil port? Does anybody know what really
19 we're talking about?

20 (At which time there was an inaudible discussion between
21 members of the audience.)
22

23 SENATOR McGAHN: Let us not be having any rapport
24 back and forth.

25 RAY SMITH: In other words, I don't feel that

1 we're knowledgeable and I'm afraid of the bill as it
2 is. I'm all against the bill as it is, believe me,
3 but I do feel the only vehicle to get that bill to
4 help us is to start with it, use it as a vehicle to
5 get the movement. You will have knowledge, and once
6 we know what we're doing and what we're talking about,
7 once we're no longer emotional, once we're no longer
8 trying to just to say we're for or against something
9 where we don't have the basic knowledge, especially
10 you younger people, you ought to get involved with it.
11 You ought to get involved and we should find out.

12 SENATOR McGAHN: Thirty seconds to finish,
13 Mr. Smith.

14 RAY SMITH: Frankly, I'm through except that
15 I'm for it with the hope of gaining knowledge and not
16 for it with the way it stands. Thanks very much.

17 SENATOR McGAHN: May I simply, as a word of
18 explanation concerning \$500,000, that is included in
19 this bill, this is a very similar situation that occurs
20 with any authority. It is, in essence--the money is
21 returned to the state as soon as the bonds are sold.

22 FROM THE FLOOR: What is your occupation, sir?

23 RAY SMITH: I'm in industrial real estate.

24 (At which time there were discussions in the audience.)

25 SENATOR McGAHN Ladies and gentlemen, I think

1 any individual has a right to testify. I do not think
2 that anybody, because of what his reference is, what
3 his occupation is, he is not subject to ridicule by
4 this audience. I wish you'd restrain yourselves in
5 that respect.

6 Mr. Paul Sherman.

7 PAUL SHERMAN: Before I make my remarks,
8 which shall be brief, I'd like to make one comment
9 on the remarks of the preceding speaker. He discussed
10 our--

11 SENATOR MCGAHN: Would you mind identifying
12 yourself, please?

13 MR. SHERMAN: My name is Paul Sherman, I'm
14 an attorney and lifelong resident of Monmouth County.

15 SENATOR MCGAHN: Do you represent anyone?

16 MR. SHERMAN: I represent my own opinion and
17 probably of many people in the audience. I'd like to
18 make one answering statement to the gentleman. He
19 spoke of the emotionalism involved. It's obvious
20 there is a great deal of emotionalism. Emotionalism
21 is not necessarily divorced from logic. I think you
22 might find a woman finds her children are threatened,
23 she might be emotional, but she might have a logical
24 reason for that emotionalism. The people here are
25 emotional, but they are also threatened. Let's not be

1 little the logic.

2 There has been a great deal of comment with
3 figures that can back it up. Environmentalists have
4 spoken and others as well. I wish to point out two
5 very specific areas which may not have been touched
6 upon as much as others to pose a question, a logical
7 one and the other, if I may be given the chance, an
8 emotional one.

9 In a logical area, this is a county that has
10 certain problems like any other, we are not perfect.
11 One of the problems highlighted in this area recently
12 is the problem of mass transportation and this is
13 directly related. It's been proposed here as a vast
14 deepwater port. Some people would have us say that
15 it's not going to change things appreciably, that's
16 kind of like landing a B52 in a parking lot and telling
17 people to ignore it.

18 There is going to be a lot of changes in
19 Monmouth County if a deepwater port comes to pass. We
20 have problems with mass transit now, I'd like to ask
21 the people of the legislature who have not until
22 recently dealt with these problems the question that
23 if you haven't dealt with our problems of mass transit,
24 now if we have bad roads and railways, if we have bad
25 buses now, you're going to give us a deepwater port

1 on top of it? How do you propose to deal with our
2 problems which will result from it, but aside from
3 the environment problems, you couldn't deal with it
4 before. Let's deal with our problems first before
5 you give us anymore.

6 The second thing I'd like to comment on,
7 and that's no reflection on the current legislature,
8 we'll give them a chance. I would like to address
9 the second issue, which might be a little more emotional
10 and it was touched upon very briefly by Senator Salkind,
11 much has been made of the energy crisis we seem to be
12 facing right now.

13 There was an energy crisis, whether it was
14 manipulated as Assemblywoman Berman indicated or
15 whether it was real, we'll never really know. We haven't
16 seemed to be getting the facts to determine it. We do
17 know one thing, we know that this County was hit rather
18 hard. We do know that the lines were rather long here,
19 we do know that our congressman said it was surprisingly
20 different as you traveled south and west and it was
21 surprisingly different in states like Colorado, which
22 also had opposition to the oil industry.

23 I think many people in Monmouth County before
24 the gentlemen and panel who had an open mind to the
25 arguments and opposition of the oil industry don't have

1 this anymore, very frankly, because we're sick and tired
2 of being blackmailed. I can't back it up as a fact, it's
3 kind of like someone who has been hit, they may not know
4 who hit them, but they sure as hell know they've been hit.

5 I can't back up the facts, we've been black-
6 mailed, but that's the way the people in Monmouth County
7 feel. We're sick about it, and we're not about to
8 knuckle under to any pressure groups.

9 The representatives have spoken unanimously,
10 they are against S-200 for good reasons, both logical
11 and emotional and they are in favor of S-689. I'd like
12 to represent my support of those people in that fashion.

13 SENATOR MCGAHN: Mr. Sherman, as an attorney
14 you do not go to court with allegations without proof.

15 MR. SHERMAN: I'm not here as an attorney.

16 SENATOR MCGAHN: All right. Let us stop that,
17 I will address myself to your question concerning mass
18 transit.

19 I notice that you mentioned in there highway
20 construction as well. Basically, I think that you really
21 didn't mean increasing highway construction, this is not
22 mass transit as you know it today.

23 Very simply, would you be willing to support
24 and vote for and do you think the people of New Jersey
25 would support a \$7 billion referendum to come up with

1 the type of mass transportation that's needed in the
2 State of New Jersey today, given the past history to
3 date of the bond issues in New Jersey and the recent
4 bond issue in New York State for the same reason?

5 MR. SHERMAN: Not that it's necessarily
6 germane to the discussion, but I think Governor Cahill
7 stated it rather well, when after his mass transit went
8 down to defeat with a bond and a lot of oppositions were
9 reported in the newspapers as to that bond system from
10 the fact that a lot of that money was just going to
11 highways and not to mass transit and the statement that
12 Governor Cahill made at the time, which was reported in
13 the paper and is not allegation, maybe this angular of
14 mass transit is more than we thought, maybe we should
15 have paid more attention to it.

16 I think a mass transit bill coming from the
17 New Jersey Senate and Assembly which dealt with the
18 problems of mass transit and not of highway building--
19 I'm not an advocate of highway building, I think if a
20 bill came out relating to these problems it would pass.

21 SENATOR MCGAHN: Don't forget you saw the
22 same thing in '68, that this area would get \$38 million
23 between Red Bank and New York and this is not for the
24 coming day.

25 MR. SHERMAN: The government has worked slowly,

1 but it appears we're starting to get it, but it's a
2 matter of time and representatives.

3 SENATOR McGAHN: But don't forget one thing,
4 capital construction goes up at 12% each year.

5 FROM THE FLOOR: What does this have to do
6 with the oilport? May I suggest that in the interest
7 of brevity we do not have these discussions?

8 MR. SHERMAN: I agree, and I might add then
9 in regards to the legislature, if it goes up 12%, you,
10 sir, and the senators, let's get on with it and give
11 us our mass transit now.

12 SENATOR McGAHN: I accept the lady's criticism
13 and abide by it.

14 Mayor Elwood Baxter.

15 ELWOOD BAXTER: He said he was going to
16 alternate from the public officials and one from the
17 public body. I'm ready to be done with it. I've ruined
18 my own speech because of all the speeches I heard to-
19 night, so I won't bother to deliver it. I do have a
20 few remarks to the panel and to you senators and to
21 your staff and to the people.

22 First, my concept of public hearings on a
23 senate committee basis was that your desire was to get
24 public input. I realize that elected officials are
25 representatives of the public, so that in that capacity

1 they should speak for what they believe their constituency
2 believes. I will attempt to do that now and briefly.

3 For months I've been listening to people
4 speaking against an offshore oilport as well as these
5 few, very few, who seem to be in favor of such an
6 installation in this area. I am the Mayor of the
7 Borough of Oceanport and while we, in our borough would
8 not be a primary victim of an offshore oil spill, we
9 would certainly feel its effects as the waters which
10 wash our riverbanks would carry the pollution directly
11 to our residential front lawns, if you will.

12 Factually, whether an oil spill spills in
13 Raritan Bay or New York or anywhere, it doesn't take
14 long for the effects to be felt in Monmouth and Ocean-
15 port and such an action must be considered.

16 I have this fear that although you people are
17 very strongly opposed to this bill in this county, and
18 although you reflect that in the majority and possibly
19 Ocean and Cape May and Atlantic, I know there are 15 or
20 16 other counties that may not share your views.

21 Now, you must face the certain reality in your
22 thinking, I believe, and that is if this bill, whether
23 it's amended or not, as Senator McGahn indicated it may
24 be and may very well be, hopefully if it does get to that
25 Committee and does get to a vote there are representatives

1 of other counties who are not as stirred up, possibly,
2 about this situation as you people here who are here
3 from ecological groups and people from Monmouth who know
4 what the bill would mean to us and I say to you and
5 address it to the remarks of Senator Gilbert, don't be
6 too eager to put this bill on a statewide referendum,
7 because you may find you come up short with the number of
8 votes to defeat this piece of legislation. Be very
9 careful.

10 Now, considering the remote possibility that
11 an offshore port or an **offshore** facility becomes a
12 reality, whether it would be built off the New Jersey
13 shore, the Long Island shore or wherever, we would
14 probably feel the effects here.

15 Now, Oceanport is a single family community
16 only 3.1 square miles. We could not provide the land
17 for a tank farm or shore facility in Oceanport, even if
18 we were selected by the authority and I thank God for
19 that and at this time I have to address a remark to
20 Morton Salkind, my friend and political companion. I
21 have to address a remark to him, a rather electrifying
22 announcement that according to his map and the map that
23 the Corps of Engineers planned, where he drew a proposed
24 pipeline he indicated that the first stop would be
25 Oceanport. I know we're on the air live and I'm more

1 concerned with the people there in my hometown and I
2 pledge to you my undying efforts never to let that route
3 which is only one of 32 proposed routes, I would never
4 let that route be taken through our borough as long as
5 I'm the mayor of the borough, but more to the point,
6 this is a basic question and I've said this in our
7 own council meetings of which this meeting reminds me
8 at several points during the evening.

9 I've said when the people came in and objected
10 to us building something that was going to be a public
11 facility for use of people of the whole state built with
12 state funds the objections were raised and I said it's
13 a question of whose objections jar our county's objections
14 and we are reacting to this jarring. I'm sure I don't
15 have to remind you, Senator, about that. Many of my
16 constituents, and I will wind it up at this stage, many
17 of my constituents, even that remote minority who are
18 not violently opposed altogether to this piece of
19 legislation, Senator, believe that the tank farm, on-
20 shore petrochemical provisions of this bill--they believe
21 that this is merely step one in a long range process
22 which would later include the appearance of a distilling
23 tower for the purpose of refining in the future. Now,
24 gentlemen, whether that distilling tower looked like a
25 windmill or was designed to look like a New England

1 church gleaming in the sun, nevertheless, this we cannot
2 accept and this is to the people of my county and the
3 people of my community and I want to convey it to you
4 as their elected mayor.

5 I would close by asking the Committee in all
6 sincerity--and I'm sure your answer is going to be in
7 the affirmative, I've never heard anyone mention it to-
8 night, and one of the girls from my town who is here
9 mentioned it to me and frankly, I had not looked at it
10 myself. Has anyone on the Committee at the present time
11 considered if you were successful and you'd had a tank
12 farm established or an onshore facility, have you con-
13 sidered where you are going to house the labor that has
14 to accompany such a facility? Are you going to bring
15 them down from all over?

16 I hope you are considering every facet and I'm
17 sure you'll answer that question and I would like to
18 close and by way of complimenting you, Senator, on your
19 patience. I know the spot you are in, I've been in the
20 spot myself, as an elected official and I appreciate
21 your patience and I understand the peoples' feelings,
22 so I'll close with those remarks. Thank you.

23 SENATOR McGAHN: Mayor, thank you very much
24 for your very pragmatic looking over of the situation
25 and I could not agree more with the statement that you

1 made in reference to attempting to put such a thing as
2 this on the referendum.

3 First of all, it's not a fit subject because,
4 number one, it's not amending the constitution and it
5 would not be a fit subject and you might find yourselves
6 basically being in the same position that I in Atlantic
7 County might be in regards to legalized casino gambling
8 being confined to Atlantic City only.

9 Now, let me actually say why. I think I have
10 tried to point out before that unfortunately the concept,
11 and we're talking here basically now about concepts than
12 we are about the specific bill, the basic concept as far
13 as deepwater port is concerned was following the foreign
14 experience in which very definitely was coming in now
15 the offshore receiving facilities, the pipeline going in
16 and the marine terminal receiving, tank farm and re-
17 fineries, this is what the Gulf Coast wants. Texas wants
18 it, Louisiana wants it, Alabama and Mississippi, North
19 Carolina, South Carolina and Georgia are contemplating
20 this.

21 FROM THE FLOOR: Let them have it.

22 SENATOR McGAHN: I am answering--

23 FROM THE FLOOR: I object to personal opinions,
24 they are out of order and they are not with the rules.

25 SENATOR McGAHN: There are no rules.

1 FROM THE FLOOR: Yes, there are. Can you tell
2 us where you wish to put it?

3 SENATOR McGAHN: We are not going to put any-
4 thing anyplace. It is not up to us to make this deter-
5 mination. Unfortunately, if you will, there is another
6 alternative that basically nobody has considered and this
7 is one I have mentioned before.

8 FROM THE FLOOR: Out of order, sir.

9 FROM THE FLOOR: See how many want that
10 information that the Chairman is providing, I think we
11 need the information as well.

12 SENATOR McGAHN: All right. The meeting will
13 be conducted strictly on the bill. There will be no
14 comments by myself, except if a statement is completely
15 wrong, I will attempt to simply say what I think is the
16 proper answer.

17 Mrs. Joy Crane.

18 JOY CRANE: I am Joy Crane, President of the
19 League of Women Voters of Monmouth County. We want to
20 thank your committee for holding this hearing in Monmouth
21 County so that our concerned citizens can have a chance
22 to be heard.

23 The Leagues in the County have been studying
24 the energy situation since the Army Corps announced in
25 1972 that hearings would be held to determine the most

1 favorable location for a deepwater port. As a result of
2 our studies, we have strong doubts both about S-200 and
3 about the wisdom of developing a deepwater port.

4 FIRST: We have grave questions about the
5 establishment of an authority with the sort of power
6 granted the proposed Corporation. We appreciate that
7 the reasoning behind this is to give the State greater
8 supervisory powers over the oil industry. Nevertheless,
9 it is our feeling that the most effective way to control
10 the power of an industry is not to join it, but to have
11 government with its ability to make and enforce laws,
12 remain apart. This seems especially important when the
13 proposed authority is set up to benefit one industry.

14 SECOND: We are suffering from an energy
15 shortage for two reasons - (1) With 6% of the world's
16 population, we are drawing too heavily on the world's
17 sources of energy and (2) we have put all of our eggs in
18 one basket. In view of this situation, we wonder about
19 the advisability of committing our people to our
20 resources to continued development of oil - especially
21 foreign oil - as our main source of energy. It seems
22 self-evident to us that we must cut back on our sky-
23 rocketing use of energy and on our dependence on oil.
24 Therefore, would it not be a wiser course to put our
25 energies into encouragement of alternate sources of

1 power and the development of necessary environmental
2 controls over their use?

3 THIRD: The provision that the bonds of the
4 Corporation must be paid off within 40 years seems
5 questionable in view of the statement of Mobil Oil
6 executive Ellis Campbell that the life of the proposed
7 deepwater facility would probably be 20 years and in
8 view of the opinion of Soros Associates for the Maritime
9 Administration that importation of oil might well become
10 economically unjustifiable by 1985. If these develop-
11 ments should negate the value of the port and cause it
12 to become unprofitable, what monies would be used for
13 interest payments on the bonds?

14 FOURTH: We feel that the possibility of con-
15 flict of interest is built into the bill when it places
16 the State Treasurer and the Commission of Labor and
17 Industry on the Board of the Corporation. We also
18 believe that because environmental concerns cannot be
19 dissociated from the use of oil, the Commissioner of the
20 Department of Environmental Protection should be given
21 a role equal to that of the Commissioner of Labor and
22 Industry.

23 FIFTH: We are confused by the fact that the
24 State may make grants to secure the bonds of the
25 Corporation, but cannot be held liable. We believe the

1 latter provision is to prevent public funds from being
2 committed by the State to a project that is not state
3 business. Would not a grant also be a commitment of
4 public funds?

5 Finally, Mr. Dodd in his Dissenting Statement
6 of April 5, 1972 from the report of the Ad Hoc Committee
7 on Energy and the Environment stated that he recommended
8 "that the long-range commission (to study energy)
9 thoroughly review (a) federal and state energy policies;
10 (b) long-range supply and demand prospects for all types
11 of fuel and electricity; (c) the benefits and risks of
12 offshore drilling for oil and gas; (d) strategies for
13 the conservation of energy and reduction in energy
14 demand; (e) the outlook for new methods of energy
15 production; (f) the environmental, economic and social
16 implications of a deepwater port off New Jersey, and (g)
17 site planning procedures for location of energy-related
18 facilities."

19 We agree with Mr. Dodd's view in this state-
20 ment and hope that the Legislature will ultimately
21 return to its support.

22 We thank you.

23 Senator, I thank you and because of the
24 placing on the agenda, Mrs. Rippere was going to make a
25 supplemental statement.

1 SENATOR McGAHN: Thank you very much. We note
2 your astute objections and we, of course, are basically
3 cognizant of those.

4 In relationship to Senator Dodd's statement,
5 I think you are fully aware at the present time it was
6 signed into law the latter part of last year. The
7 energy crisis commission at the present time is charged
8 with carrying out those measures that you had mentioned.
9 We do not attempt to preempt any of the duties or charges
10 to that commission and certainly we would hope that the
11 studies would be completed in time so the information
12 that we obtained, this Committee obtained, the meetings
13 can be co-related with those of the energy crisis study
14 commission. Who do you wish to testify next?

15 KATHLEEN RIPPERE: I'm Kathleen Rippere, and
16 I'm Second Vice President and Water Chairman of the
17 League of Women Voters of Monmouth County. Two of us
18 here were in Trenton and we were promised that if we
19 did not bother you down there we would be first on the
20 list of the next one, which is tonight. Several people
21 promised us, as a matter of fact--

22 SENATOR McGAHN: I'm awfully sorry.

23 KATHLEEN RIPPERE: You were not warned.

24 SENATOR McGAHN: I don't make promises that I
25 can't keep. I would ask you if you don't mind, because

1 I believe as I look over this, a lot of the testimony
2 that you have here basically has been stated before in
3 one way or another.

4 KATHLEEN RIPPERE: It has, but there is a
5 slight difference.

6 SENATOR McGAHN: Frankly, if you will confine
7 your remarks to the differences, this will be part of
8 the record. I'm not trying to cut you short, but--

9 KATHLEEN RIPPERE: I think you may be lengthen-
10 ing it. If I try to say it orally instead of reading it,
11 it might be more difficult.

12 We are opposed to S-200 for the following
13 reasons:

14 1. The bill is essentially misleading in that
15 its expressed intent differs from its probable results.

16 a. It negates the Wetlands Act, the
17 Coastal Area Facilities Review Act and recently adopted
18 riparian policy without claiming to do so. Oil is not
19 compatible with marine life. Once wetlands and bottom
20 life are lost, further industrial development will
21 inevitably follow. We believe these acts and this
22 policy are vitally important and must not be negated.

23 b. While initially it might be possible
24 to confine storage tanks to 3/4 of a square mile, all
25 studies agree that for the same reason S-200 urges con-

1 construction of a deepwater port - economics - refineries
2 and petrochemical plants follow development of a port.
3 Under our present tax structure, it is impossible to
4 hope that every municipality will turn down such ratables.
5 Only one has to make this decision to change the entire
6 character of the area.

7 c. Without any standards being set, the
8 Corporation is to control oil spills. According to
9 studies we have read, there is presently no sure way of
10 preventing these. Human error and greed, and such
11 things as enforcement of sea lane rules, standards for
12 construction of oil carriers, unified and strengthened
13 national and international controls are involved. The
14 Corporation would be powerless to rectify these problems.

15 2. We strongly object to the power of the
16 Corporation to override state, county and municipal plans.
17 Major plans of the Monmouth County Planning Board are
18 drawn up after extensive and costly engineering studies.
19 The County Master Water Plan, for instance, does not
20 indicate sufficient underground or reservoir capacity to
21 serve an influx of unplanned heavy industry and its
22 attendant population expansion. We have pioneered in
23 sewer construction and upgrading, but in no way will
24 these efforts, which have been extremely costly, enable
25 us to handle the BOD produced by a deepwater port and its

1 satellite industries. Yet, under this bill, these
2 studies and efforts can be totally ignored.

3 3. Economically, Monmouth County has a multi-
4 billion dollar investment in shore-related activities.
5 The county is supported by the taxes on many upper-
6 middleclass homes whose owners live here because of the
7 ocean and estuaries. It is important to consider what
8 changes would follow the switch from our present economic
9 base to one associated with a deepwater port. Present
10 businesses and inhabitants would leave. Along with
11 decaying larger houses, we would have, instead, greatly
12 increased demand for schools, streets, sewers, water,
13 policing and other services sustained by many small
14 home-owners. Sewaren and Linden are proof that the
15 general public is not benefited by such a switch. It,
16 also, is totally out of line with the plans supported
17 by the people of the area.

18 4. We are very distrubed by the inclusion of
19 Raritan Bay in the "Shore Zone". All studies have found
20 the bay important ecologically and already heavily
21 stressed by pollutants from the oil and chemical
22 industries on the Arthur Kill and lower Raritan. At
23 least 2 studies have recommended that no further oil
24 development be considered here because of existing social
25 and environmental damage. The question is whether we and

1 future generations - which should be our moral concern -
2 will benefit more by continued energy development or by
3 restoration of marine food supplies, not to mention a
4 healthy environment.

5 5. S-200 also ignores the inclusion of Sandy
6 Hook in the Gateway National Park and the economic
7 opportunities this can bring. The plan is to retain
8 Sandy Hook as a natural seashore with limited recreation
9 and marine studies compatible with its environmental
10 values. This cannot be accomplished if the bay or
11 adjacent ocean waters are used for an oilport.

12 6. Finally, we question the wisdom of
13 precipitate action. Federal decisions have yet to be
14 made and, meanwhile, we have experienced what dependence
15 on imported oil can mean. If, in spite of this, it is
16 felt necessary to add to New Jersey's present heavy commit-
17 ment to the oil industry, the Wetlands Act and the
18 Coastal Area Facilities Act should govern any oil-
19 related development. Studies of offshore currents,
20 geology, flora and fauna should be made to determine
21 where a port can be located with least damage. Depending
22 on its safest location, standards should be set for the
23 type of port. Legislation should require guidelines for
24 the laying of pipelines on land and under water. Plans
25 and standards, then, should be presented for public

1 hearing - not quietly developed by an autonomous authority.

2 Thank you for this opportunity to speak.

3 SENATOR McGAHN: Thank you very much, Mrs.

4 Rippere for getting right on the nose. Very frankly,

5 we agree with a number of things that were basically

6 stated here. There is no doubt about it as far as

7 strengthening national and international controls. This

8 is within the federal bureau, as you know, and of course

9 number six, I would agree with you 100%. There is

10 absolutely no doubt about this, certainly if such a

11 thing is to be there, this is the procedure to be

12 followed. The guidelines relating to the pipeline under

13 water is currently under purview of the Department of

14 Transportation and standards have already been established

15 as far as that's concerned.

16 I have one comment only to make, if I may,

17 because I see you here talking about water quality

18 control and water pollution and it's my opinion that a

19 number of seashore facilities in Monmouth and Ocean

20 County basically as far as sewerage sledge is concerned

21 to retain this over the season and, of course, in the

22 off season, take and dispense it into--this is not for

23 Monmouth.

24 MRS. RIPPERE: It has been done, it is being

25 stopped.

1 SENATOR McGAHN: Mayor Sidney Johnson.

2 MAYOR JOHNSON: I'm here for Brant Beach also.

3 We have the Shrewsbury River in our rear, we are very
4 interested in anything that goes into the Atlantic Ocean,
5 manmade or otherwise, as it very often goes into our
6 shore and I might say that we are against the Bill S-200
7 and we have filed a position paper which is now in your
8 possession.

9 I think all the arguments have been made and
10 I'm not going to continue that discussion. We are
11 opposed to the bill. We do not want an oilport and we
12 do not want, above all, an authority or a public authority
13 such as this to operate an oilport.

14 I bring this Committee two messages. One,
15 that the residents are opposed to S-200 and they endorse
16 Senator Buehler's Bill S-689.

17 SENATOR McGAHN: Thank you very much, Mayor,
18 for stating the views of your constituents.

19 Last but not least of the tripartite division
20 of the League of Women's Voters--I do not know your name,
21 Bellin?

22 MRS. ANITA BELLIN: I'm President of the
23 Middletown Township League of Women Voters. We come at
24 all levels and I've written this statement about 400
25 times since I headed for Trenton originally. I think

1 what I'm going to do at this point, I will summarize and--
2 well, mail to you within your three-week period the very
3 specific objections that we have to S-200.

4 However, as President of the Middletown Town-
5 ship League of Women Voters, I want to say while I'm no
6 expert on oil, by now I think I'm somewhat of an expert
7 of municipal master plannings and emotions. When you
8 talk about the use of Monmouth's land and oil tanks and
9 oil tank farms and oil storage facilities and oil
10 refineries, it doesn't go too well with a master plan
11 and we're still fighting about it.

12 Basically, I would like to bring up a couple
13 points that I don't think have been mentioned. This
14 legislation will not guarantee to the residents of New
15 Jersey petroleum products at a decent price or even
16 assure us of a reasonable supply. These proposed
17 facilities appear to be for the benefit of the oil
18 company at the expense of the citizen. The proposed
19 deepwater port assumes some consistency of supply from a
20 notably inconsistent source, our Arabian acquaintances.

21 What cannot be said but can be assumed is it
22 can and it will be supplied from offshore drilling. I
23 assume we have some control in the State of New Jersey
24 over some of the offshore drilling aspects, if I'm not
25 mistaken. Maybe we can prevent some of the pipelines.

1 At any rate, offshore drilling in this area has been
2 declared unwise by the President's Council on
3 Environmental Quality and there are very few predictable
4 rates of success with offshore drilling.

5 We in the League can't understand and respond
6 for the call for us to be concerned for the nation's
7 supply and our problem is to join. We fail to see the
8 net result of this proposal or solution sure enough or
9 large enough for us to part with our major source of
10 income, our major source of employment, our major reason
11 to live in New Jersey, our beaches and resorts, our
12 fish, our birds and beasts. In short, our environment
13 and way of life.

14 The fact that S-200 is a poor piece of legis-
15 lation may be discussed at prior hearings and we will
16 make our comments on that in writing. You have assured
17 us that there will be amendments to S-200 covering the
18 land use portions. We would hope that you would also
19 look at the areas of the bill that include things that
20 look to us like licenses to trespass and kind of an
21 illegal search and seizure made legal and a reverse veto.
22 That's very odd. If the governor is away, it's not a
23 veto, I don't know, it's the opposite. I think the
24 biggest problem that we want to ask about is this energy
25 crisis.

1 How much of it is real and how much of it is
2 a crisis that we ourselves have gotten into because we
3 became convinced that the only safe automobile goes 100
4 miles an hour, goes only eight miles to a gallon of gas;
5 how convinced have we become because we've been sold
6 that the only way to live is in an overheated house, an
7 overchilled house in the summer that we have to have
8 everything super. We must be able in this nation that
9 can send a man to the moon, to develop better ways to
10 get energy and better and safe cars and I'll stop in
11 one second.

12 I think the real crisis is our own short-
13 sightedness and greed. Hopefully, together we can do
14 something other than S-200. Thank you.

15 SENATOR McGAHN: Thank you very much, Mrs.
16 Bellin. I would agree with your philosophy 100%. How
17 do you get people within a decade to change their life
18 style and get into support of it?

19 MRS. BELLIN: We changed our lifestyle to some
20 extent when we sat in gas lines somewhere between gas
21 lines and this must lie reason.

22 SENATOR McGAHN: Mayor Michael Quatrella.

23 MAYOR QUATRELLA: Senator McGahn, thank you
24 very much. I guess about the only thing we have in common
25 today, from what I infer, is that I'm a pediatrician.

1 I am Dr. Michael Quatrella. I appear here as
2 the Mayor of Loch Arbour, as Chairman of the Deal Lake
3 Commission, as a member of the Resort Mayors' Committee,
4 and as a member of the Executive Committee of the Shore
5 Transportation Committee.

6 Senator Buehler has stated that the municipali-
7 ties which consist of Asbury Park, Neptune, Interlaken,
8 Deal, Ocean Township and Loch Arbour have gone on record
9 and passed resolutions stating that they are strongly or
10 perhaps a better word vehemently opposed to an offshore
11 port and all its ramifications. As we are all aware,
12 the shore has a very strong appeal for New Jerseyans
13 and out-of-state visitors. An estimated 30 to 50 million
14 people annually visit the Jersey shore with its 127 miles
15 of beautiful ocean beaches between Sandy Hook and Cape
16 May.

17 Most of this magnificent oceanfront is either
18 privately or municipally owned. Exceptions are the two
19 state beaches at Sandy Hook and Island Beach State Park,
20 and the two Federal National Wildlife Refuges at
21 Brigantine and Barnegat. Therefore, it should be realized
22 that tourism plays one of the most important parts in
23 the economy of the State of New Jersey. The revenues
24 derived from tourism are number one in the state and it
25 is precisely for this point that I would strongly object

1 to an oilport off the coast of New Jersey, such as stated
2 in Bill S-200.

3 Bill S-200 would create an independent Authority
4 to provide a port with facilities for loading, unloading,
5 handling, storage, et cetera of crude oil and its other
6 petroleum products. S-200 empowers the Oilport Authority
7 to build a port anywhere in the New Jersey shore zone,
8 which is defined in the bill as the entire land areas of
9 Middlesex, Monmouth, Ocean, Atlantic, Cape May, Cumber-
10 land and Camden Counties, and all the offshore waters
11 extending from the shorelines of said counties, notwith-
12 standing the fact that such waters may be beyond the
13 limit of the jurisdiction of the state in the territorial
14 sea, Delaware Bay, Delaware River and Raritan Bay.

15 S-200 states that the Oilport Authority can
16 determine the location, type and size of the oilport,
17 tank farm and pipelines, notwithstanding any land use
18 plan, zoning regulation, building code, or similar regu-
19 lation heretofore or hereafter adopted by the state, any
20 municipality, county, public body or any other political
21 subdivision of the state.

22 The authority would have the power to take any
23 land it desired by condemnation, including private,
24 municipal, county and state-owned land. With the con-
25 struction of an offshore oilport, there will also be

1 generated new refinery activity in close proximity to
2 terminal facility, but this also could induce the
3 establishment of large petrochemical complexes in the
4 same vicinity. This has been reported by the Army Corps
5 of Engineers, issued in a report in January, 1973.

6 The proponents of deepwater ports often have
7 exaggerated the advantages of deepwater ports. One of
8 the exaggerations has been that we will be able to import
9 more oil if one were built off the coast of New Jersey,
10 or elsewhere on the eastern seaboard. This is not true.

11 We can import all the oil we need now in small
12 tankers, unloading directly at existing ports, or in
13 large tankers, unloaded either by lighters or transship-
14 ment through deepwater ports in Canada, where they are
15 wanted. What the deepwater port would enable us to do
16 is import the same amount of oil at a lower cost to the
17 petroleum industry, not the consumer.

18 The deepwater oilport would not reduce the
19 price of gasoline; even if all the savings were passed
20 on to the consumer at the gas pump, they would only be
21 about 1/10 of 1% per gallon. A deepwater could make a
22 small reduction in the oil transportation cost, but
23 transportation is only a small part of the total cost of
24 the gasoline.

25 Another question. Will the deepwater oilport

1 in New Jersey increase the amount of oil and gasoline
2 available to us? Absolutely not. The deepwater port
3 does not mean that you have anymore oil to bring to it.
4 The bottlenecks in getting gasoline now are in the Middle
5 East and at the refineries, not at the shipping port.

6 So, it seems that the deepwater port, if it is
7 built at public expense and at public risk as proposed
8 in S-200, a bill authorizing an autonomous Authority to
9 build and operate a deepwater port and pipelines, and on-
10 shore facilities, would not make more oil available.

11 It would not significantly reduce the cost of
12 oil products at the consumer level. What it would do is
13 increase the profits of the oil industry and, if not
14 successful, the risk and cost would be borne, not by the
15 petroleum industry, but the State of New Jersey and its
16 taxpayers.

17 The next part of the argument that I would like
18 to present here is the impact on the environment that a
19 deepwater port would have on the shoreline of New Jersey.
20 As I have stated, and these statistics can be verified
21 by various state printed documents such as "Outdoor
22 Recreation in New Jersey", et cetera, a deepwater oilport
23 with all its pipelines, refineries and its transferring
24 of oil from these huge tankers into refineries would
25 ruin the coastline of the State of New Jersey if just one

1 big oil spill occurs. Now, that is certainly possible
2 even though the proponents of the bill have said that
3 carefulness in engineering and in planning would make
4 this almost virtually impossible. We, the resort Mayors
5 disagree with this. One oil spill would ruin our beaches
6 and certainly would ruin the tourist trade which is our
7 number one economic factor in the State of New Jersey.

8 As many of you have recently seen, the Deal
9 Lake Commission has successfully had a clean up of the
10 176 acres of Deal Lake. An oil spill would not only
11 would the coastline of Long Branch, Asbury Park, Loch
12 Arbour, Allenhurst, et cetera, but it would also ruin
13 all of the environmental work for cleaning, revitaliza-
14 tion of Deal Lake that we have been undertaking to clear
15 up within the last three years because it is connected
16 to the ocean.

17 The impact on fish, the impact on the algae,
18 the impact on the natural growth of plant life to the
19 lake, an also to the birds, seagulls, et cetera would
20 be astronomical and probably would ruin any of the
21 environmental work that we have done here and along our
22 coastal waterways.

23 We implore this Commission to listen to the
24 environmentalists, to listen to the resort mayors, and
25 to listen to our pleas that we are not interested in

1 having a deepwater oilport off the coast of New Jersey.

2 I thank you for this opportunity of allowing me
3 to express my views for myself and my fellow mayors in
4 regard to the Bill S-200, and definitely and affirmatively
5 state that these municipalities which I have been author-
6 ized to represent tonight, go on record as definitely
7 being opposed to Bill S-200. Thank you very much.

8 SENATOR McGAHN: One remark, the petrochemical
9 industry ranks number one with \$4.3 million, the resort
10 industry is \$3.1 million. There will be a report that
11 will be coming out shortly which will probably give us
12 the true impact as far as the resort industry is con-
13 cerned. The amounts of money that are realized and how
14 much of this actually comes in peak season, how much of
15 this comes off season, how much comes during conventions,
16 if you will, people coming down weekends when they do
17 not utilize the beach, et cetera. I again do not have
18 an answer to this, but I think these again are some of
19 the questions that must be answered when we're talking
20 about revenues as far as the resorts, tourism and con-
21 ventions because we're all in the same facet.

22 DR. QUATRELLA: Very true. At the meeting in
23 Atlantic City with Commissioner Joe Hoffmann it was
24 brought out that tourism was number one and they will
25 probably bring it out in their report as well as I know

1 Joe did in as many meetings as we had and we were worried
2 about the oil to get the people down to the shore for our
3 livelihood. Not one time did I ever hear him say that he
4 favored Bill S-200.

5 SENATOR McGAHN: If you recall, and I won't
6 belabor the issue, if you recall he made one short state-
7 ment about favoring it. Thank you, sir.

8 Thomas Richards, please?

9 THOMAS RICHARDS: First of all, I'd like to
10 thank the Committee for allowing me to speak and be so
11 patient with these hearings. I hope in the end it will
12 pay off. I think it will be a tough struggle, but hope-
13 fully we will win in favor of environment and human
14 interest. Now for my prepared statement.

15 In the name of an exaggerated and distorted
16 energy crisis, which was largely prompted by greedy oil
17 corporations with the willing assistance of segments of
18 our Federal Government, there is now an attempt to
19 stampeed us New Jerseyans into accepting an offshore and
20 (by definition) onshore oilport which has no merit other
21 than giving the oil companies yet more license to utilize
22 public and private lands and facilities for their own
23 profit-making purposes. Thus, in the name of this pseudo
24 energy-crisis, the Dodd Bill assists in accomplishing the
25 following: For the local resident, local businessman,

1 and local government, it means no great change in per-
2 sonal income or employment. A possible 10-fold increase
3 in petrochemical and related industrial complexes. Ex-
4 traordinary new demands on fresh water supplies, trans-
5 portation, housing, and public services of all kinds.
6 No great revenues in comparison to the possible elimina-
7 tion of all or part of a \$2 billion resort industry in
8 the very locating of a petrochemical industry in or near
9 resort locales. Greater air and water pollution. The
10 denial of recent, near-unanimous opposition to the
11 oilport from Monmouth County citizens and politicians.
12 The possible destruction, through oil spills or the
13 construction of unsightly petrochemical complexes, of
14 the Federally-funded Gateway Project. Coastal and in-
15 land areas destroyed piece-meal, for onshore oil
16 facilities could be established in a checker-board
17 fashion. The possibility of serious oil spills such as
18 the President's Council on Environmental Quality recently
19 described when not recommending this region for offshore
20 oil development.

21 For the New Jerseyans and American citizens in
22 general, it means no greater amount of oil or lessening
23 of its price. It means there can be no state or local
24 land-use controls in the coastal area; let alone that
25 it overrides the Wetlands Act and the Major Coastal
Facilities Reserve Act. Finally, it means the creation

1 of still more industrial wasteland in our already badly-
2 scarred state.

3 We thus have a situation whereby a pseudo-
4 event termed oil crisis leads to a new and misdirected
5 drive for energy which attempts to completely override
6 the will and interests of the public and brings additio-
7 nal dollars to the corporations. Indeed, this kind of
8 so-called attempt at a solution to the energy crisis covers
9 up the real issue; namely, that our 6% of the world's
10 population consumes 35% of the energy now in world use--
11 and that this is six times the world average. Thus, we
12 must conserve; not increase our supply of oil. We must
13 not develop an oilport so as to facilitate the importa-
14 tion of more oil and with the specific consequences to
15 our land and people such as I have already outlined.
16 Rather, let us develop new but publicly-controlled sources
17 of solar, wind and nuclear energy as well as redistribute
18 the amount of energy we are now using; and let us
19 challenge the control of energy sources by monopolistic
20 corporations.

21 There are indeed many important issues to which
22 I have all-too-briefly alluded to in the past few minutes,
23 and in that sense we can't possibly tackle most of them
24 in the context of this evening's hearings. However, I
25 would close with these thoughts. We have all too many

1 ugly examples throughout the nation and indeed, in New
2 Jersey of oil spills and industry-searred land. Thus,
3 we want to avoid such consequences in our region before
4 it is too late; and we must do so in the face of an
5 extremely powerful industry seemingly bent on carrying
6 out its goal of an oilport, plus oil's powerful ally--
7 the Federal Government, which claims to defend local
8 and states' rights but in face denies that in this very
9 instance. Therefore, as citizens, small businessmen,
10 and local politicians, we must register our vehement
11 and sustained opposition to Senator Dodd's bill and the
12 blank check that it provides to the oil industry; and we
13 must always keep in mind that while the offshore facilities
14 can be constructed outside New Jersey waters, the pipe-
15 lines and onshore facilities would have to be laid with-
16 in New Jersey territorial waters and lands.

17 These hearings, then, are manifestations of a
18 conflict in our era between private and public interest--
19 and our winning or losing this fight will be an import-
20 ant barometer as to whether the American citizen is at
21 the mercy of the oil interests and its political allies
22 in Trenton and Washington, or whether the American
23 citizen controls his own destiny. Thank you.

24 SENATOR McGAHN: Mr. Richards, thank you.
25 Only one question. Would you kindly identify yourself,

1 your position?

2 MR. RICHARDS: Yes, I teach political science
3 at Brookdale, which is the County College for Monmouth
4 County.

5 SENATOR McGAHN: Thank you. Page one of your
6 statement, at the bottom of the last sentence when you
7 refer to the "President's Council on Environmental
8 Quality recently described when not recommending this
9 region for offshore oil development," would you describe
10 what you mean by development?

11 MR. RICHARDS: Senator, I based that par-
12 ticularly remark on a newspaper article. To the best
13 of my knowledge, the report has not been made public.

14 SENATOR McGAHN: You referred to offshore
15 drilling that was recently in the newspaper in the
16 C. E. Q. statement which has not been released yet and
17 was talking about the impact of offshore drilling.

18 MR. RICHARDS: As I have read the article,
19 I interpreted it to mean offshore activities of all
20 kinds, but you may be correct because it was a newspaper
21 report.

22 SENATOR McGAHN: I wanted to clarify that.
23 Thank you.

24 Ladies and Gentlemen, we will resume now with
25 Councilman Robert W. Stewart.

1 ROBERT STEWART: My name is Robert W. Stewart,
2 353 Sycamore Avenue, Shrewsbury, New Jersey. I am a
3 Councilman from the Borough of Shrewsbury. I would like
4 to submit for inclusion in the hearing record a copy of
5 a resolution passed by the Mayor and Council of Shrews-
6 bury in opposition to the oilport authority bill S-200.

7 The resort business along the New Jersey shore
8 represents a substantial part of the total economic
9 activity of the state. The tourist-resort business is
10 believed to be the largest industry in the state. The
11 development of an oilport and the associated industry
12 onshore would affect the shore resort industry. Clean
13 air and clean water and escape from the ugliness and
14 pollution of industrialized areas are prime commodities
15 in the shore resort business. Anything that might
16 endanger this economic activity should be undertaken
17 with extreme caution.

18 In order to compare the choices we have before
19 us and to understand the economic impact of an oilport
20 complex we first must have at hand reliable statistics
21 and information on the size, extent, and value of the
22 shore resort economy. After searching for some time
23 and questioning a number of people it is my belief that
24 no one really knows what the shore resort business is
25 worth. Almost every figure bandied about turns out to

1 lack a solid foundation in fact.

2 The Office of Tourism and Promotion, N. J.
3 Department of Labor and Industry do not have a firm idea
4 of the value of the industry, do not regularly and
5 systematically collect statistics, and do not know of
6 any source of the same. At the end of the season last
7 year the Office did release the results of a state survey
8 which consisted of reports of summer activity from most
9 of the municipalities along the Atlantic Coast. These
10 reports were not in standard form, many were anecdotal
11 in nature and contained little hard statistical informa-
12 tion. This survey was more public relations activity
13 than fact gathering.

14 The Monmouth County Planning Board said that
15 the figure we are looking for does not exist and that
16 did not know of anyone who might have it. Federal
17 statistics to commerce, manufacturing and many other
18 topics exist, but the form that they are published in
19 makes it very difficult to analyze out the segment
20 attributable to the resort industry.

21 The Red Bank Field Office of the N. J.
22 Department of Labor and Industry does have statistics
23 on seasonal fluctuations in employment which are pub-
24 lished. They estimate that at least 12,000 jobs are
25 added during the summer season, mostly attributable to

1 tourism. Many year round jobs relate to the resort trade.
2 The employment statistics are presented by job category
3 and it is possible to pinpoint how many exactly are in
4 the resort industry.

5 Mr. Thomas Flanigan, Head of the Asbury Park
6 Beach Department also advised that as far as he knew no
7 comprehensive study of the resort industry exists. He
8 pointed out that a few obvious figures were available
9 such as beach fees, parking meter receipts, income to
10 municipalities from concessionaires etc. Mr. Flanigan
11 also noted that typically concessionaires tried to keep
12 their gross receipts a secret since this information
13 would enable a competitor to bid for the concession
14 against him. Hotel and motel people also talk more in
15 terms of percentages up and down in business rather than
16 dollar amounts or total guest-days.

17 Mr. Al Owen, Executive Director of the N. J.
18 Travel and Resort Association said that he knows of no
19 source of the figures we are looking for but that last
20 year his association financed a small study at Stockton
21 State College in the \$10,000-\$15,000 range which he
22 expects will be the first in a series of studies which
23 may eventually produce a fairly reliable body of data and
24 enable us to understand the size, structure and impact
25 of the resort industry in New Jersey. It is obvious that

1 before this goal is reached studies of considerable
2 magnitude and of considerable sophistication in their
3 exercise of econometrics, will have to be undertaken.
4 Only then will we be able to start comparing the value
5 of the shore resort industry in New Jersey vs. the
6 development an oilport will bring.

7 In view of the remarkable lack of data con-
8 cerning one of New Jersey's major economic activities,
9 I respectfully suggest that the discussion of S-200 is
10 premature. The development that would be permitted by
11 S-200 must be considered a major land use decision for
12 New Jersey and such decisions should be made on an
13 adequate factual basis. An oilport may generate jobs but
14 it may cost many more jobs in the resort industry; an
15 oilport may generate income but at the same time cause
16 greater losses to the resort industry. We need the
17 facts to get the answers to these questions. Thank you
18 very much, sir.

19 SENATOR McGAHN: Thank you very much for your
20 remarks. With the excellent resort business in New
21 Jersey, the study you alluded to, we're familiar with
22 it and it certainly will be an important facet in order
23 for us to know specifically what is going on in that
24 area.

25 Mrs. Billings?

1 MRS. ELIZABETH BILLINGS: Senator McGahn, as
2 the representative of the Women's Club of New Shrews-
3 bury, I would like to state our strong opposition to
4 Bill S-200. Our Club feels that New Jersey already
5 refines more than its share of gasoline and oil. We
6 feel that the future expansion of the petroleum industry
7 should be curbed in New Jersey. We are joined in this
8 opposition by the Mayor and Council of New Shrewsbury
9 who passed a resolution in January of 1973 stating
10 their opposition to a deepwater oilport and more recently
11 in March of this year reiterating their position.
12 Instead of a bill to expand oil facilities, the legis-
13 lature should take action to clean up the filthy air and
14 water that is so evident around Linden, Bayonne, Jersey
15 City, Perth Amboy and other cities in coastal New Jersey.
16 As representative of the Women's Club of New Shrewsbury,
17 I urge the legislature to prohibit the expansion of any
18 oil and gas facilities onshore or off. We wish to
19 preserve our beaches, our homes and the general environ-
20 ment from the dilatoriness effects of the oil industry
21 with which we are already too familiar.

22 SENATOR MCGAHN: Thank you very much, Mrs.
23 Billings. Mr. Wilford Wisner, Middletown Township
24 Committee.

25 MR. WISNER: Senator McGahn, legislators,

1 ladies and gentlemen, I'm Wilford Wisner, Middletown
2 Township Committeeman speaking for the Township of
3 Middletown. I'll abbreviate any remarks, because many
4 of the previous speakers have made many of these points
5 very forcibly and I want to attach on and emphasize these
6 points, though, which effect Middletown most directly.

7 I believe on December 21, 1972 and January 16,
8 1973, the Township of Middletown testified at hearings
9 held by the Corps of Engineers concerning a deepwater
10 port off the shores of our town. At the time we were
11 unalterably opposed to such a facility and our position
12 has not changed.

13 On August 20th, 1973, the Middletown Township
14 Committee by unanimous vote passed a resolution support-
15 ing Monmouth County Planning Board in its opposition
16 for construction of a deepwater port off the shores of
17 Monmouth County. We have not changed our position.

18 Let me mention one thing that disturbed us very deeply
19 relating to the shore impact of the water port.

20 This is point number four that you'll find
21 in my speech. The projected population growth that
22 would occur in connection with such a deepwater port
23 facility would amount to perhaps an additional 270,000
24 oil company employees and their families in the impacted
25 area. Middletown, the largest in Monmouth County and

1 certainly a beautiful and fragile area projects a
2 population of 80 to 90,000 population by the year 2000
3 up from 60,000 now. Even this projection cannot possibly
4 be achieved without the expenditure of untold millions
5 of dollars for schools, sewers and so forth. We cannot
6 afford what we need now, our \$50 million sewer facility
7 is new and doesn't even cover all of the present residents.

8 Our school system is not only adequate and is
9 being improved to make current needs. The deep port
10 facility could double our growth rate where it will need
11 additional public facilities and where will they come
12 from?

13 There has been no mention of state impact
14 funds to a local municipality in connection with this
15 sort of a facility.

16 Now, let me skip over to points eight and nine.
17 I think one thing that disturbs us all is the demonstrable
18 lack of accurate statistics on the need for greater
19 Arab imports. We saw how dramatically the gas shortage
20 appeared and now this appeared. If you read yesterday's
21 Wall Street Journal, you'll find an extensive article
22 in there that explains that the Arab oil embargo was
23 never really what it seemed and if as much crude oil
24 was coming in as this article indicates, it appears to
25 be in the possibility that the severe gas shortages

1 during January and February was a huge frame that was
2 bound to disappear as soon as prices had risen to a
3 level acceptable to the oil companies. Perhaps they
4 even had trouble storing all that gas and oil until now.

5 My point is that we really don't have reliable
6 facts on how necessary new importing facilities perform
7 on a suspicion of the unseemingly haste to put this bill--
8 and Senator McGahn, even though the clock has run, let
9 me speak to the point of alternatives. Several speakers
10 have spoken to long range alternatives and they were
11 all excellent ideas, but for the short term, I believe
12 we should allow the Gulf Coast to have the oilports at
13 once and concentrate perhaps on expanding and upgrading
14 the pipelines that come to this area from the Gulf Coast
15 area. That will, of course, limit the amount of growth
16 in the oil industry that's available to New Jersey. I
17 can view that only as beneficial, since the entire
18 biological life chain of this depends primarily on
19 what happens in the shore zone and it seems to me
20 essential over the long term to disperse the energy
21 industry, push it back farther, back towards the mid-
22 section of the country to less fragile land.

23 SENATOR MCGAHN: Thank you very much, Mr.
24 Wisner. I'll simply address myself to your last
25 alternative here concerning pipelines. As you probably

1 are aware of, the only pipelines coming in from the Gulf
2 Coast carries the refined product, not crude. The Gulf
3 Coast does transport crude to the Midwest. There is not
4 at the present time nor is there any projected chance of
5 a new existing pipeline coming in accompanying the
6 refined product pipeline. I think you've had problems
7 in New Jersey with seeing what has happened with Colonial
8 Pipeline coming into certain areas of northern New Jersey
9 in relationship to zoning and local officials. I think
10 there is presently a number of local officials in the
11 towns through which the Colonial Pipeline has been routed
12 and some are in jail. Be it one thing, crude oil will
13 be coming in New Jersey by water or transport whether it
14 does come from the Gulf Coast or otherwise.

15 MR. WISNER: Do you mean to say that the right
16 of ways that exist are not sufficient to take an addi-
17 tional pipeline for crude?

18 SENATOR McGAHN: We're not saying the right of
19 ways are not sufficient, they have to go through the same
20 procedure and, of course, yes they would in most areas
21 and they do not consider this to be an economical way.
22 It is cheaper to bring it in by barge and coastal tanker
23 from the Gulf Coast than it is to building new pipeline
24 to accommodate crude and the existing Colonial Pipeline
25 do not, do not put mixed products through that line.

1 MR. WISNER: I certainly understand that,
2 Senator, but my point is you're going to have to buck
3 economics to force the energy industry back away from
4 the shoreline of the country, you're going to have to
5 buck the economic sooner or later. It's going to have
6 to be done.

7 SENATOR McGAHN: Thank you. Mr. Bennett?
8 Mr. Bennett, would you identify yourself, please?

9 D. W. BENNETT: I'm D. W. Bennett, Conserva-
10 tion Director of the American Littoral Society.

11 The American Littoral Society believes that
12 S-200, a bill to create a deepwater oilport authority,
13 is premature legislation and should not be reported on
14 favorably by your committee.

15 Our reasons for this stand are many; most have
16 been mentioned in other testimony before your committee.
17 To sum them up, briefly; the bill lacks control of land
18 use onshore; the bill bypasses strong controls by the
19 Department of Environmental Protection; the bill does
20 not address itself to the questions of a state-wide
21 energy budget; and the bill, by giving condemnation
22 powers to the oil port authority, undermines the State's
23 recent gains in land use legislation--the Wetlands Act,
24 the Flood-Plains Act, and the Coastal Facilities Review
25 Act.

1 But I think these points have been covered
2 well, particularly in the statements of Joseph Barber,
3 acting commissioner of the Department of Environmental
4 Protection, and by Richard Leone, the State's treasurer.
5 I would like to bring up several issues which I believe
6 have not been covered in these hearings so far.

7 First, I do not believe that a plan which calls
8 for fewer tankers offshore instead of more frequent
9 lightering operations inshore is an obvious environ-
10 mental benefit. Figures on this issue are contradictory.
11 At hearings before the Delaware River and Bay Council
12 two years ago, the commandant of the Third U. S. Coast
13 Guard District at Philadelphia, Captain R. I. Price,
14 indicated that lightering in Lower Delaware Bay was a
15 routine procedure that he believed caused very few oil
16 spills. In 1973 there were three major oil spills in
17 the Delaware River. Two were from tankers in the lower
18 river, but the third, from a tank farm near Trenton,
19 contributed about three times as much oil as the other
20 two spills combined. Also, it is our opinion that a
21 deepwater oil port will immediately and automatically
22 increase the importation of oil in the area of the port
23 and that with every increase there are attendant oil
24 spill increases.

25 More importantly, we believe that even if all

1 lightering in Lower New York Bay were to be stopped
2 tomorrow, there would be no measurable decrease in the
3 amount of oil pollution in the Bay, the Hudson River,
4 Newark Bay, Raritan Bay, or the Arthur Kill because a
5 major source of oil pollution in local waters is from
6 the land. Refinery grounds in the Kill are oil
7 saturated. Ten days ago, I walked refinery wetland and
8 bubbles of oil popped from the ground. This oil reaches
9 the waterway. The lands and waterway bottoms of the
10 area are so oil choked that they will feed polluting
11 oil into the water long after oil ports and oil refineries
12 are gone.

13 We have no confidence that the oil companies
14 are motivated to clean up their onshore messes, not just
15 their effluent discharges, but, more importantly, the
16 oil which seeps from the land to the water with each
17 tide.

18 Let me also comment on testimony of an earlier
19 witness, Mr. Sidney Brody, who appeared before your
20 committee in Trenton. One member of the committee
21 stated that he was glad an expert had appeared and then
22 went on to ask Mr. Brody questions about oil pricing. I
23 think it is important to state for the record that
24 while Mr. Brody might be an expert on oil pricing, he is
25 not an expert on deepwater ports, on oil refining, and

1 on the environmental impact of oil importation. His
2 expertise is in land development. He appears before
3 committees like this (and before the Delaware River and
4 Bay Council, of which I was a member) to promote
5 development of Southern New Jersey. He has a special
6 interest in the land in Greenwich, Cumberland County,
7 owned by Atlantic City Electric Light Company, and
8 planned as a power plant site. Since the power company
9 decided not to construct a power plant there, the land
10 has become an expensive problem which they feel can be
11 solved by the erection there of an industrial park,
12 including a tank farm. Thus, Mr. Brody's testimonial
13 to the feasibility of a Delaware Bay site for a deep-
14 water port.

15 It is our feeling that of all the areas of
16 New Jersey, the Cape May area is least able to with-
17 stand the impact of a nearby deepwater port; the Littoral
18 Society argues strongly against a port there or off Long
19 Branch.

20 Does the Littoral Society have recommendations
21 to put forth instead of S-200? We have. First, we look
22 for a sign that the Governor's office and the legisla-
23 ture--are interested in land use planning, an energy
24 budget, and a mass transportation plan. The Assembly's
25 recent action to allow Port Authority money to be spent

1 on non-profit making mass transport is certainly a worth-
2 while move, one we applaud. But we look for more. We
3 do not believe that a Turnpike spur to Toms River and
4 six more lanes on the Garden State Parkway are indica-
5 tions that the State (or these authorities) have faced up
6 to energy conservation. We look for a sign that the
7 legislature and the Governor recognize the importance of
8 the Department of Environmental Protection. Surely a
9 bill (S-200) which gives the Department only consulting
10 power is environmentally unsound. And surely a Governor
11 who leaves the post of Commissioner of the Department
12 unfilled for three months indicates a lack of under-
13 standing of the concept of environmental impact.

14 I opened by saying that we find S-200 to be
15 premature legislation. It is, until more pressing issues
16 are dealt with.

17 Let me close by addressing one issue, one
18 undercurrent that has been present throughout your
19 hearings. There is a feeling abroad that there have
20 been and are two opposing movements in New Jersey. One
21 is made up of environmentalists. And they are for
22 nature and against progress, jobs, and growth. The
23 second movement is made up of "those other people".
24 They want jobs, progress, and growth at the expense of
25 nature. I don't think there are such groups. All of us

1 need jobs. We all want growth and progress. The
2 differences are in definition and degree. Some are
3 satisfied with few material possessions. Others want
4 to acquire much. Some of us will make enough money to
5 go somewhere else to live. Some earn enough to go on
6 vacations to far away places. But most of us spend
7 almost all our time in New Jersey, and we need strict
8 environmental protection for our habitat. S-200 is not
9 a bill to protect our environment, our habitat.

10 SENATOR McGAHN: Mr. Bennett, as a relative
11 point, you're talking about Mr. Brody and I certainly
12 agree with you wholeheartedly, he's a furniture dealer
13 and land developer. If you recall, in his testimony I
14 asked him specifically if he did have any agreements
15 with the Township of Greenwich concerning a tank farm.
16 I will show you this morning's Atlantic City Press in
17 which the headlines say oil line seeks other site
18 following Greenwich obedience. On Monday, the Greenwich
19 Township Committee voted to amend zoning ordinances to
20 prohibit above ground tanks of 5,000 gallons and so
21 forth and in November and December of 1972, both the
22 Greenwich Township Committee and the Planning Board
23 approved, in principle, a tank owned by the Atlantic
24 City Electric Company. It's possible this is not the
25 case, but it's possible that hearing may have had some-

1 thing to do with it and this is what I mean by land use
2 control, because basically it's through the local zoning
3 process and does not have to be the State coming in and
4 preempting certain situations.

5 Mr. Ward is submitting a comprehensive state-
6 ment for the record and he is giving hiw own.

7 LEE WARD: I represent the N. J. Chapter of
8 the ALS. The N. J. Chapter has over 1000 members, of
9 whom over 500 are scuba divers. The balance of our
10 membership consists of Marine Biologists, Sport fisher-
11 men, commercial fishermen and lobstermen, as well as a
12 broad spectrum of citizens of our state who have a deep
13 concern for the protection and improvement of New Jersey's
14 marshes, estuaries and off-shore waters.

15 Under the auspices of the ALS a 2-year study
16 of the Navesink River has been conducted, as well as an
17 ongoing baseline survey of the Monmouth County shores of
18 Raritan Bay. Every week-end throughout the year diver
19 members of the ALS are seing firsthand the recent
20 improvement in our off-shore waters in terms of fish and
21 marine life, as well as water clarity and pollution
22 effects. Members of ALS turn in reports to our office
23 on the state of our estuaries and local rivers, both for
24 benthic marine life and fish life.

25 Members of the society were the first to make

1 reports of fish kills in 1968 on our off-shore wrecks
2 and artificial reefs. These reports led to a major
3 study by SHML into the causes of low oxygen levels in
4 the water and subsequent injunctions against in-shore
5 aludge dumping. Recently ALS sponsored marine life
6 study trips in the vicinity of Point Pleasant and
7 Raritan Bay which included some 200 individuals over a
8 2-year period. The results of a 10-year program of
9 National ALS fish tagging has proven to be an invaluable
10 source of basic research data.

11 In short, the ALS has a pool of membership,
12 experienced in the study of marine life both in-shore
13 and off-shore. And we, as an organization, oppose S-200.

14 We oppose S-200 because it is a proposal for
15 the construction of a major potentially high pollutant
16 facility to be built in a total factual vacuum. We have
17 heard and read reams of information on the need for Oil,
18 the economic impact and the on-shore impact, both good
19 and bad. But no where have we seen independent studies
20 of the marine impact or even a proposal for such a study,
21 with the possible exception of the Ad Hoc Committee on
22 Energy of April, 1973.

23 We are not prepared to deny the ultimate need
24 for additional foreign crude oil, nor are we prepared to
25 question the need for on-shore facilities. We leave
those questions to other qualified groups. We do,

1 however question the accuracy of published figures on
2 the frequency and quantity of accidental oil spills.
3 All of the information in this area has been supplied by
4 the oil companies and their affiliates. The Corps of
5 Engineers, in fact, quotes such available figures con-
6 cerning operations at Bantry Bay and Milford Haven. Not
7 only are these figures proprietary oil company informa-
8 tion, but we are convinced that they are not comparable
9 because of the tremendous geographical disparity of our
10 off-shore waters and the sheltered bays used as examples.
11 For instance, there is not one oil port in the world
12 subject to the wind-wave conditions off New Jersey, nor
13 is there, according to the Corps of Engrs., any usage
14 in the world of the type of SPMP proposed for this
15 facility. This is an experimental, hypothetical, untested
16 concept. Bantry Bay, Milford Haven, Come-By Chance,
17 N. S., St. Croix, Freeport, Northville, L. I., all of
18 these ports use fixed piers or Monobuoys and are all in
19 protected or semi-protected waters. Certainly none
20 compare with New Jersey's uniquely busy and rough off-
21 shore waters.

22 Concerning the accuracy of oil spill figures,
23 it is absolutely necessary for all of us to understand
24 that all current information has been made available from
25 regular oil spill logs as released by the oil companies

1 and their off-loading terminal operating associates.
2 To choose one example: the Corps of Engrs. used spill
3 ratio figures for Milford Haven of .4 bbls spill/1 mil.
4 bbls of throughput. (A figure, 10 times larger, appears
5 in the Dodd dissenting report of April, 1973.) Based
6 upon an estimated 1980 throughput of 100 mil. tons for
7 the proposed facility and using the Corps of Engrs. spill
8 ratio we will have a loss of 11,760 gals. of crude into
9 our waters per year. Our first reaction is that maybe
10 our waters can accept this level of pollution without
11 serious deterioration. Using the figures from the Dodd
12 report the loss total becomes 117,600 gals. This total is
13 unacceptable.

14 However, let us look at another Milford Haven
15 spill ratio figure, this one from a different source.
16 This other figure appears in a Woods Hole Oceanographic
17 report (Contribution #2336). This report was supported
18 in part by the Office of Naval Research grant #C0241 and
19 the National Science Foundation grant GA-1625.
20 According to this report, Milford Haven in the year 1966
21 along with a throughput of 30 mil. tons had actual spills
22 totalling 800,000 gals. This is a spill ratio of 100
23 bbls/1 mil. tons of throughput! Projected for the
24 estimated 1980 100 mil. tons of throughput off Long
25 Branch, we will have spillage of 2,600,000 gals. per year.

1 We quote from the Woods Hole Oceanographic report #2336
2 concerning the 1966 figures. "A single accident (the
3 tanker, Chrissi Goulandris) contributed between 10%-20%
4 of the total; other losses are attributed to design
5 faults, breakages and mechanical failures, losses in
6 transfer and human error." This quote is footnoted to a
7 Field Study Council publication "The Problem of Oil
8 Pollution in a Major Oil Port" (1968) by G. Dudley.
9 Capt. Dudley we are advised is Harbor Master of Milford
10 Haven. We cannot and will not accept spillage of this
11 magnitude. The dangers to our shore industries are
12 obvious.

13 Which set of spill ratios is correct and which
14 set is truly applicable to the proposed facility off
15 New Jersey? Possibly neither one. In fact, our
16 experience could be even worse.

17 In our opinion studies of the off-shore area
18 and the potential long and short term effect of spilled
19 oil in our uniquely difficult and busy waters have been
20 sorely lacking. We know that oil kills marine life both
21 in-shore and off-shore. Studies by the Env. Prot.
22 Agency (OAM 73-06-001) on an 80,000 gal. oil spill in
23 Long Island Sound on 3/21/72, as well as other studies
24 by Woods Hole Oceanographic Inst., The Marine Biological
25 Ass'n. of the United Kingdom and University of California

1 all indicate that the toxicity of crude oil components
2 do have disastrous short term effects on marine life
3 and that all facts point towards insidious long term
4 effects.

5 Even in the area of chemical cleanup technology
6 there is a question of serious danger. For Example:
7 The Exxon Co. has developed an oil spill dispersant
8 called COREXIT 7664, and the best that they can say about
9 it is that it is less toxic than any other dispersant.

10 Toxicity notwithstanding, the entire technology
11 for the control and cleanup of spilled oil has been proven
12 to be totally ineffective in seas of greater than 6"-8".
13 Hardly applicable to our local waters.

14 In view of the foregoing, we would like to
15 recommend to this committee that all consideration of
16 S-200 or any other enabling legislation cease immediately.
17 In its place we propose the formation of a State
18 Commission to:

19 1. Study the marine environmental impact of
20 oil spills as they apply to our waters including, but
21 not restricted to, the Benthic infauna and epifauna.

22 2. Prepare, both by first-hand observation
23 and study and through the use of subpoenaed confidential
24 oil company information if necessary, a total and non-
25 biased picture of the actual frequency, quantity and

1 impact of oil spillage both chronic and catastrophic in
2 other oil ports of the world, as dissimilar as they may
3 be.

4 3. This commission to be made up of scientists
5 and knowledgeable laymen and that its members be non-
6 political. Further that this commission be budgeted
7 commensurate with the \$2.3 bil. value of our shore
8 industries.

9 A. We suggest that the membership include
10 at least representatives from the League of Women Voters,
11 the ALS, the Oil Industry, the N. J. Resort Industry,
12 the Fishing Industry, Sport Fishing Associations, our
13 Universities and the general business community.

14 4. This study commission be required to file
15 a final report within two years.

16 In conclusion, the N. J. ALS offers the time,
17 ability and relative expertise of its members to either
18 serve on the commission or aid in its formation. Thank
19 you.

20 SENATOR McGAHN: Mr. Ward, on page three, I
21 think this is a typographical error, "oil spill tech-
22 nology is ineffective in seas greater than" 6'-8', not
23 6"-8". The booms are effective in containing oil spills
24 in the range of 6'-8', not 6"-8".

25 FROM THE FLOOR: That is not so.

1 LEE WARD: Six to eight feet is still a heavy
2 sea.

3 SENATOR McGAHN: There is no point in arguing,
4 I have documentation.

5 FROM THE FLOOR: Can I refer you to a source
6 for that information after the meeting?

7 SENATOR McGAHN: Yes. Margaret Bartlett? She
8 is not here. Gail Abrams.

9 GAIL ABRAMS: My name is Gail Abrams. I'm
10 speaking for the Water Policy Committee of the Middletown,
11 Colts Neck and Holmdel Leagues of Women Voters.

12 Misleading information has been made available
13 to the public. I'd like to correct the false conclusions
14 that have resulted.

15 First, we're told that there are number of
16 Deepwater Oilports throughout the world. From this, one
17 assumes that a facility like the one being proposed for
18 our waters has been built before. That's false, nowhere
19 in the world is there an exposed open-water oil facility.

20 Second, we're told that the Arabian oil is
21 shipped most economically by super-tanker. From this
22 one assumes that a lot of the crude oil coming into this
23 region is Arabian. That's false, half of our crude oil
24 is domestic, of the imported crude oil 80% is Venezuelan.
25 Only 10% of the oil refined in this region comes from

1 outside this hemisphere, and that 10% is all that is or
2 would be shipped by super-tanker.

3 We're told that larger oil tankers would mean
4 fewer tankers. From that one assumes that there would
5 be fewer accidents and less oil spilt. That's false,
6 a super-port would eliminate about 100 of the crude oil
7 tankers in our waters, but the proposed facility off
8 Long Branch would require the addition of an equal number
9 of tug barges transporting oil from Raritan Bay to
10 Chesapeake Bay. Other shipping would not be decreased.
11 In addition, this site off Long Branch abuts two of the
12 three shipping lanes into New York Harbor creating a new
13 navigational hazard in the waters of this, the busiest
14 harbor in the U. S. A.

15 We're told that more oil spills occur in
16 harbor waters than at open sea. From that, one might
17 assume that eliminating the harbor would somehow reduce
18 the number of oil spills. That's false, most harbor
19 spills occur at the pier, moving the pier to less
20 sheltered waters can only increase the number of pier
21 accidents.

22 We're told that the most modern technology
23 will be used to handle any oil spills, what isn't mentioned
24 is that there is no technology for the handling of an
25 open-water oil spill in heavy weather.

1 We're told that a super-port would save crude
2 oil transportation costs, and from that one might assume
3 that he'd pay less to heat his home or to fill his gas
4 tank. That's false, the total saving at the most
5 economical site in this region (the one 13 miles off
6 Long Branch) was calculated to be \$24.2 million a year
7 in 1980 on a projected throughput of 100 million tons.
8 That works out to less than a tenth of a cent per gallon.
9 This saving is based on the assumption that the refinery
10 capacity in the area between Arthur Kill and Delaware
11 Bay would double by 1980.

12 One part of this saving is a \$.15 per ton
13 Environmental Tax levied by the Canadian Government. In
14 calculating the costs here it was assumed that no such
15 tax would be levied by this nation or by the State of
16 New Jersey. I'd hate to think that this implies that
17 we in New Jersey value our coast less than the Canadians
18 do theirs. Now, that's legislation that should be con-
19 sidered. Let's charge an environmental tax on crude oil
20 too, and use that money to clean up the Arthur Kill. If
21 the kills were clean, opposition to this facility might
22 evaporate.

23 How much will that \$24 million saving for the
24 petroleum industry cost the fisherman and motel owner,
25 the beach clubs, clambers and marina operators? It would

1 immoral if that saving came out of their earnings.

2 To conclude, we're being asked to expect a
3 good safety record at the first exposed open-water oil
4 facility ever to be built. This risk would be undertaken
5 to simplify the handling of 10% of the crude oil that
6 we presently refine. Collisions, pier accidents and
7 mechanical failures would not be reduced. Modern
8 technology can't cope with open-water oil spills. The
9 anticipated savings are miniscule to the consumer (3/10
10 of 1%).

11 If the only advantage to this super-port is
12 the elimination of lightering, imposing a surcharge on
13 lightered crude oil would accomplish the same purpose
14 more simply, at no risk, and with no undesirable side
15 effects.

16 You gentlemen have pointed out that we can't
17 consider only New Jersey's oil needs when considering
18 this oilport. We in the League of Women Voters agree
19 with you, but let's remember that in addition to re-
20 fining the petroleum for this region, the New Jersey
21 shore provides recreational opportunities not only for
22 its own residents but also for those who live in the
23 three nearby densely populated metropolitan areas.

24 Crude oil can be transported in a pipe, clean
25 beaches cannot. Thank you.

1 SENATOR McGAHN: Thank you. On page two at
2 the top--

3 GAIL ABRAMS: Is that on the summary or the
4 big one?

5 SENATOR McGAHN: On the summary. You state the
6 proposed facility of Long Branch would require the
7 addition of an equal number of tug-barges transporting
8 oil from Raritan Bay to Chesapeake Bay. Are you implying
9 for the single point the system is to be used as a trans-
10 shipment port?

11 GAIL ABRAMS: No, sir. As I understand it,
12 the pipeline from the facility off Long Branch would
13 come in and there would be pipes running to the Arthur
14 Kill refineries and Delaware Bay refineries, but the
15 course said it was too expensive to extend the lines to
16 the Chesapeake Bay and it proposed that that crude oil
17 be transported by a tug-barge system out of the Raritan
18 Bay.

19 SENATOR McGAHN: Thank you.

20 GAIL ABRAMS: Am I addressing myself to your
21 question?

22 SENATOR McGAHN: That's correct, it's only
23 the artificial single pier type of situation that's used
24 for a transshipping.

25 GAIL ABRAMS: Right.

1 SENATOR MCGAHN: Thank you very much. Jean
2 Katims? John Winterstella? Helen Kroll? Kenneth Cook?
3 Maurice Fitzgerald?

4 MAURICE FITZGERALD: I'm not connected with
5 any organization or anything, but I feel that this
6 energy crisis--if there is a possibility that it was
7 created, that they ought to get the facts straight on
8 this energy crisis before we decide to build a super-port
9 or anything else. I feel the only reason for a super-
10 port to be built is to put money in the oil companies'
11 pockets, because all I can see is the profit motive,
12 they haven't proven any environmental gain, they haven't
13 shown any way or any reason to have this except for
14 money and if they really have an energy crisis and we're
15 going to run out of oil in 50 years, what's the sense in
16 moving it faster, moving it in bulk, they are just going
17 to use it up faster.

18 I feel that the whole thing is senseless, I
19 think the whole bill is senseless and also, I think it's
20 probably going to go through because oil people, they
21 have probably the most power, if you will, lobby in the
22 country. You've got people in the oil industry, which
23 is poverty stricken according to their records. Going
24 against the companies in this country is like H. L. Hunt.
25 He started out as a barber and he makes \$1 million a week

1 now. You got J. Paul Getty, he makes \$300,000 a day,
2 but there is no profit in oil industry and he has to use
3 the super-tankers and super-ports.

4 I think if they are saving money, it's not
5 going to be reflected to us as it was said before and
6 also, I feel that it's not going to be reflected in
7 really any great tax revenue to anybody in this state or
8 actually in this country, because oil companies don't
9 pay a hell of a lot of taxes in this country, they pay
10 them overseas. They don't call them taxes. Well, they
11 call them taxes, but they are really royalties. I was
12 reading in the Philadelphia paper, the taxpayer in 1971,
13 the highest tax paid by a major oil company to the U. S.
14 Government was 7.7% by Standard Oil in New Jersey. The
15 lowest tax paid by a major oil company was 1.6% by
16 Standard Oil of California and then there were smaller
17 ones that paid maybe different, but the major ones
18 don't really pay that much taxes because they use their
19 land overseas and they write it off, which they call
20 taxes, which is really considered rent, according to the
21 book I read, anyway. I guess I'm tired or nervous or
22 something. I just feel that this whole thing that's
23 going to be pushed through--and when the Senator was
24 talking before, instead of saying it would be used in
25 this certain--I forget the exact thing he's talking about,

1 was super-tanker, instead of saying they would be, he
2 said they are going to be and that sounded a little
3 different to me. Maybe it was just a slip of the tongue
4 or whatnot, but there is a man standing next to me and
5 he left already and he heard it too and it sounded
6 strange for him to say they are going to do it if you're
7 only going to set up a regulatory authority and also,
8 it seems strange to me to be even proposing this bill.
9 There must be something in the background for this bill
10 to even come up.

11 If this bill is proposed, it just seems to me
12 that there has got to be something happening, there has
13 got to be some lobbies at work or whatever and also,
14 like in the oil states, it seems like the oil men are
15 king makers. If somebody happens to be on their side
16 and they happen to come into this state--

17 SENATOR McGAHN: Thirty seconds, please.

18 MAURICE FITZGERALD: Okay, 30 seconds. Here's
19 a point I want to make. I happened to look in the paper
20 the other day and I seen they were speculating a tank
21 farm and that's entirely possible, but they have this
22 eminent domain and if they have this bill passed through,
23 and I guess I'll have to quit because I'm tired and
24 running out of words. Thank you.

25 SENATOR McGAHN: Thank you very much for your

1 viewpoints. I would like, if I may, to protest to the
2 part of my Committee that's not here concerning your
3 allegations that you're impuning our integrity. I want
4 to tell you something. Personally, I attempt to be
5 objective. I do not owe my allegiance, I was elected
6 and I'll do my best for the state. I do not, I do not
7 relish you or anybody else coming up here and saying
8 that this bill is going to be pushed through. The record
9 will show. If I made a slip, fine, I'll apologize for
10 it.

11 MAURICE FITZGERALD: All right. I said it was
12 probably a mistake.

13 SENATOR McGAHN: I'm making a statement, there
14 is no rebuttal.

15 William Reid? Chester Apy? Albert Kerecman?
16 Dr. Brenton Miller, he submitted a statement. Brian
17 Kennedy? Roger Wilkenson.

18 MR. WILKENSON: Senator McGahn and Senator
19 Dwyer, I have a few copies of this, the shortest state-
20 ment anybody has made here which I will read. This is
21 from the Bureau of Rumson Conservation Commission, the
22 first time we made public statements, I believe, gentle-
23 men.

24 The Rumson Environmental Commission wishes to
25 voice its protest against Bill S-200 which proposes to

1 build and operate a super-port off the New Jersey coast.

2 It is our understanding that under Bill S-200
3 the super-port would be built without regard for present
4 legislation guarding the environmental well being of our
5 towns' wetlands, property and coastal facilities. End
6 of statement.

7 SENATOR McGAHN: Mr. Wilkenson, thank you very
8 much for your very concise statement, I think it really
9 gets to the guts of the situation and I can tell you the
10 Committee is fully apprised of the validity of what you
11 are saying here and I say if, if such a bill is reported,
12 it will be with the safeguards and certainly strong land
13 use safeguards that we'll be controlling as far as any
14 type of offshore development is concerned. Thank you
15 very much.

16 MR. WILKENS: There was one other point that
17 I originally wanted to make, do you have an alternative,
18 and I brought you a magazine which I thought was of some
19 interest here. The American Electric Power Company put
20 a full page ad in the New York Times yesterday. Their
21 alternative is the use of coal. They are the largest
22 electric utility, I think, in the United States;
23 certainly the most sophisticated network of channels
24 that they transmit their energies to at the highest
25 voltage, 565,000 volts and they power 93% of their

1 electric from coal and they have no oil fire burners at
2 all. The rest of it is some storage and they have no
3 problem whatever in getting the sufficient coal. They
4 are shipping it from Wyoming and they think that with
5 the coal we have that there should be a cash program
6 in developing that and perhaps your Committee would
7 consider that very strongly, if it will.

8 SENATOR McGAHN: Thank you very much. Con-
9 cerning alternate sources of energy, in view of the hour,
10 I'd like to say that we have not considered publicly,
11 but this, of course, might not be compatible with zero
12 population growth, but be that as it may.

13 Mrs. Holman? Mrs. Carol Denck? Louis Stals-
14 worth? Yes. I wish to thank the hearts and souls that
15 are staying here, my congratulations and my apologies
16 also. Very frankly, I did not set up the agenda. Some-
17 body had to be first and somebody had to be last. Mr.
18 Stalsworth?

19 LOUIS J. STALSWORTH: My name is Louis Stals-
20 worth, I live here in Long Branch and I was about to
21 compliment you on your stamina. I have copies to be
22 entered on the record. I've stayed here to direct a few
23 comments to Senator McGahn. The question of alterna-
24 tives, one obvious alternative, I think, is to use less.
25 The question is, could it be done? Could we change the

1 lifestyle in 10 years, maybe not 10 years, but it can be
2 done. The American spirit does live, there are those
3 who smirk and say it's flag waving, but it does exist.

4 Another alternative is to get more from what
5 we use. One of the benefits of the space program is
6 what they call spin-offs and some of the spin-offs have
7 been the ability to transmit the electric over lines
8 that are less resistant, you loseless power. I know on
9 these spin-offs you get brighter lights with less power.
10 This is technology that's been serving us, this has been
11 from the space program. Of course, there is another way
12 of spending money and that's the problem of state or
13 universities. Why not? We have brains there, we have
14 the facilities, why isn't more research being conducted
15 more vigorously. Solar power is being used in--I say
16 really it has been for years, the problem is it's been
17 banned in most of the major downtown cities because the
18 solar poles are ugly. This country is great at cosmetics,
19 I can't see why we can't dress those up.

20 The Senator had a preconceived notion of oil
21 shale. It is possible to achieve oil from shale without
22 having the powder residual on the surface. This is not
23 a new discovery, any first year geology student is made
24 aware of it. It's done with hot water or perhaps some
25 form of bomb. I know the word bomb is frightening, but

1 it does work, the problem that develops there is when you
2 inject water beneath the surface, the oil rises and you
3 suck the oil. I don't know if this is why money and
4 research is needed, I don't think it's needed in the
5 middle of the Atlantic Ocean. There has been a lot of
6 debate tonight on whether or not the resort industry is
7 first or second. I don't think it matters. The
8 Senator's figure was \$3.1 billion. That's a lot of
9 money. Whether it's first or second really is irrele-
10 vant and finally, you have the problem of the energy
11 crisis, the gas shortage. A lot has been said about it
12 and a lot of accusations have been made that it has been
13 prefabricated, but let's give the oil industry the
14 benefit of the doubt, if we can. Let's chalk it up to
15 mismanagement. They had their choice, you have your
16 choice. You can either say we are having our arms
17 twisted, in which case I say twist until the arm falls
18 off, I'll walk. If it wasn't a deliberate thing, then
19 it has to be mismanagement and if they cannot manage
20 what they have now, how in the devil can you possibly
21 expect an industry to control and run a deepwater port?
22 Thank you.

23 SENATOR McGAHN: Thank you very much. If you
24 recall the statement I made concerning oil shale, until
25 such a time as the technology was developed wherein

1 ground recovery could be--and I know that this is possible--
2 we're now talking about what possibly could be 20 years--
3 some ground that has been done with, but I made the
4 mention of that.

5 LOUIS STALSWORTH: That's a longer figure than
6 I heard.

7 SENATOR MCGAHN: The figure I received from
8 the Chief of the Department of Engineering at Rutgers
9 University was that.

10 LOUIS STALSWORTH: The question remains, they
11 knew basically how to do this in theory 20 years ago,
12 what are they waiting for?

13 SENATOR MCGAHN: In theory today, nuclear
14 fushion is possible. It cannot be controlled, so it can
15 be simply utilized from the standpoint of development
16 of energy or anything else, it's a bomb.

17 Miss Hanley?

18 MISS LORETTA HANLEY: Senator McGahn, ladies
19 and gentlemen, I'm representing the Mayor and Council of
20 Seabright, New Jersey. They have enclosed resolutions
21 opposing this particular bill and as secretary to the
22 Conservation Committee, I have submitted a report of my
23 own.

24 Most of my points have been covered. However,
25 there are two points that I'd like to bring out at this

1 time; that a tax free status for the bonding indebted-
2 ness is bestowed upon private corporation. This is a
3 devious device maybe becoming too prevalent and which
4 may soon adversely affect the standing of New Jersey
5 general obligation bonds.

6 My second point is that the proposed authority
7 would be exempted from the existing states, the major
8 coastal facilities review act, all local ordinances and
9 is not required to obtain any permits or approving from
10 the State Department of Environmental Protection. I
11 believe, as an educator, that the law should hold for
12 everyone or no one and this type of injustice and
13 special privilege creates disrespect and contempt for
14 all laws and for this and other reasons that you'll see
15 in my report, we strongly oppose the passage of this
16 bill.

17 SENATOR MCGAHN: Thank you very much.

18 J. S. Courtney-Pratt.

19 J. S. COURTNEY-PRATT: My name is J. S. Court-
20 ney-Pratt and I speak both as a private citizen and
21 President of Hartshorne Woods Association. Most of the
22 points that I have in my statement have been covered by
23 other speakers and I will leave them for the record.
24 There are a few points, however, that a number of people
25 are worried about. Unemployment and provision of jobs.

1 The oil industry often says that it's the most highly
2 capitalized industry in the world. That means it employs
3 the lowest number of people for the highest income.
4 It's not the optimum use of public funds to assist with
5 the lowest rate of employment. The chairman asked why
6 we don't make a stiffer local zoning ordinance to con-
7 trol their uses. Does he honestly believe that a town-
8 ship could prevent the Corps of Engineers or Exxon or
9 any other company from putting in a pipeline or putting
10 in an offshore oilport? He asked us to comment on
11 alternatives to the oilport.

12 There have been at least a score of speakers
13 who have brought up one or another of the perfectly
14 sound methods of doing this. Perhaps a few have spoken
15 in favor of nuclear energy production, but largely
16 because it is not commonly well know and yet the
17 statistics of that record is better than that of any
18 other industry in the world. It's a valuable alternative
19 and one which, I think, we would be well desirous to
20 consider expanding. It has one other large aspect, that
21 it's price hasn't shifted much. With the recent rise in
22 oil so competitively, it looks a lot better. We would
23 urge the most critical examination of this bill. Indeed,
24 we would urge a critical examination for all proposals
25 for super-tank ports in or near New Jersey and we would

1 urge the legislation, as has been done in some other
2 states, from preventing this development of super-ports
3 in or near the New Jersey shore and if the legislature
4 perhaps is not agreeing with this, as we would hope, we
5 would perhaps urge the citizenry to join or send con-
6 tributions to the Coalition Against the Oilport Authority,
7 care of Mr. Stanton Whitney, Cooper Road, Navesink, New
8 Jersey 07752. We hope that they in their action in
9 taking up coverage and radio and television would air
10 not just that we're against the port, but the pros and
11 cons of the situation and they may eventually, as I say,
12 the state may arrive at a sensible solution which I
13 believe is one of not having an oilport.

14 SENATOR McGAHN: Thank you very much. Arthur
15 Larsen? William Feinberg? Kenneth Sorensen.

16 KENNETH SORENSEN: My name is Kenneth Sorensen.
17 I appear here as a resident of Monmouth County--A citizen
18 who is concerned, not only with my future, but the future
19 of our children as well. I have gone to sea for the past
20 20 years and have held a masters license for the past
21 14 years. I have attended all the public hearings on
22 Bill S-200 and have attended the hearings held last year
23 conducted by the Army Corps of Engineers.

24 I can no longer sit idly by and listen to the
25 flip and fallacious testimony given by proponents of the

1 bill with the possibility of trying to explain to my
2 children why our beaches are covered with oil.

3 A deepwater port will not increase employment
4 as has been stated by proponents of Bill S-200, but will
5 increase unemployment. According to the Army Corps of
6 Engineers' report, 416 forty thousand ton tankers will
7 be needed by 1980 without a deepwater port, while only
8 67 two hundred fifty thousand ton tankers would be needed
9 with a deepwater port. This is a reduction of 359 ships,
10 each of which would carry approximately a thirty man
11 crew (not counting additional men needed for vacation
12 reliefs.) This means 10,770 men out of a job. It also
13 means many men who are presently working aboard tugs
14 which are used to assist our present tankers in docking,
15 will be out of a job. Shore side personnel including
16 line handlers, will also be out of work.

17 In time of war, rather than having 416 ships
18 capable of getting into a safe harbor, we would have 67
19 large and easy targets that would not have a harbor of
20 refuge, if Bill S-200 is passed. True there are more
21 than 60 deepwater ports around the world and the U. S.
22 does not have one. Sir, does Russia or Red China have
23 one? Are they putting all their eggs in one basket as
24 Bill S-200 would provide? I don't know, but I would
25 doubt it.

1 Where will these very large crude carriers go
2 for repairs if there is a breakdown, collision or damage
3 due to the numerous gales and hurricanes we have in the
4 North Atlantic? Will they have to discharge their cargo
5 off our shores for their very survival???

6 The reduction of ships, it has been stated
7 many times over by the proponents of the deepwater port,
8 will reduce the risk of goundings and spills in our
9 harbors. This may or may not be true. But one certainty
10 is this--we can swim and fish off most of our beaches now
11 without a deepwater port. We are able to keep the spills
12 that we may have now, contained in the harbor and they
13 do not reach our coastal beaches. This would not be a
14 certainty with a deepwater port. If we have a major
15 deepwater port spill it would destroy our remaining
16 clean beaches. Monmouth County could soon look not much
17 different than Middlesex County. We were warned here,
18 last year at the Army Corps of Engineers hearings, by a
19 woman who lives near the Arthur Kill in Middlesex County.
20 Thirty years ago, she swam and fished there. Now her
21 river has been on fire twice! She warns us not to
22 listen to all the glamorous statements and assurances
23 made by oil companies. Are we going to be part of a
24 generation that will prevent our children from swimming
25 and fishing in Monmouth County? Is this great risk worth

1 a penny a gallon to us, which is all the oil companies
2 will save, although it will mean \$137,600,000 in annual
3 profits to them. As you stated last Saturday, Senator
4 McGahn, one major spill from a V. L. C. C. will spoil
5 200 miles of beachfront.

6 According to the Army Corps of Engineers'
7 report, there is no technology proven today that can
8 contain a spill at sea, except in calm seas and very
9 little surface current. It is a rare occasion when we
10 have calm seas, and we always have surface currents.

11 Through my employment, I have been told by
12 masters of various ships who have been to the coast of
13 South Africa, where they do have deepwater facilities,
14 there is a film of oil spreading over 1,000 miles. This
15 was reconfirmed last Saturday at the Ocean County hearing
16 by Mr. August Rance, the school teacher who spent 24
17 years in the U. S. Merchant Marine. Why haven't the
18 two oil companies that have appeared and given testimony
19 with many exhibits, drawings, and graphs, shown any
20 photographs of some of their older deepwater ports using
21 the single point mooring system? Do they have something
22 they don't want us to see? I'd find out gentlemen,
23 before allowing this bill to come out of committee.

24 According to the Army Corps of Engineers'
25 report, historically, local governments have not been

1 able to withstand pressures to use their land for
2 economic growth in their attempts to lower local taxes.
3 Wherever a deepwater port is located in foreign countries
4 it has shown an increase in the petrochemical industry.
5 At a previous hearing held last year, the chairman of
6 the Middlesex County Planning Board stated that the
7 children in Middlesex are now starving for breathable
8 air, and on certain days, are even collapsing while
9 playing in their school playgrounds. Our state is
10 already the most densely populated state in the union--
11 and anymore industry would only add to the threat of
12 running out of breathable air.

13 Further, in countering some of the deceptive
14 testimony given by proponents of the bill at the March
15 20th hearing held in Trenton, Mr. Charles Marcionte,
16 President of the State labor organization said the
17 A. F. L.-C. I. O. favored the bill. As a member, and
18 in asking brother members, I nor they ever received a
19 ballot on this question. I doubt very much if Mr.
20 Marcionte expressed the true feelings of the 750,000
21 New Jersey members of the A. F. L.-C. I. O.

22 Also favoring the bill at the hearings in
23 Trenton was the Audobon Society. This surprised me at
24 the time and my surprise turned to confusion when I
25 read in the Red Bank Register that the Monmouth County

1 Audobon Society, at their last meeting did in fact oppose
2 S-200. Once again testimony given did not represent the
3 members.

4 The farmers I have spoken to have voiced their
5 opposition to S-200 personally to me, and have admitted
6 they have never received a ballot even though Mr. Walter
7 Ellis, 1st Vice President of the New Jersey Farm Bureau
8 stated at the March 4th hearing that they were in favor
9 of the bill. This once again is not representing the
10 voice of the membership.

11 Mr. Christianson, representing the Mobile
12 Corporation, stated in his testimony that berth space
13 for tankers is seriously overloaded. I strongly object
14 to Mr. Christianson's statement, being well aware that
15 the berths in Southern Arthur Kill area, which contain
16 the majority of the tanker berths in the New Jersey-New
17 York area, are empty and without ships a greater amount
18 of time than they are with ships. Anyone using the
19 Outerbridge Crossing can verify this as you can see seven
20 tanker berths; one each at Chevron and Hess Perth Amboy,
21 one each at Shell and Royal Seewarren, one at Port
22 Mobile, Staten Island, and two at Hess Port Reading.
23 As recently as April 3rd and 4th of this past week,
24 there wasn't a ship at any of these berths. This is
25 unusual as the norm is to see one, maybe two at the most,

1 being occupied by ships on almost any given day throughout
2 the year. The berths and harbor are now less congested
3 than they were just a few years ago, due to containeri-
4 zation and the increase in size of vessels. I would like
5 to suggest to this committee that they question Mobile
6 as to how many ships they have had at their berth in
7 Staten Island in the passed few years.

8 Mr. Sydney Brodey, representing the Inter-
9 continental Pipeline Company stated at the February 25th
10 hearing, if New Jersey had a 1/2 cent per gallon pipe-
11 line tax, our State could realize \$830 million in revenue.
12 This testimony was about the most flip of all; even if
13 the State were allowed to impose such a tax. But the
14 State will not be able to realize any profit from a pipe-
15 line use fee. In fact, the only fees that will be
16 allowed under Federal Bill H. R. 10701, which is the
17 forerunner to Senator Dodd's bill, will be for "the
18 economic, environmental, and administrative costs
19 attributable to the construction and operation of the
20 deepwater facility." No unreasonable pipeline fees to
21 the municipality or state will be allowed and any state
22 fees shall be subject to the approval of the federal
23 commission. Thank you.

24 SENATOR McGAHN: Thank you, Mr. Sorensen. This
25 is all we have on the agenda. I would like to thank

1 everyone who stayed through the bitter end and I'm sorry
2 for at any particular time my remarks which may have
3 offended anyone. They were not intended to be that way
4 and I mean that sincerely. If I had taken the position
5 that it may have been in some instances that I have
6 taken a position on this, I am sorry. I did not have
7 any position on this bill and will not until I see the
8 rest of the testimony and get together with the rest
9 of the Committee. Again, in conclusion, my thanks to
10 everybody concerned with this and my thanks to the
11 Monmouth County officials for permitting us the use of
12 these fine facilities.

13 (At which time the hearing was concluded.)
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GIDDIO FOR COUNCIL COMMITTEE

GIDDIO OPPOSES OIL PORT

Stephen Giddio, candidate for Long Branch Council, declared his opposition yesterday to a bill creating a state authority to finance and build an oil port off the New Jersey coast. He called the proposed port and its onshore support facilities a "major threat to the lifeblood of Long Branch," a major portion of whose economy is resort-related.

"The most negative aspect of an offshore oil port is not what happens 20 or 30 miles off the beaches of Long Branch--part of the lifeline of New Jersey's more than \$2 billion recreation and resort industry--but what happens on the land which has to support offshore activities," Giddio said.

He made the comments in a statement to State Senate's Energy, Agriculture and Environment Committee, which conducted a public hearing last night at Monmouth College on the controversial bill proposed by State Senate President Frank J. Dodd (D-Essex).

The bill, titled the "Oil Transfer Facility Corporation Act," would create a state corporation with broad powers to finance and build an offshore oil port and related onshore facilities.

1 "There is no question that the black gold
2 under the high seas is an asset. The liabilities, how-
3 ever, are on the land," Giddio said.

4 "Will our remaining open spaces--including our
5 previous beachfront--be covered with industries and
6 development serving huge refineries and petrochemical
7 complexes?" he asked.

8 "Will new refineries have to be built and new
9 tank farms and pipelines along with them, as well as
10 related facilities?

11 "I don't want to speculate about the answers--
12 or about the future of Long Branch, 14 miles off whose
13 coast the U. S. Army Corps of Enginners has singled out
14 as the best site for a deepwater oil port."

15 "There need be no speculation, however, about
16 the damage onshore oil-related facilities will do not
17 only to our resort industry but to our own individual
18 moments of relaxation on the beachfront we are all
19 working so hard to improve.

20 Proponents of New Jersey offshore oil facilities,
21 like the American Petroleum Institute, insist such
22 facilities are vital to solving the energy crisis.

23 "I agree instead with Rep. James J. Howard
24 (D-3rd Dist.), who has rightly accused the Nixon
25 administration of 'trying to flim-flam the public into

1 believing that an offshore oil port will somehow ease
2 the energy crisis.'

3 "A better way to save energy is to put our
4 financial resources into mass transportation rather than
5 building more highways for oil and gasoline-guzzling
6 cars, which also are our worst air-polluters," said
7 Giddio.

8 The bill being studied by the Senate Energy,
9 Agriculture and Environment Committee would permit the
10 proposed public corporation to condemn up to 480 acres
11 of land for oil storage facilities, Giddio pointed out.

12 "I am encouraged at least to read the remarks
13 of the committee's chairman, Sen. Joseph L. McGahn
14 (D-Atlantic County), who has stated the bill in its
15 present form is not acceptable to the committee."

16 "He has said the measure must be revised to
17 include strict land-use controls along the Jersey Shore
18 as well as other assurances, including whether the state
19 can, in fact, legally establish an oilport in federal
20 or international waters.

21 "If there is one chance in a million of either
22 pollution to our beaches or large complexes of coastal
23 support facilities for any offshore oil port," Giddio
24 pledged, "I will fight to see the offshore port de-
25 feated."

1 "The Asbury Park Press, in its April 8
2 edition, p. 14, pointed out in a news article that--
3 despite offshore oil port proponents and contentions to
4 the contrary--consumers will not save significantly on
5 the price of oil," Giddio noted.

6 "The article further pointed out that no more
7 oil would be available to consumers than they already
8 are receiving."

9 Giddio said, instead, what a deepwater oil
10 port would do is "as the Asbury Park Press article
11 concluded, 'increase the profits of the oil industry,
12 and if not successful, the risk and cost would be borne,
13 not by the petroleum industry, but the State of New
14 Jersey and its taxpayers.'

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THE MIDDLETOWN TOWNSHIP LEAGUE OF WOMEN VOTERS
WATER QUALITY COMMITTEE

My name is Gail Abrams, and I'm Chairman of the Water Policy Committee of the Middletown Township, League of Women Voters. I also represent the Water Policy Committees of the Holmdel and Colts Neck, Leagues of Women Voters.

Some of the information that is available to the public is misleading. I hope in my testimony to clear up the following misconceptions:

1. There are a number of Deep Water Oil Ports throughout the world, therefore a facility like the one being proposed for our waters has been built before.

2. Many monobuoys are in use, therefore the morring pier recommended for this location is in use elsewhere.

3. Arabian and African oil is shipped most economically by super-tanker, therefore most of the crude oil refined in this region is (or would be were a Deep Water Port available) shipped by super-tankers.

4. Larger oil tankers would mean there would be fewer tankers, therefore there would be fewer collisions and less oil spilt.

5. More oil spills occur in harbor waters

1 than at open sea, therefore eliminating the harbor would
2 reduce the amount of oil spilt.

3 In addition I'd like to briefly discuss the
4 technology available for the handling of an open-water
5 oil spill, the relationship between the number of oil
6 spills, the amount spilt and the amount of damage caused,
7 and finally the economics of a super-port.

8 1. Deep Water Oil Ports

9 The frequently quoted and very impressive
10 oil spill figures from places like Bantry Bay and Milford
11 Haven provoked our curiosity. I certainly in no way
12 want to belittle the excellent job that has been done
13 and is being done by the British Ports Council: a com-
14 bination of stringent regulations, constant inspections,
15 and strict operational control has resulted in an oil
16 spill record that must be the envy of most oil importing
17 nations. However, the type of port proposed for off the
18 coast of New Jersey is in no way similar to the sheltered
19 protected waters of the British Ports. I wrote to the
20 Army Corps of Engineers to find out how the need for
21 inspection and operational control would be handled at
22 an exposed open-water location such as the site 13 miles
23 off Long Branch. They responded: "With regard to your
24 questions concerning sites located (13) miles off Long
25 Branch, New Jersey, we are not aware of any facilities

1 developed at such exposed sites."¹

2 2. Monobuoys

3 We had realized from the Army Corps of
4 Engineers, Interim Report, that a monobuoy type of
5 mooring device required launch assistance for berthing.
6 Since launches can't function in heavy seas, this meant
7 that the proposed facility would be closed about 25% of
8 the time if conventional monobuoys were used. The
9 mooring device that has been recommended is called a
10 "Single Point Mooring Pier". This device consists of a
11 tower fixed to the sea floor and a long rigid swivel-
12 mounted floating arm. One of its advantages is that
13 launch or tug assistance for berthing is not required.

14 Quoting from the same letter from the Army
15 Corps of Engineers: "The Single Point Mooring Pier is
16 a new type of offshore terminal system which has not yet
17 been adopted for use in any existing sites to our
18 knowledge."² According to the manufacturer of the Single
19 Point Mooring Pier: "An extensive model test program...
20 confirmed the feasibility of the...Single Point Mooring
21 Pier design. A review of the test results indicates
22 that the design for which the model was prepared is
23 satisfactory even under the adverse expected conditions
24 of waves, current and wind."³

25 I have found no information as to how the

1 Single Point Mooring Pier can be expected to withstand
2 being hit by Super-Tankers. We know from looking at
3 the development of monobuoy design that Super-Tanker
4 collisions are to be expected.* Other collisions are
5 also to be expected as the proposed location of this
6 facility is adjacent to two of the three shipping lanes
7 into New York Harbor.

8 *Early monobuoys had their hose and swivel
9 mechanism floating on top of the water. This design has
10 been superseded by a new design level which has the
11 mechanism located on the sea bed. A marker buoy floats
12 on the water and "Should the bow of the vessel strike
13 the (buoy) while berthing...the buoy would be pushed
14 aside and submerged without affecting the hose and swivel
15 mechanism."⁴

16 3. Super-Tankers

17 In testimony before this committee the
18 erroneous impression has been given that a large
19 percentage of the crude oil refined in this region is
20 brought by Super-Tanker. This is not the case. In
21 transporting crude oil the shipping costs must be
22 balanced against the storage costs.⁵ Shipment in very
23 large tankers is economical only where very long dis-
24 tances are involved. Crude oil shipped within this
25 hemisphere is now and will continue to be transported in

1 conventional tankers. Over half the oil refined in this
2 region is produced domestically, 35-40% comes from other
3 countries within this hemisphere, only about 10% of the
4 crude oil refined here is shipped from far enough away
5 to make Super-Tankers economically feasible.⁶

6 4. Fewer Tankers

7 We've been told rather simplistically that
8 if we have fewer oil tankers in our waters, the
9 possibility for collision will be reduced. This would
10 be true if oil tankers represented a significant amount
11 of the shipping traffic in our waters, and if a sig-
12 nificant number of oil tankers could be replaced by
13 Super-Tankers, but that is not the case. The ability to
14 handle VLCC's would eliminate about 100 Trans Atlantic
15 crude oil tanker calls per year. Even now, the chances
16 of two Trans Atlantic crude oil tankers colliding are
17 remote, as it is seldom that more than one such tanker
18 is in our waters on a given day. The number of con-
19 ventional crude oil tanker calls that originate from
20 within this hemisphere would be unchanged. The number
21 of tankers carrying refined petroleum products into
22 this area would also be unchanged.

In addition there are 2,000 freighters
entering and leaving New York Harbor each year plus at
least an equal number of tug-barge calls. No one that

1 I've spoken with is willing to hazard a public guess as
2 to the total number of ships in the waters of this the
3 busiest harbor in the United States of America, but
4 estimates are in the 10's of thousands. As you can see,
5 reducing the total number of ships by about 100 will
6 have an insignificant effect on the probability of any
7 single tanker colliding with one of the many thousands
8 of vessels that ply our waters. In addition, placing
9 this Deep Water Oil Port Facility so that it abuts two
10 of the three shipping lanes into New York Harbor will
11 create a new navigational hazard.

12 5. Harbors

13 U. S. Coast Guard figures show reported
14 spill frequency as follows:⁷

15 Piers*	53%
16 Harbors	30
17 Other	17

18 The first figure confirms what any seaman could
19 tell you, that berthing is the most difficult maneuver
20 for a ship. The second confirms an intuitive feeling
21 that an accident is more likely to occur where there are
22 other ships or objects available to have an accident
23 with. Now since all existing piers are within harbors,
24 proponents of this facility have combined these first
25 two numbers to imply that an open-water unloading site

1 would reduce spills. However, there's very good reason
2 why piers have traditionally been in protected waters--
3 berthing a large ship is difficult enough without
4 having to contend with heavy seas. An exposed open-
5 water mooring pier would if anything increase the
6 possibility of pier collisions. The proposed placement
7 of this facility would also necessitate that tankers
8 move across or against traffic in the existing shipping
9 lanes. Frankly, the notion that it's safer to eliminate
10 seaports and unload in open water makes as much sense to
11 me as proposing that because landing is the most hazard-
12 ous maneuver for a jetliner we eliminate airports.

13 *This figure includes mechanical failure in
14 unloading. There's no reason to suppose an open-water
15 pier location would lessen the frequency or amount of
16 spills due to mechanical failure.

17 6. Spill Technology

18 There are only five ways to get rid of an
19 oil spill:

20 1. You can try to burn it, but that's
21 unsafe in the vicinity of an unloading facility.

22 2. You can try to sink it, but even in
23 the calmest waters oil slicks are unstable and tend to
24 tip to the bottom the material that's used to weight
25 them while the oil remains on or returns to the surface.

1 3. In sheltered waters you can try to
2 contain the spill with booms and then use various devices
3 to collect it, but this is only possible when you're
4 dealing in wave heights of a few inches, not when your
5 wave heights are measured in feet.

6 4. Chemicals may be added and you can try
7 to emulsify the oil, but at best this merely decreases
8 the unsightliness of the oil while increasing its toxicity.

9 5. When small boat operations are possible
10 (3-5 foot seas), you can spread absorbant material on
11 the slick and collect it after it's absorbed many times
12 its own weight in oil. In heavy weather there is no
13 available technology for getting rid of an open-water
14 oil spill.

15 7. Damage

16 Although there's some information available
17 about the reported number of oil spills that occur and
18 even some data on the quantities of oil spilt (although
19 this tends to be inconsistent depending on the source),
20 we've been unable to find any information that correlates
21 the amount of oil spilt with the amount of damage done.
22 The implication is that the relationship is linear (ie.
23 a 10,000 ton spill does 10 times the damage of a 1,000
24 ton spill), but that would be contrary to our existing
25 experience with water pollution. We all know that waters

1 can absorb a little pollution a day indefinitely, but at
2 a certain point this absorption capacity is exceeded and
3 the waters become foul, at another critical point the
4 oxygen absorbing capacity of the waters is overwhelmed
5 and they die. The premise that one large oil spill is
6 no more harmful than are many intermittent small spills
7 is doubtful. There are other questions that are
8 pertinent to our inquiry. How much oil is actually
9 being lightered into our waters? What percent of the
10 lightered oil is spilt and why? Are oil spills more
11 harmful when concentrated in a small area or when
12 dispersed over a large one? If the petroleum industry
13 has the answers to these questions, they haven't made the
14 information available.

15 8. Economics

16 The Army Corps of Engineers projected that
17 were a Deep Water Port Facility to be created, it would
18 handle a throughput of one hundred million tons of crude
19 oil per year by 1980⁸ - that's double the present
20 refinery capacity of this region. The Corps developed
21 the costs and savings at each of 19 sites in this region
22 and, based on that projected throughput of 100,000,000
23 tons/year, calculated the net savings that would be
24 realized over presently used transport methods. The site
25 that had the greatest potential net economic benefit was

1 the one off Long Branch. This facility would be linked
2 by pipeline to the Arthur Kill and Delaware Bay refineries.
3 To extend the pipeline to the Chesapeake Bay refineries
4 would be too costly, so those refineries would be
5 supplied by a tug-barge system originating in Raritan
6 Bay. Were additional refineries to be constructed out-
7 side the area served by the Arthur Kill - Delaware Bay
8 pipeline, it must be assumed that they too would be
9 supplied by the tug-barge system out of Raritan Bay.
10 The total benefit to be realized at this site was \$24.2
11 million on the projected throughput of 100,000,000 tons
12 per year or \$.24 per ton.⁹ That works out to less than
13 a tenth of a cent per gallon. And this saving was cal-
14 culated based on the assumption that the refinery
15 capacity in the area between Arthur Kill and Delaware
16 Bay would double.

17 One part of this saving is the \$.15 per ton
18 Environmental Tax that is levied by the Canadian
19 Government. This Environmental Tax applies to all the
20 crude oil that is transshipped from Canada. In calcu-
21 lating transportation costs using the site off Long
22 Branch, however, it was assumed that no such tax would
23 be levied by this Nation or by the State of New Jersey.
24 I'd hate to think that this implies that we in New Jersey
25 value our coast less than the Canadians do theirs. In

1 fact, perhaps that's legislation that should be con-
2 sidered. If we follow Canada's example and charge an
3 environmental tax of \$.15 a ton on crude oil coming into
4 our waters, that money could be used to clean up the
5 waters of the Arthur Kill (assuming such heavily oil
6 polluted waters are restorable). I don't know how any
7 data could convince someone who's been on a boat in
8 those waters that the petroleum industry can and/or will
9 prevent oil pollution. I'm also sure that if the Kills
10 were clean, opposition to this facility would evaporate.
11 Our two most important industries, petroleum and
12 recreation seem to be running on a collision course.
13 How much will that \$24 million saving to the petroleum
14 industry cost the fisherman and the motel owner, the
15 beach clubs, clambers and marina operators? It would be
16 immoral if that saving came out of their earnings.

17 To conclude, we're being asked to expect a good
18 safety record at the first open water exposed unloading
19 facility ever to be built. This facility will use a new
20 type of mooring pier. This risk would be undertaken to
21 simplify the handling of about 10% of the crude oil we
22 refine. Collisions, pier accidents, and mechanical
23 failures would not be lessened. There is no available
24 technology to cope with open water spills. We can obtain
25 no information on the amount of damage spills of various

1 sizes cause. The anticipated transportation savings are
2 miniscule (3 tenths of 1%).

3 If the only advantage to this super-port is
4 the elimination of lightering, imposing a nominal sur-
5 charge on lightered crude oil would accomplish the same
6 purpose more simply, at no risk, and with no undesirable
7 side effects.

8 You gentlemen have pointed out that we can't
9 parochially consider only New Jersey's oil consumption
10 when considering this oil port. We in the League of
11 Women Voters agree with you completely. No state is an
12 isolated unit, and every state must consider the need
13 of the region as a whole as well as its own interests.
14 Unfortunately that doesn't help us to resolve this
15 problem, as in addition to refining the petroleum for
16 this region, the New Jersey Shore provides recreational
17 opportunities, not only to its own residents, but also
18 for those who live in the three nearby large metropolitan
19 areas. Crude oil can be transported - clean beaches cannot.

20 Footnotes

- 21 1. Correspondence signed by Worth D. Phillips, Chief
22 Engineering Division, Department of the Army,
23 Philadelphia District, March 8, 1974.
24 2. Ibid.
25 3. Description of Bechtel-Harris "Single Point Mooring

- 1 Pier", Manufacturer's pamphlet forwarded by U. S.
2 Army Corps of Engineers, Philadelphia District.
- 3 4. Interim Report, Atlantic Coast Deep Water Port
4 Facilities Study, U. S. Army Corps of Engineers,
5 Philadelphia District, June, 1973, p. 37.
- 6 5. Economics of Tanker Size Selection, Atlantic Coast
7 Deep Water Port Facilities Study, U. S. Army Corps
8 of Engineers, Philadelphia District, June, 1973, p. 2.
- 9 6. Percentages computed from volumns given in Energy and
10 Power, A Scientific American Book, pp. 110-111
11 (taken from the "International Petroleum Encyclo-
12 pedia").
- 13 7. Cargo Spill Probability Analysis for the Deep Water
14 Port Project, Final Report, Woodward-lundgrun &
15 Associates, February, 1973, p. 34.
- 16 8. Economic Analysis, Atlantic Coast Deep Water Port
17 Facilities Study, U. S. Army Corps of Engineers,
18 Philadelphia District, June, 1973, p. 84.
- 19 9. Ibid, Table 16, pp. 46-48.

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1 THE AMERICAN LITTORAL SOCIETY

2 NEW JERSEY CHAPTER

3
4 ADDENDUM: COPY OF REPORT #2336
5 OF THE WOODS HOLE OCEANOGRAPHIC
6 INSTITUTION
7

8 I represent the N. J. Chapter of the ALS. The
9 N. J. Chapter has over 1000 members, of whom over 500
10 are scuba divers. The balance of our membership consists
11 of Marine Biologists, Sport fishermen, commercial
12 fishermen and lobstermen, as well as a broad spectrum of
13 citizens of our state who have a deep concern for the
14 protection and improvement of New Jersey's marshes,
15 estuaries and off-shore waters.

16 Under the auspices of the ALS a 2-year study
17 of the Navesink River has been conducted, as well as an
18 ongoing baseline survey of the Monmouth County shores of
19 Raritan Bay. Every week-end throughout the year diver
20 members of the ALS are seeing firsthand the recent
21 improvement in our off-shore waters in terms of fish and
22 marine life, as well as water clarity and pollution
23 effects. Members of ALS turn in reports to our office on
24 the state of our estuaries and local rivers, both for
25 benthic marine life and fish life.

1 Members of the society were the first to make
2 reports of fish kills in 1968 on our off-shore wrecks
3 and artifical reefs. These reports led to a major study
4 by SHML into the causes of low oxygen levels in the
5 water and subsequent injunctions against in-shore sludge'
6 dumping. Recently ALS sponsored marine life study trips
7 in the vicinity of Point Pleasant and Raritan Bay which
8 included some 200 individuals over a 2-year period. The
9 results of a 10-year program of National ALS fish tagging
10 has proven to be an invaluable source of basic research
11 data.

12 In short, the ALS has a pool of membership,
13 experienced in the study of marine life both in-shore and
14 off-shore. And we, as an organization, oppose S-200.

15 We oppose S-200 because it is a proposal for
16 the construction of a major potentially high pollutant
17 facility to be built in a total factual vacuum. We have
18 heard and read reams of information on the need for Oil,
19 the economic impact and the onshore impact, both good
20 and bad. But nowhere have we seen independent studies
21 of the marine impact or even a proposal for such a study,
22 with the possible exception of the Ad Hoc Committee on
23 Energy of April, 1973.

24 We are not prepared to deny the ultimate need
25 for additional foreign crude oil, nor are we prepared to

1 question the need for on-shore facilities. We leave
2 those questions to other qualified groups. We do, how-
3 ever, question the accuracy of published figures on the
4 frequency and quantity of accidental oil spills. All of
5 the information in this area has been supplied by the
6 oil companies and their affiliates. The Corps of
7 Engineers, in fact, quotes such available figures con-
8 cerning operations at Bantry Bay and Milford Haven. Not
9 only are these figures proprietary oil company informa-
10 tion, but we are convinced that they are not comparable
11 because of the tremendous geographical disparity of our
12 off-shore waters and the sheltered bays used as examples.
13 For instance, there is not one oil port in the world
14 subject to the wind-wave conditions off New Jersey, nor
15 is there, according to the Corps of Engrs., any usage in
16 the world of the type of SPMP proposed for this facility.
17 This is an experimental, hypothetical, untested concept.
18 Bantry Bay, Milford Haven, Come-By Chance, N. S., St.
19 Croix, Freeport, Northville, L. I., all of these ports
20 use fixed piers or Monobuoys and are all in protected or
21 semi-protected waters. Certainly none compare with New
22 Jersey's uniquely busy and rough off-shore waters.

23 Concerning the accuracy of oil spill figures,
24 it is absolutely necessary for all of us to understand
25 that all current information has been made available from

1 regular oil spill logs as released by the oil companies
2 and their off-loading terminal operating associates. To
3 choose one example: the Corps of Engrs. used spill ratio
4 figures for Milford Haven of .4 bbls spill/1 mil. bbls of
5 throughput. (A figure, 10 times larger, appears in the
6 Dodd dissenting report of April, 1973.) Based upon an
7 estimated 1980 throughput of 100 mil. tons for the pro-
8 posed facility and using the Corps of Engrs. spill ratio
9 we will have a loss of 11,760 gals of crude into our
10 waters per year. Our first reaction is that maybe our
11 waters can accept this level of pollution without
12 serious deterioration. Using the figures from the Dodd
13 report the loss total becomes 117,600 gals. This total
14 is unacceptable.

15 However, let us look at another Milford Haven
16 spill ratio figure, this one from a different source.
17 This other figure appears in a Woods Hole Oceanographic
18 report (Contribution #2336). This report was supported
19 in part by the Office of Naval Research grant #C0241 and
20 the National Science Foundation grant GA-1625. According
21 to this report, Milford Haven in the year 1966 alone with
22 a throughput of 30 mil. tons had actual spills totalling
23 800,000 gals. This is a spill ratio of 100 bbls/1 mil.
24 tons of throughput! Projected for the estimated 1980
25 100 mil. tons of throughput off Long Branch, we will have

1 spillage of 2,600,000 gals per year. We quote from the
2 Woods Hole Oceanographic report #2336 concerning the 1966
3 figures. "A single accident (the tanker, Chrissi
4 Goulandris) contributed between 10%-20% of the total;
5 other losses are attributed to design faults, breakages
6 and mechanical failures, losses in transfer and human
7 error." This quote is footnoted to a Field Study Council
8 publication "The Problem of Oil Pollution in a Major
9 Oil Port" (1968) by G. Dudley. Capt. Dudley we are
10 advised is Harbor Master of Milford Haven. We cannot
11 and will not accept spillage of this magnitude. The
12 dangers to our shore industries are obvious.

13 Which set of spill ratios is correct and which
14 set is truly applicable to the proposed facility off
15 New Jersey? Possibly neither one. In fact, our
16 experience could be even worse.

17 In our opinion studies of the off-shore area
18 and the potential long and short term effect of spilled
19 oil in our uniquely difficult and busy waters have been
20 sorely lacking. We know that oil kills marine life both
21 in-shore and off-shore. Studies by the Env. Prot.
22 Agency (OAM 73-06-001) on an 80,000 gal oil spill in
23 Long Island Sound on 3/21/72, as well as other studies
24 by Woods Hole Oceanographic Inst., The Marine Biological
25 Ass'n. of the United Kingdom and University of California

1 all indicate that the toxicity of crude oil components
2 do have disasterous short term effects on marine life and
3 that all facts point towards insidious long term effects.

4 Even in the area of chemical cleanup
5 technology there is a question of serious danger. For
6 Example: The Exxon Co. has developed an oil spill
7 dispersant called COREXIT 7664. and the best that they
8 can say about it is that it is less toxic than any other
9 dispersant.

10 Toxicity notwithstanding, the entire technology
11 for the control and cleanup of spilled oil has been
12 proven to be totally ineffective in seas of greater than
13 6"--8". Hardly applicable to our local waters.

14 In view of the foregoing, we would like to
15 recommend to this committee that all consideration of
16 S-200 or any other enabling legislation cease immediately.
17 In its place we propose the formation of a State
18 Commission to:

19 1. Study the marine environmental impact of
20 oil spills as they apply to our waters including, but not
21 restricted to, the Benthic infauna and epifauna.

22 2. Prepare, both by first-hand observation
23 and study and through the use of subpoenaed confidential
24 oil company information if necessary, a total and non-
25 biased picture of the actual frequency, quantity and

1 impact of oil spillage both chronic and catastrophic in
2 other oil ports of the world, as dissimilar as they may
3 be.

4 3. This commission to be made up of scientists
5 and knowledgeable laymen and that its members be non-
6 political. Further that this commission be budgeted
7 commensurate with the \$2.3 bil. value of our shore
8 industries.

9 A. We suggest that the membership include
10 at least representatives from the League of Women Voters,
11 the ALS, the Oil Industry, the N. J. Resort Industry,
12 the Fishing Industry, Sport Fishing Associations, our
13 Universities and the general business community.

14 4. This study commission be required to file
15 a final report within two years.

16 In conclusion, the N. J. ALS offers the time,
17 ability and relative expertise of its members to either
18 serve on the commission or aid in its formation.

19
20 OIL POLLUTION OF THE OCEAN*

21 Max Blumer

22 Woods Hole Oceanographic Institution

23 Woods Hole, Massachusetts 02543

24 *Contribution Number 2336 of the Woods Hole
25 Oceanographic Institution

THE EXTENT OF MARINE OIL POLLUTION

Oil pollution is the almost inevitable consequence of the dependence of a rapidly growing population on a largely oil-based technology. The oil reserves which have accumulated in the earth during the last 500 million years are being depleted rapidly and will be exhausted within a few hundred years. The use of oil or of other natural resources without losses is impossible; losses occur in production, transportation, refining and use. The immediate effects of large scale spills in coastal areas are well known but only through the recent introduction of marine surface sampling tools have we become aware of the degree of oil pollution of the open ocean. Thus, during a recent cruise of R/V CHAIN of The Woods Hole Oceanographic Institution to the southern Sargasso Sea, many surface "Neuston" net hauls were made to collect surface marine organism. These tows were made between 32 degrees N-23 degrees N latitude (corresponding to a distance of 630 miles) at a longitude of 67 degrees W. Inevitably, during each tow, quantities of oil-tar lumps, up to 3 inches in diameter were caught in the nets. After 2-4 hours of towing, the mesh became so encrusted with oil that it was necessary to clean the nets with a strong solvent. On the evening of 5 December

1 1968, between 1835-2240 R hours at 25 degrees 40' N, 67
2 degrees 30' W, the nets were so fouled with oil and tar
3 material that towing had to be discontinued. It was
4 estimated that there was 3 times as much tar-like material
5 as Sargasso Weed (on a volume basis) in the nets.¹

6 Similar occurrences have been reported worldwide by
7 observers from this as well as from other Institutions.

8 In order to arrive at a figure for the total
9 oil influx into the ocean from various sources, we need
10 figures for the total amount of oil produced, shipped and
11 for the fraction lost in shipping and handling. The
12 world oil production stands near 1.8×10^{15} g/year. Of
13 this amount at least 60% or 10^{15} g/year is transported
14 across the ocean. Much of the transport is concentrated
15 in restricted shipping lanes; thus, 25% of the world
16 production passes through the English Channel!

17 A minimum estimate of the fraction of oil lost
18 can be calculated from the extent of single large
19 accidents and from operating records of oil ports. Thus,
20 the tanker, Torrey Canyon, alone carried and lost 10^{11} g
21 or 0.01% of the annual oil transport across the sea. The
22 recent accident at Santa Barbara has introduced into the
23 ocean 10^{10} g of crude oil. Reliable figures about oil
24 losses in port are available from Milford Haven, a
25 relatively new oil English port, adjacent to a national

1 park. There, great efforts have been made to control and
2 prevent oil pollution and to keep a record of the size of
3 any spills. In 1966 the annual turnover at Milford Haven
4 was 3×10^{13} g. The losses in the same time period
5 amounted to 2.9×10^9 g of 0.01% of the total amount
6 handled. A single accident (the tanker, Chrissi P
7 Goulandris) contributed between 10 and 20% of this total²;
8 the other losses are attributed to design faults, breakages,
9 and mechanical failures, losses in transfer and human
10 error.³ This figure does not include losses outside the
11 port due to accidents in shipping (e.g. the Torrey Canyon)
12 and from numerous other sources such as ballasting and
13 flushing of the bilges, etc. With the less stringent
14 operation of many other ports and the additional losses on
15 the high sea, the loss in transport alone may amount 0.1%
16 of the total oil shipped. The actual oil influx to the
17 ocean is higher, since the figures above do not include
18 accidents in production (e.g. Santa Barbara) return to
19 the ocean of petroleum products (fuels and spent lubri-
20 cants) in untreated municipal wastes and incomplete
21 combustion of marine fuels.

22 Therefore, the oil influx to the ocean from
23 shipping losses only is about 10^{12} g/year; other causes
24 like influx from sewage and incomplete combustion may add
25 substantially higher amounts.

OIL COMPOSITION AND BIOLOGICAL EFFECTS

In order to assess the biological effects of the oil pollution we should discuss the composition of crude oil and the relative toxicity of its fractions. Crude oil is one of the most complex mixtures of natural products, extending over a very wide range of molecular weights and structures. The low boiling saturated hydrocarbons have, until quite recently, been considered harmless to the marine environment. However, it has now been demonstrated that these hydrocarbons produce at low concentrations anaesthesia and narcosis and at greater concentration cell damage and death in a wide variety of lower animals and that they may be especially damaging to the larval and other young forms of marine life.⁴ Higher boiling saturated hydrocarbons naturally occur in many marine organisms and are, probably, not directly toxic though they may interfere with nutrition and possibly with the reception of the chemical clues which are necessary for communication between many marine animals. Olefinic hydrocarbons probably are absent from crude oil, but they are abundant in oil products, e.g. in gasoline and in cracking products. They are also produced by many marine organisms, and may serve biological functions, e.g. in communication. However, their bio-

1 logical role is poorly understood. Aromatic hydrocarbons
2 are abundant in petroleum; they represent its most
3 dangerous fraction. Low boiling aromatics (benzene,
4 toluene, xylenes, etc.) are acute poisons for man as well
5 as for all other organisms. It was the great tragedy of
6 the Torrey Canyon accident, that the detergents which
7 were then used to disperse the oil spill had been dis-
8 solved in low boiling aromatics. Their application mul-
9 tiplied the damage to coastal organisms. It should be
10 pointed out, however, that poisoning of marine life will
11 occur even with non-toxic detergents or dispersants which
12 are applied in non-toxic solvents, because they disperse
13 the toxic materials of crude oil. This exposes organisms
14 to these poisons through contact and ingestion. They
15 high boiling aromatic hydrocarbons are suspected as long
16 term poisons. Current research on the carcinogenic
17 hydrocarbons in tobacco smoke has demonstrated, that the
18 carcinogenic activity is not--as was previously thought--
19 limited to the well known 3.4-benzopyrene. A wider
20 range of alkylated 4- and 5-ring aromatic hydrocarbons
21 can act as potent tumor initiators.⁵ While the direct
22 carcinogeneity of crude oil and crude oil residues has
23 not yet been conclusively demonstrated, it should be
24 pointed out that oil and residues contain alkylated 4- and
25 5-ring aromatic hydrocarbons similar to those in tobacco

1 tar. In their behavior and toxicity the nonhydrocarbons
2 of crude oil (nitrogen, oxygen, sulfur and metal com-
3 pounds) closely resemble the corresponding aromatic
4 compounds.

5 6 OIL ANALYSIS AND LAW ENFORCEMENT

7
8 The great complexity of crude oil has an
9 interesting consequence: The variety in the composition
10 of different crude oils and oil products is so great that
11 every oil has its own compositional features which are
12 typical and persistent like a fingerprint. Great efforts
13 have been expended by many oil companies in utilizing
14 this characteristic for correlating or distinguishing oils
15 produced from different oil bearing horizons or for
16 correlating oils with their source sediments. This
17 fingerprinting technique is now becoming available to
18 the public and will lead to improved and often conclusive
19 correlation of an oil spill with oil from a particular
20 oil field or from a particular vessel.^{6, 7} The analyti-
21 cal techniques are simple and should be a great aid to
22 law enforcement.

23 24 LONG TERM EFFECTS OF OIL POLLUTION

25 The immediate, short term effects of oil

1 pollution are obvious and well understood in kind if not
2 in extent. The coastal fouling and damage to bird
3 populations has been documented abundantly. As men-
4 tioned above, fouling on the high seas is just now being
5 recognized, even though the amount of tar at the sea
6 surface already exceeds the amount of surface plant life.
7 The short term toxicity has been discussed above for
8 individual petroleum fractions. In contrast to this,
9 we are rather ignorant about long term and low level
10 effects of crude oil pollution. I fear that these may
11 well be far more serious and long lasting than the more
12 obvious short term effects. I wish to discuss long
13 term toxicity and low level interference of oil pollu-
14 tion with the marine ecology.

15 In combination, the great complexity of the
16 marine food chain and the stability of the hydrocarbons
17 in marine organisms, lead to a potentially dangerous
18 situation. The food chain of those terrestrial organ-
19 isms, which are important for human nutrition, is simple.
20 Man either eats plant material or meat products from
21 animals that have been raised on plant food. Human food
22 derived from the sea is much more remote from its origin
23 in plants. Few marine plants are directly used for
24 human nutrition and, except for shellfish, we consume
25 few marine animals that have fed directly on marine

1 plants. Most larger marine animals derive their food
2 from other marine animals that are already remote from
3 the original plant source. We have studied the fate of
4 organic compounds in the marine food chain and have found
5 that hydrocarbons, once they are incorporated into a
6 particular marine organism, are stable, regardless of
7 their structure, and that they may pass through many
8 members of the marine food chain without alteration.^{8, 9}
9 In fact, the stability of the hydrocarbons in marine
10 organisms is so great that hydrocarbon analysis serves
11 as a tool for the study of the food sources of marine
12 organisms. In the marine food chain hydrocarbons may
13 not only be retained but they can actually be concentra-
14 ted. This is a situation akin to that of the chlorinated
15 pesticides which are as refractory as the hydrocarbons.
16 These pesticides are concentrated in the marine food
17 chain to the point where toxic levels may be reached.
18 It is likely that the treatment of oil spills with
19 detergents or dispersants, or the natural dispersion of
20 oil in storms produces oil droplets of a particle size
21 range that is ingested and assimilated by many marine
22 organisms. Once assimilated, this oil passes through
23 the marine food chain, and eventually reaches organisms
24 that are harvested for human consumption. One conse-
25 quence will be the incorporation into food of materials

1 which produce an undesirable flavor. A far more serious
2 effect is the potential accumulation in human food of
3 long term poisons derived from crude oil, for instance,
4 of carcinogenic compounds.

5 Another concern is the possible long term
6 damage by pollution to the marine ecology. Many biolo-
7 gical processes which are important for the survival of
8 marine organisms, and which occupy key positions in their
9 life processes are mediated by extremely low concentration
10 of chemical messengers in the sea water. We have
11 demonstrated that marine predators are attracted to
12 their prey by organic compounds at concentrations below
13 the part per billion level.¹⁰ Such chemical attraction--
14 and in a similar way repulsion--plays a role in the
15 finding of food, the escape from predators, in homing of
16 many commercially important species of fishes, in the
17 selection of habitats and in sex attraction. There is
18 good reason to believe that pollution interferes with
19 these processes in two ways: by blocking the taste
20 receptors and by mimicking for natural stimuli; the
21 latter leads to false responses. Those crude oil fractions
22 likely to interfere with such processes are the high
23 boiling saturated and aromatic hydrocarbons and the full
24 range of the olefinic hydrocarbons. It is obvious that
25 a very simple--and seemingly innocuous--interference at

1 extremely low concentration level may have a disastrous
2 effect on the survival of any marine species and on many
3 other species to which it is tied by the marine food chain.
4

5 COUNTERMEASURES AGAINST LARGE OIL SPILLS 6

7 It must be obvious from this discussion that
8 I do not consider the use of detergents or dispersants,
9 toxic or non-toxic, as a solution for pollution problems.
10 The introduction by dispersants of the toxic components
11 of crude oil into the sea and the marine food chain con-
12 stitutes a risk that should not be taken lightly.

13 Sinking of an oil spill by treatment with
14 hydrophobic minerals (e.g. chalk treated with stearic
15 acid or refractories treated with silicones) may be
16 preferred; however, we do not know whether the oil
17 remains on the sea floor or whether it will return to
18 intermediate or shallow waters where it can enter the
19 food chain. Also, we do not know enough about the effect
20 of oil on bottom communities. Sedimentation rates in
21 the open ocean are quite low, and oil that has been sunk
22 will remain exposed for very long periods of time. In
23 my opinion, burning of the oil where possible or con-
24 tainment and rapid recovery are the only acceptable so-
25 lutions for managing large spills.

THE LONG-TERM OUTLOOK

Mankind is depleting the natural oil reserves rapidly. Therefore, it is unlikely that oceanic oil transport will increase by several orders of magnitude. In spite of this there are several good reasons to anticipate an increase in the seriousness of the marine oil pollution. Marine oil transport through more hazardous waters will increase (e.g. transport of the Alaskan oil through the Berin Straits). Oil production will shift increasingly to the continental shelves and oil reserves in very deep water (e.g. Sigsbee Deep, Gulf of Mexico) may be tapped. Both will lead to an increasing risk of accidents. Oil products and synthetic oil (coal hydrogenation products, shale oil), which are more toxic than crude oil, will make up a larger fraction of the oil transported, used and spilled.

We are convinced of the great value of oceanic food production for mankind. In the future, a larger fraction of human nutrition must be derived from the sea. Farming of the sea (aquaculture) will become an important pursuit for man. However, if we do not take care of the present biological resources in the sea, we may do irreversible damage to many organisms, to the marine food chain and we may eventually destroy the yield and the

value of the food which we hope to recover from the sea.

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1 MONMOUTH COUNTY AUDUBON SOCIETY

2 Post Office Box 542

3 Red Bank, New Jersey 07701

4
5 The Monmouth County Audubon Society would like
6 to express its opposition to the deepwater port and
7 storage facilities proposed to be located in Monmouth
8 and Ocean Counties in New Jersey Senate bill S200. This
9 bill, creating a shore zone in which construction could
10 take place anywhere in the Monmouth and Ocean counties,
11 and giving the oil transfer facility corporation power
12 of eminent domain, is highly dangerous to the environ-
13 ment and economy of our area. The fact that the state
14 Department of Environmental Protection will have no
15 control over the corporation only compounds the problem.

16 The Monmouth County Audubon Society, with over
17 450 members would like to express its strong opposition
18 to this bill, with its serious consequences for our area.
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1 RESOURCE TO BACK TESTIMONY OF JOY CRANE, PRESIDENT OF THE
2 LEAGUE OF WOMEN VOTERS OF MONMOUTH COUNTY TO SENATE
3 COMMITTEE ON ENERGY, AGRICULTURE AND ENVIRONMENT, APRIL
4 10, 1974

5
6 2. Many sources agree on our having 6% of the
7 world's population. Energy use statistics range from 34
8 to 45%.

9 3. Page 18 of the bill

10 5. Lines 25-28 on same page. Lack of State
11 liability is on p. 19, lines 71-76.

12 Note: Ellis Campbell spoke at the Trenton
13 hearing on March 4, 1974.

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Mrs. Frederick R. Holman
1304 Edgewood Avenue
Wanamassa, New Jersey 07712

The Woman's Club of Asbury Park is definitely
opposed to Senator Dodd's Bill S-200.

First of all, it would permit a State appointed
committee to construct an offshore oil port anywhere on
our beautiful Jersey Shore with the acknowledged threats
of oil spills which could cause a disaster similar to
those in California and the Delaware.

Secondly--it would permit the committee to
construct all the necessary inshore pipelines, oil
storage tanks and refineries anywhere they pleased; as
the committee has the power to condemn land, and as they
are not subject to the authority of any local planning
board. The result of this industrialization would lead
to the establishment of petrochemical complexes and the
resulting pollution of our air and the depletion of our
water reserves, changing our whole way of life, and
turning our beautiful seashore environment into another
Bayonne or Sewaren. It would also cause an influx of
population with its resulting demands for additional
schools and community services.

For these reasons, the Woman's Club of Asbury

1 Park is unutterably opposed to Senator Dodd's Bill S-200.

2 Thank you.

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1 I am Robert G. Brown, Vice President of Chevron
2 Oil Company - Eastern Division. We have offices and a
3 refinery located on Arthur Kill in Perth Amboy, New
4 Jersey.

5 We recently received permits and are currently
6 modernizing our facilities and increasing the capacity
7 of our Perth Amboy refinery from 80,000 barrels per day
8 to 150,000 barrels per day. The refinery manufactures
9 gasoline, home heating oils, industrial fuels and asphalts.
10 Products are marketed in the northeastern states from
11 Maine to Virginia. Crude oil for the refinery has been
12 and is projected to continue to be received entirely by
13 tanker shipments from various sources around the world.

14 Chevron strongly supports the concept of one
15 or more deepwater tanker ports on the northeast coast of
16 the United States. Such ports would permit the use of
17 larger crude oil tankers and significantly reduce the
18 hazard of spills from lightering operations and reduce
19 the hazard of collisions in our congested harbors.

20 Chevron believes appropriate engineering,
21 environmental and economic studies should be made to
22 determine refineries to be served, facilities required,
23 costs of construction and operation and the environmental
24 effect of deepwater oil ports. Chevron will cooperate
25 with any agency making such a study with the objective of

1 obtaining improved means for receiving petroleum supplies
2 for the northeastern states.

3 Chevron feels that legislation should be
4 provided that will create the proper business environ-
5 ment to foster the detailed study of a deepwater crude
6 receiving facility leaving open options for private
7 ownership and financing.

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HARTSHORNE WOODS ASSOCIATION

OIL PORT-MORE OIL? OR MORE POLLUTION WITHOUT MORE OIL?

Senator F. J. Dodd is sponsoring a bill, S-200, proposing the formation of a New Jersey State Oilport Authority to build and operate a deepwater port with attendant on-shore facilities. He claims it would increase business in New Jersey, would bring in considerable revenues, increase employment, and ease the oil shortage. I think we should examine this proposal carefully and critically. Revenues coming to the State would be small, the number of additional jobs would be small, and the losses to the whole shore community because of the damage that would be done would be huge, and outweigh a hundred times the advantages. Even the protagonists of an off-shore oilport admit that 0.01% of the oil transferred is spilt, and this would amount to a hundred tons of oil a week. If there were a collision with a supertanker, the oil spillage would be catastrophic.

Included in Dodd's bill are clauses which would exempt the Authority from any need to obey the Wetlands Act and the Coastal Facilities Review Act, so that we would have no protection at all of our shoreline. In addition, the bill would give Right of Eminent Domain to the Authority, so that no one in the shore area would be safe from arbitrary eviction or confiscation of

1 property, both for the shore facilities envisaged and for
2 the interconnecting pipelines. Hundreds of miles of
3 pipeline, up to four or five feet in diameter, would be
4 necessary for this kind of installation; and to lay such
5 a pipeline requires a right of way wider than most of
6 the roads in our community. (We should remember that if
7 an organization such as the oilport authority is given
8 Right of Eminent Domain, it can start construction even
9 though court action is being taken aiming to make it
10 desist.) Do we want to look like Linden?

11 Would the construction of such an oilport ease
12 the energy shortage in New Jersey? The answer is "No."
13 We are already importing into the U. S. all the foreign
14 oil we can buy. Tankers of the present size can easily
15 carry any amount of oil we can envisage buying. The
16 only argument for a supertanker port is that the oil
17 companies would be able to land some of the oil at one
18 or two cents less a gallon. Do the oil companies worry
19 about the public paying this much extra? They cheer-
20 fully agreed to a doubling of the price of crude oil just
21 recently, and not only passed on the increased cost to
22 the public, but enough of a mark-up to produce record
23 profits.

24 We would urge the most critical examination of
25 this proposal for an oilport authority, which I am con-

1 vinced is wholly bad. Indeed, we would urge the critical
2 examination of all proposals for supertanker ports in or
3 near New Jersey. I would recommend that we urge our
4 legislature to pass legislation totally preventing the
5 construction of supertanker ports in or near the New
6 Jersey shore.

7 As a first step, we would ask that all those
8 who have an interest in maintaining the amenities of our
9 community send a contribution to the COALITION AGAINST
10 THE OILPORT AUTHORITY, c/o Mr. Stanton Whitney, Cooper
11 Road, Navesink, N. J., 07752. This committee aims to
12 publicize the pros and cons, specifically of the present
13 bill, No. S-200, to organize public hearings, and to
14 transmit the views expressed to the State and Federal
15 governments.

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1 ADDENDUM TO STATEMENT OF LEAGUE OF WOMEN VOTERS OF MON-
2 MOUTH COUNTY TO SENATE COMMITTEE ON ENERGY, AGRICULTURE
3 AND ENVIRONMENT
4

5 1. a. Repeated studies made since the 1950s
6 have shown that over 70% of our commercial fish and nearly
7 all of our shellfish depend on the natural conditions of
8 an estuary to provide food, shelter and nursery. The
9 estuarine system is 10 times as productive as the average
10 farm, but this productivity, because it depends on marsh
11 grasses, tidal flow, sunlight and the mixture of salt
12 and fresh water is perishable. It can be completely
13 stopped by filling and bulkheading a marsh.

14 Dredging is equally harmful. It disrupts the
15 bottom life in the shallow waters, effects currents,
16 causes siltation, alters the balance of fresh and salt
17 water and often causes anaerobic conditions where the
18 oxygen in the water is totally depleted and nothing can
19 live.

20 Filling of marshlands has already seriously
21 curtailed the supply of fish and shellfish and over-
22 fishing is adding to the problem while the human popula-
23 tion continues to grow. It is for these reasons that we
24 have strongly supported the Wetlands Act and Governor
25 Cahill's Riparian Policy.

1 The Coastal Facilities Protection Act is legal
2 recognition of the fragility of the natural coast, and,
3 at the same time, of its strength. Improper construction
4 along the shore affects streams, estuaries, upland
5 drainage and the coast itself adversely. It is impossible
6 to prevent the destructive force of the sea, but it is
7 possible to recognize and live with it. Building, how-
8 ever, should not be built on the sand, there should be
9 no structure in front of the dunes, which are a natural
10 buffer, and piers should not impede the flow of the
11 littoral current. A beach must be adjustable by nature
12 and man's walls and structures try to prevent this. It
13 is in recognition of this situation that we supported
14 the Coastal Facilities Review Act, although we would have
15 preferred a stronger bill banning outright certain types
16 of heavy or concentrated construction.

17 It is our strong opinion that these bills and
18 Governor Cahill's riparian policy are vital to the wel-
19 fare of the people of this state and will become in-
20 creasingly so. Therefore, we oppose any effort to
21 weaken them and certainly feel that they should not be
22 weakened by a backdoor approach as they are in S-200.
23 Legislators rightly feel that a deepwater port off of
24 New Jersey should be openly and fully discussed. By the
25 same token, any attempt to amend legislation as important

1 as the two bills in question, should only be done after
2 full and open discussion.

3 The studies mentioned in l. b. of our testi-
4 mony are those of the Army Corps, the Nathan Report, the
5 Soros Report, the Arthur D. Little Report.

6 3. The Army Corps' description of changes
7 caused by development of a deepwater port in the Mid-
8 Atlantic region appear to coincide, in general, with
9 those described in other reports:

10 Land facilities would require 220,000 acres
11 or 345 square miles by the year 2000.

12 Industry would require 45,000 acres or 70 sq.
13 miles.

14 Residential use would require 175,000 acres or
15 275 sq. miles.

16 Refineries would require 75 sq. miles, mostly
17 on bays and estuaries.

18 8,350 acres would be in the Monmouth area.

19 34,000 acres would be needed for housing in
20 Monmouth.

21 10 x the present use of potable water would be
22 required.

23 4 x present BOD would be discharged to waters
24 equal to the untreated effluent of 845,000 people with
25 secondary treatment.

1 4 x pounds per day of air pollutants would be
2 discharged -

3 Particulates from 227,000 lbs. in 1980 to
4 532,000 by 2000.

5 Sulfur oxides from 460,000 to 1,087,000.

6 Nitrogen oxides from 713,000 to 1,678,000.

7 They also cite changes in types of businesses
8 and the character of homes.

9 4. As the Army Corps' report says, "Raritan
10 Bay has great potential for commercial fishing and
11 recreational uses, a potential which is underscored by
12 the inclusion of Sandy Hook in the Gateway National
13 Recreation Area". The bay bottom in some areas, however,
14 is covered with a sludge of toxic material from the
15 refineries of the Arthur Kill. This material is toxic
16 to fish and to man and some of it is cumulative in
17 higher organisms. It also contains carcinogens,
18 Dredging would cause this material to be suspended and to
19 circulate with the bay currents throughout the estuary.
20 Most of this information about the bay was obtained from
21 the National Marine Fisheries Service of the U. S.
22 Department of Commerce.

23 We are, of course, aware that raw sewage as
24 well as oil enters the bay complex from New York City and
25 Passaic Valley Sewerage Authority. However, a study made

1 for the application of JCPL to construct a power plant in
2 wetlands on Raritan Bay stated that the wetlands showed
3 the effects of petroleum pollution. This may be because
4 of the natural ability of marshes to convert organic
5 material such as sewage into nutrients. This same study
6 inventoried a large number of fish species and shore
7 birds using the bay and mapped extensive beds of hard and
8 soft clams.

9 Other factors against use of Raritan Bay for a
10 terminal or oil storage include its heavy small boat
11 traffic and the narrowness of its entrance. A recent
12 study by Nathan Associates for the Maritime Administra-
13 tion points out that supertankers need 2 miles in which
14 to come to a crash stop and zigzag as they do so. Their
15 bulk produces large wave motion which stirs sediments,
16 erodes beaches and wetlands and could be a threat to
17 small boats. Soros Associates states that tidal currents
18 in an estuary can spread spilled oil as far as 9 miles in
19 3 hours, leaving a very short time for effective cleanup
20 operations. All emphasize the exacerbation of oil damage
21 in an estuary.

22 Would approve S-196 if it covered all facilities
23 including a deepwater port or any authority.

24
25 * * * *

1 OPINION CONCERNING S-200 (OIL TRANSFER FACILITIES ACT)
2 PRESENTED TO THE NEW JERSEY STATE SENATE COMMITTEE ON
3 AGRICULTURE AND ENVIRONMENT BY CITIZENS AGAINST WATER
4 POLLUTION.
5

6 Gentlemen: We appreciate the opportunity to
7 present to you, and through you to our New Jersey state
8 government, a statement by Citizens Against Water
9 Pollution concerning in general a deepwater oilport
10 facility off the shores of Monmouth County and in par-
11 ticular senate bill S-200, the proposed Oil Transfer
12 Facility Act.

13 My name is Brinton M. Miller, a resident of
14 Middletown Township, a graduate microbiologist by pro-
15 fession and a co-founder of Citizens Against Water
16 Pollution. Our organization has been an active opponent
17 of water pollution since our beginning in the fall of
18 1968 when a group of citizens asked for instruction on
19 the major causes of recreational water pollutants and
20 the spring of 1969 when these same citizens aided by
21 dozens more mounted a surveillance of pollution in marine,
22 estuarine and freshwater recreational areas throughout
23 Monmouth County.

24 For the past 5 years from May through October,
25 and on occasion in the coldest months of the winter, we

1 have monitored streams feeding reservoirs and lakes,
2 rivers flowing into estuaries and the bays and the beach
3 waters at the bay and ocean shores. Our primary tool has
4 been a count of fecal coliforms which are the enteric
5 bacteria found principally in man; there is a direct
6 correlation between fecal coliforms and the amount of
7 human waste in these waterways. Additionally we have
8 measured heavy metals, pH, BOD and petrochemical
9 pollutants. Finally, we discovered several years ago
10 that major pollutants could be viewed from the air by
11 means of infra-red and selected monochromatic photography.
12 The latter tool, of course, is now being used for sur-
13 veillance purposes by the United States Earth Resources
14 Surveing Satellites--ERTS. Throughout these years of
15 surveillance the analytical portion of CAWP's progress
16 has been performed by established microbiological and
17 environmental laboratories, including the occasion the
18 U. S. Environmental Protection Agency's laboratories at
19 Edison, N. J.

20 What have we learned over the years? Actually,
21 we have learned and confirmed that people and their
22 industry pollute water in their environment. If there
23 are not too many people nature will cleanse the polluted
24 waters. But, the more people, the more pollution and a
25 point is reached beyond which nature's cleansing cannot

1 balance man's waste without help. Thus, the old primary
2 treatment outfalls into the beachwaters or fast moving
3 streams took care of a few people and their commerce.
4 But when a lot of people, hundreds of thousands, began to
5 collect here those methods were insufficient to do the
6 job. When industry was added to this system, and we
7 recognize that in Monmouth industry is not as great or
8 "heavy" as in northern Jersey, it became clear that the
9 same patterns would follow--pollution would worsen. Some
10 corporations took care but others were careless to say
11 the least. Thus we have observed a beautiful, trickling
12 stream turn into an oozing mass of coffee-colored
13 effluent or a moving morass of petrochemical smells.

14 Fortunately, monitoring systems, of which we
15 are one, have begun to work well enough to forestall
16 enlargement of these lesions on our environment. In some
17 cases, cessation by polluters and/or construction of state
18 Environmental Protection Department sponsored disposal
19 systems have prevented a worsening of these situations.
20 In fact there appears to have been some environmental
21 rehabilitation where emphatic steps have been taken to
22 correct bad situations; i.e. the Raritan River and parts
23 of the ocean front.

24 Citizens **Against** Water Pollution recognize
25 that there must be protagonists for and knows there are

1 many antagonists to Bill S-200. Both forces list many
2 reasons for their stand regarding a deepwater oilport,
3 CAWP will confine its remarks to the question of, what
4 pollution can such an oilport cause? An oilport of any
5 type poses two threats to our waterways. The first is
6 the direct threat of an oil spill or leak. A spill from
7 a supertanker involves tons to hundreds of thousands of
8 gallons of oil. There is not now existing a system which
9 can guarantee "no spills". The U. S. Corps of Engineers
10 reports that "there is lack of adequate knowledge to
11 design and operate a system without spills." Hence,
12 there can be no doubt that oil from spills even 12 miles
13 off shore will reach our beaches. Why no doubt? Because
14 man cannot control the North Atlantic Ocean and she will
15 put spilled oil onto our shores.

16 Secondly, a deepwater oilport means an onshore
17 facility to collect and store that oil. And despite all
18 protestations to the contrary, the record around the
19 world is clear--at nearly 300 oilports, the shoreside
20 installations have been followed quickly by refinery and
21 petrochemical industry. Within a dozen years, each new
22 oil import area has become a new area of industrial
23 blight without much regard for its environment. And
24 what is the single most misused resource? Water.

25 Once again we may refer to the conservative

1 estimates of the Corps of Engineers' report, Atlantic
2 Coast Deep Water Port Facilities Study (January, 1973).
3 It will take almost a billion gallons of water per day
4 to satisfy the needs of that refinery and petrochemical
5 industry which will grow up around the shoreside
6 installation receiving the oil. Further, an additional
7 300 to 500 million gallons of water will be needed by all
8 the new people who will have to move in to service that
9 industry. Those additions on top of what is now needed
10 by our population will "run us out of water" and require
11 importation of water from other areas. But equally
12 important is the question of, what will we do with all
13 the waste water? There will be about 1.5 billion gallons
14 of waste water per day. It cannot be returned to the
15 ground. Therefore it must be dumped into the bays or
16 ocean. Untreated it will kill the estuaries. And even
17 if treated to a condition of fairly acceptable effluents
18 that much waste water will markedly alter the ecosystem
19 of our estuaries and bays and ocean front to an extent
20 poorly defineable at best. Furthermore what will be done
21 with the refinery spoils and other wastes becomes a major
22 consideration. We know that the current method of dis-
23 posing of them does not work for the oilport-refinery
24 area of greater New York has all but been killed,
25 environmentally speaking. Are we willing to have that

1 happen to the Jersey shore or its bays and waterways?

2 Gentlemen, based on its assessment of future
3 use and misuse of water only, Citizens Against Water
4 Pollution advises against S-200 and against a deepwater
5 oil port off Monmouth County's shores.

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1 STATEMENT FOR THE SHREWSBURY ENVIRONMENTAL COMMISSION ON
2 S-200 FOR THE COMMITTEE ON ENERGY, AGRICULTURE AND
3 ENVIRONMENT
4

5 I am Helen Kroll, a member of the Shrewsbury
6 Environmental Commission. The Commission would like to
7 go on record in opposition to S-200.

8 Our main concern is the effect that the pro-
9 posed construction and operation of a deepwater port
10 would have on landside development. Even though S-200
11 restricts onshore development by the proposed Oil Trans-
12 fer Facility Corporation to $3/4$ of a square mile, there
13 is nothing in the bill that would prevent private
14 industry from rampant construction of tank farms, re-
15 fineries, petrochemical and other industries which
16 inevitably accompany a deepwater port. If the port is
17 constructed 13 miles off the coast of Long Branch, the
18 site most favored by the U. S. Army Corps of Engineers,
19 Monmouth County would certainly be a target for much of
20 this development.

21 The extent of the anticipated landside
22 development from a deepwater port is spelled out by the
23 Army Corps of Engineers in their study on deepwater ports
24 and is certainly frightening. True, municipalities have
25 the power to zone against such developments but would

1 probably find it difficult, if not impossible, to resist
2 the pressures of private industry. In fact, S-200
3 acknowledges this when it states that it will further
4 commerce and industry. But at what sacrifice to the
5 environment? Much of the present commerce and industry
6 is resort-oriented and could well be lost. This should
7 be considered.

8 The inevitable decline in the quality of our
9 air, streams, and ocean waters as a consequence of a
10 deepwater port must also be considered. This is
11 certainly what has happened in the Arthur Kill area. We
12 are told that with a port we will have less trans-
13 shipping and less lightering, fewer tankers dodging in
14 and out of our harbors, fewer collisions and therefore
15 less oil spillage. This is probably what is meant when
16 the bill indicates that it will preserve and protect a
17 high quality environment.

18 But we're apprehensive about a 300,000 to
19 500,000 ton supertanker accidentally being ruptured off
20 our coast. We've read that under certain conditions it
21 could take only a few hours for a massive spill to reach
22 our beaches. The seas off our coast can be very rough
23 and boat traffic is heavy near the area of the selected
24 site.

25 There is a certain amount of routine oil

1 spillage with any monobuoy system, and this is what the
2 Army Corps of Engineers proposes. Containment of a
3 large spill is difficult with this kind of system.
4 Leakage from tank farms and pipelines is fairly common.
5 Oil spillage, with its devastating effects on the marine
6 environment, can be expected to continue even with a
7 deepwater port.

8 There are other aspects of S-200 about which
9 we are concerned. This bill does not give adequate
10 powers to the Department of Environmental Protection to
11 see to it that environmental damage resulting from the
12 construction and operation of a deepwater port is
13 minimized. The proposed corporation should have to
14 abide by the requirements of the Wetland's Act and
15 the Coastal Facilities Review Act which would help in
16 this respect. "Approval" by the New Jersey Department of
17 Transportation and "approval" by the "Public Utilities
18 Commission" is stated in the bill, but only "consulta-
19 tion" with the Department of Environmental Protection.
20 We recommend that approval by the Department of
21 Environmental Protection of the environmental impact of
22 this proposal be required before construction could begin.
23 And who is to pass judgment on whether adequate safety
24 and operational standards are adopted by the corporation
25 and enforced? This is not indicated in the bill. On the

1 other hand, the corporation is granted astonishingly
2 broad powers of eminent domain. It can appropriate any
3 property it considers only reasonably necessary. It can
4 ignore any state, county, or local land-use plan or
5 zoning regulation. This isn't right.

6 The need for a deepwater port off the North
7 Atlantic Coast is based on the conclusion that this area
8 will be and should be getting large volumes of crude oil
9 from the Middle East for the next few decades. We
10 question the wisdom of this particularly in light of
11 recent events.

12 Rather than spending millions on the con-
13 struction of a deepwater port, our legislators should be
14 pushing for much greater spending on the national and
15 state levels for research on alternate sources of energy
16 which are environmentally acceptable. The amounts that
17 are currently being provided for such research are trivial.

18 We should decrease our big appetities for
19 energy, voluntarily or by mandate if necessary. If we
20 did this our supplies of crude oil, natural gas, and coal
21 might suffice for the next couple of decades. By then a
22 new, unlimited, environmentally acceptable source of
23 energy may be a reality.

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25 * * * *

REMARKS OF MAYOR ELWOOD BAXTER

Gentlemen of the Committee--For months I have been listening to people in favor of an offshore oilport, as well as those who are against such an installation. And I have taken particular note that the recent gasoline shortages had some influence on the average person, and that the energy crisis is pointing out the need for additional energy. I am the Mayor of the Borough of Oceanport . . and while we would not be a primary victim of an offshore oil spill, we would certainly feel its effects as the tidal waters which wash our riverbanks would carry the petroliferous pollution directly to our residential shores ... which constitute a considerable amount of shorefront mileage. But I must also look at the practical side of things which indicate that some form of transportation improvement is needed. Frankly... whether an oil spill occurs in the Arthur Kill, New York Harbor, or Raritan Bay...it doesn't take long for the effects to be felt on the Jersey Shore and in Oceanport. And such an accident must always be considered. Let us consider for the moment an oilport to be an eventual probability...Whether it will be off the New Hersey Shore...the Long Island Shore...or wherever...we'll feel the effects here.

1 Oceanport is a single-family residential
2 community, population approximately 7,000, area 3.1
3 square miles. We could not provide the land for a Tank
4 Farm within Oceanport even if we were selected by the
5 proposed facility, Thank God!

6 Many of my constituents, that minority who are
7 not violently opposed altogether, believe that the Tank
8 Farm establishment is merely Step One in a planned long
9 range process which would later include the appearance of
10 a distilling tower. Now, Gentlemen, whether that dis-
11 tilling tower looked like a Windmill or it was cos-
12 metically made to resemble a New England Church steeple,
13 gleaming in the sun, it would none the less be the
14 precursor to refining and cracking in Monmouth County or
15 Ocean County. This we cannot accept. Gentlemen, this is
16 repugnant to the people of this County and this general
17 area. For your further Committee deliberations, I will
18 give you an alternative to consider. If you can, by
19 scientific technology and the proper application of
20 human technique and effort, control spillage to zero with
21 offshore deepwater port facilities, then I say by all means,
22 proceed...But Gentlemen, completely eliminate any con-
23 sideration for Tank Farms in the immediate onshore area.
24 Bayway and Linden are accustomed to their way of life.
25 Unfortunately, they've got the whole package. It's a

1 package we don't want here in Monmouth County.

2 The obvious answer to our Monmouth County
3 objections is pipeline. The point is refineries exist
4 in Middlesex County and Union County. They are presently
5 fed by pipelines which originate in Texas and Oklahoma.
6 They are also fed by Tankers in the Raritan River and in
7 the Arthur Kill. If the offshore facility were con-
8 nected by underwater pipeline directly to the refinery,
9 I then can agree with the proposition that a well opera-
10 ted, State run authority would be less risk than the
11 decadent and ancient facilities in use at present; which
12 have within the past few years created disastrous,
13 pollutive spillages.

14 In tonight's hearing, we are really considering
15 a bill which has been introduced in the State Senate by
16 Senator Frank Dodd. This bill would have any oil
17 transfer facility owned by the state of New Jersey
18 rather than by a billion dollar oil corporation. If
19 most people would read the contents of the Dodd Bill,
20 they would note that every eventuality is provided for
21 therein, and that the corporation which would be created
22 by it would be answerable to the people of the State..
23 and not just to the stockholders of a corporate monster.
24 This bill contains built-in environmental protection...
25 construction restrictions and safeguards, and many other

1 protective items which would be difficult to enforce on
2 private concerns or cartels. If the offshore oil trans-
3 fer facility is inevitable, then let's have it under
4 some umbrella such as the Dodd Bill. Where we can control
5 it. I note that there are many who campaign against
6 this measure from a wholly ecological standpoint...from
7 fears of what might happen IF! I much prefer to face the
8 need for such a facility...It's inevitability (if you
9 will), and to have the port under the control of
10 officials who are responsible to the people. I do note
11 that much of the ecological objection seems to be well
12 organized and well financed...and I wonder why they seem
13 so worked up over remote possibilities of an accident at
14 an oilport when the World Trade Center right now is
15 pouring millions of gallons of raw sewage into the Hudson
16 River...which finds its way to the Jersey beaches...and
17 to our clam beds in Sandy Hook Bay...and right up the
18 rivers to Long Branch, Red Bank and Oceanport.

19 In closing...I repeat my opinion that an off-
20 shore facility may offer far better protection to us
21 with modifying amendments and changes, if it is set up'
22 within the definitions of the Dodd Bill rather than
23 leaving the matter to the Corporate Boards of Exxon or
24 some other major combination of Oil interests.

25 Thank you.

* * * *

1 To the Members of the Energy,
2 Agriculture and Environment Committee
3

4 The Asbury Park Fishing Club, consisting of
5 approximately one hundred members from various sections
6 of the State of New Jersey, adopted a unanimous resolu-
7 tion opposing the construction of a deep water oil port
8 off the shores of our State. The resolution was voted
9 upon after the membership had the opportunity to con-
10 sider arguments advanced by the proponents of such
11 facility as well as those opposed thereto.

12 It is our opinion that the principal bases
13 upon which the construction of such port is urged are
14 economic in nature. These involve prospective revenue
15 which it is contended will be realized by our State,
16 additional employment opportunities that might be
17 anticipated, and larger capacity for the importation of
18 petroleum and petroleum by-products. Such possible
19 advantages are more than out-weighed by the probable
20 harm that would result from this project. The seashore
21 of New Jersey is the situs of the largest resort
22 industry of the State; an industry that is engaged in
23 by thousands of our citizens who depend upon it for
24 their livelihood. This broad economic base is to be
25 contrasted with the rather limited segment composed of

1 the oil industry whose interests would be advanced by the
2 construction of a deep water oil port. The intrusion of
3 this port, with the land based industrial facilities
4 that can be expected to accompany it, would do much to
5 alter and destroy the asthetic appearance and recreational
6 desirability of the seashore. This coupled with the
7 ever present danger of oil spills and beach contamination
8 would result in a serious threat to our resort trade.

9 From an environmental standpoint, oil
10 pollution which has already destroyed many bays, rivers
11 and harbors in this State and elsewhere, could be
12 expected to accomplish the same result in a wide area of
13 the ocean adjacent to a deep water oil port. This
14 pollution would have a disasterous impact on marine life,
15 and could be expected to seriously and adversely effect
16 sport and commercial fishing, clamming and crabbing as
17 well. The implications of this problem would be many.
18 Increased industrial traffic, the presence of industrial
19 facilities, as well as water and beach contamination
20 would make the shore a far less desirable area in which
21 to live and thus adversely effect property values in
22 shore communities. The ocean is the greatest natural
23 asset of the New Jersey Coast, and its destruction or
24 impairment would have most serious consequences.

25 Finally, it is the opinion of the Asbury Park

1 Fishing Club that the sea, the beaches and the atmosphere
2 are not ours to destroy. At most these irreplaceable and
3 highly perishable resources are held by us in trust for
4 future generations. We have an obligation to preserve
5 them in tact so that our children and our children's
6 children will be able to enjoy them and pass them on to
7 those who will follow. Construction of an oil port off
8 our coast is not consistent with this obligation.

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1 STATEMENT OF THE MONMOUTH COUNTY BRANCHES OF THE AMERICAN
2 ASSOCIATION OF UNIVERSITY WOMEN TO THE NEW JERSEY SENATE
3 COMMITTEE ON ENERGY, AGRICULTURE AND ENVIRONMENT
4

5 On behalf of the three Monmouth County branches
6 of the AAUW, Freehold Area, Jersey Shore and Northern
7 Monmouth, representing over 800 members, we would like
8 to thank the Senate Committee on Energy, Agriculture and
9 Environment and Senator Buehler for this opportunity to
10 speak in regard to Senate Bills 200 and 689. We would
11 hope that this opportunity to speak carries with it the
12 assurance that the committee will consider our statement
13 before making any decisions on the construction of such
14 a port facility.

15 As part of a national organization, we have
16 studied "This Beleaguered Earth" dealing with the many
17 vital problems of the environment which are so evident
18 today. We are currently studying "Global Interdependence-
19 For Earth". AAUW national legislative policy **emphasizes**
20 the need for state government to develop a process of
21 planning and a balanced state land use program. For the
22 last three years the N. J. State Division of AAUW has
23 been implementing Project Land Use which recognizes the
24 importance of careful planning in New Jersey, the most
25 densely populated state in the United States. This

1 program sets forth, in these times of rapidly changing
2 living patterns, a design for the responsible use of land
3 through comprehensive and coordinated planning as well
4 as the wise utilization of natural resources to assure
5 their continuing availability. AAUW passed resolutions
6 in 1972 supporting a state environmental impact law
7 (such as the Federal law), a state land inventory, a
8 limitation on the number of environment polluting
9 industries of all sizes which could locate within our
10 state, as well as one supporting a balanced use of land
11 within the state with emphasis on open space, population
12 and industry location.

13 Therefore, with this background, we would
14 tonight like to make several points regarding the con-
15 struction of a deepwater port off our shore.

16 First, the construction of a deepwater port
17 and its inevitable satellite refineries and tank farms
18 would be totally incompatible with a seaside resort area.
19 The region surrounding the proposed site is now a major
20 recreational center for the highly urbanized cities of
21 the northeast, and with current population trends from
22 rural areas to urban ones and increased leisure time,
23 the need for this unpolluted open space at the seashore
24 will be increasingly apparent. The Federal government has
25 planned a Gateway Park on Sandy Hook, a much needed open

1 space and recreational facility for this populated area,
2 surely this prior commitment will be honored.

3 Second, the state of New Jersey has recognized
4 the value of its coastal wetlands as a primary source of
5 nutrients for ocean life, as a nesting place and haven
6 for migratory birds, as a breeding ground for shellfish,
7 and as a buffer zone protecting the mainland from ocean
8 storms. The state in adopting the Wetlands Act and the
9 Major Coastal Facilities Review Act called a halt to
10 widespread despoilation of the shore zone. We feel
11 Senate Bill 200 would effectively undermine the
12 objectives of these acts and comprehensive land use
13 planning. We also feel Senator Buehler's bill S-689
14 would further their aims.

15 Third, insufficient pressure is exerted and
16 little incentive is given to our nation's industry to
17 reduce their energy demands or to improve energy pro-
18 duction technology. We recommend that present and
19 projected energy shortages be examined critically and
20 alternate sources be developed. Many of our potential
21 energy sources have existed for centuries--our lack of
22 foresight is astounding.

23 In conclusion we feel that the need for the Oil
24 Transfer Facility Corporation Act is questionable and
25 that it would seriously upset the existing economic and

1 social structure of an entire region, and would
2 irreparably damage the quality of life. We, therefore,
3 support Senate Bill 689 prohibiting the construction of
4 off-shore oil port apparatus and attendant pipeline and
5 storage facilities.

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1 ADDRESS PRESENTED APRIL 10, 1974 AT MONMOUTH OILPORT
2 AUTHORITY HEARING by Arthur B. Larsen, 104 Heulitt Road;
3 Colts Neck, New Jersey 07722
4

5 Like the great majority here tonight, I am
6 in neither oil, politics nor construction--I just live
7 here. It's a nice place, and I'd like to see it stay
8 that way. All the nice drawings and statements to the
9 contrary, there's no question that passage of this bill
10 would clear the way for the desecration of a significant
11 portion of the Jersey shore and a degradation of the
12 quality of life for many of us. There have been many
13 facts and figures presented here tonight, so I won't
14 burden you by repeating or adding to that data, but I
15 will point out to the committee that we don't need to
16 hypothesize or imagine what an oilport and its attendant
17 onshore facilities would mean to us--we can see and smell
18 it here and now enroute to New York. It's a stinking,
19 ugly mess--and we want no part of it!

20 This attitude should come as no surprise to
21 you--the residents of the shore communities amply
22 demonstrated their virtually unanimous abhorrence to
23 such a deepwater port in similar meetings a little over
24 a year ago. To use a familiar line, we made our point
25 perfectly clear, and, frankly, I'm more than a little

1 irritated at having to spend the time, effort, and gaso-
2 line for a repeat performance. It utterly defies com-
3 prehension that some members of the senate would think
4 that, having soundly rejected the oilport alone, we would
5 now accept the far greater evil of a combined port and
6 on-shore facility subject to no controls.

7 While the original proposal locating the oil
8 port off the New Jersey coast was ill-conceived, at least
9 one could not fault the Corps of Engineers for their
10 gross underestimation of the intensity of the local
11 opposition to the project--but the senate has no such
12 excuse! The energy crisis of the past year has shown us
13 well that being blighted by oil ports, tank farms, and
14 refineries is of absolutely no value in getting even our
15 fair share of gasoline when supplies are short. It also
16 underscored one of the points made at the '73 hearings--
17 that to spend billions of dollars and befoul our shore,
18 sea and land on the assumption of the continued and
19 uninterrupted availability of foreign oil is foolish
20 and irresponsible.

21 The proposed bill is a complete environmental
22 sell-out and will certainly help to make Jersey shore
23 residents, human and otherwise, candidates for the
24 endangered species lists. I don't know if any campaign
25 coffers have been filled by oil, pipeline, or con-

1 struction money, but I suggest that the havoc the pro-
2 posed oilport authority would visit on New Jersey should
3 make "Oilport" the political kiss of death on the state
4 level that "Watergate" has become nationally, and you
5 good people here tonight can help see to that.

6 That concludes what I have to say for what, I
7 hope, can be the last time!

8
9 * * * *

BOROUGH OF SEA BRIGHT

MONMOUTH COUNTY

NEW JERSEY

07760

April 5, 1974

The Honorable Joseph L. McGahn, Chairman
Senate Committee on Energy, Agriculture and Environment
Trenton, New Jersey

Dear Senator McGahn;

The Conservation Committee of Sea Bright, New Jersey after
a review and serious study of the available reports as
published in various media DO OPPOSE the proposed
legislation S-200, entitled the "Oil Transfer Facility
Corporation Act", on the following grounds:

ENVIRONMENTALLY DETRIMENTAL TO HEALTH

1. Scientific data amassed and recorded in
Congressional public hearings on Ocean Water Pollution
indicates the delicate balance of Nature in the marine
environment, and its food supply. The contamination of
the food chain due to oil spills will adversely affect
human life.

2. The inevitable expansion of the land-based
oil refineries and petrochemical industries in New Jersey
would pose a threat to the quality and quantity of the
fresh water supply available for human needs.

1 3. The attendant air pollution would be added
2 to that of the extensive heavy industry already
3 established in New Jersey, to make the metropolitan area
4 unhealthy and damaging to all living things.

5 ECONOMICALLY IT WOULD ADVERSELY AFFECT OUR NUMBER ONE
6 INDUSTRY

7 1. The beaches and recreational industry of
8 New Jersey would suffer financial loss in the event of
9 inevitable oil spills.

10 2. The entire Sandy Hook and Monmouth County
11 area have an historic value beyond price and should be
12 preserved free of heavy industry for the benefit of
13 future generations.

14 3. Sandy Hook Gateway National Beach Park--
15 accessable, free and already established by law to the
16 citizens of the United States, would be endangered.

17 4. The commercial, and rapidly expanding
18 sports-pleasure boating industry of New Jersey would be
19 adversely affected.

20 5. The money that New Jersey and shore
21 communities have spent to construct sewage systems to
22 improve the environmental quality of their waters would
23 be wasted money and a senseless tax burden on future
24 generations.

25 MILITARILY UNSOUND--DEPENDENCE ON A FEW SUPER PORTS AND

1 SUPER TANKERS COULD BE A DISADVANTAGE IN TIME OF WAR

2 1. Modern missiles and guerilla-type warfare
3 make defensive action dependent upon diverse and multi-
4 sources of energy supply within the United States.

5 2. Even without actual military attack, the
6 recent oil embargo pointed up the fact that American Oil
7 Companies in foreign ports would not supply the fuel
8 needs of our navy.

9 3. Up-dating, modernization and expansion of
10 all types of energy sources within the United States for
11 our defense, growth and environmental protection--YES.
12 Hysterical predictions of energy shortages, planned
13 shortages, intimidation, lobbying and illegal political
14 donations in order to increase corporate power and
15 excessive profits for Oil Companies--NO. Bigger is not
16 necessarily better. Power over all sources of energy by
17 a small, elite, multi-national group, could make or
18 break governments. The freedom enjoyed under our
19 Constitution might very well be lost.

20 REJECTION BY NEW JERSEY OF THE ARMY CORPS' SUPER PORT PLAN

21 1. Extensive studies were made of a super oil
22 port proposed by the U. S. Army Corps of Engineers off
23 New Jersey. It was judged not to be in the best interests
24 of the citizens of New Jersey, and was so stated by the
25 following:

1 Present and former Governor of New Jersey
2 Present U. S. Senators of New Jersey
3 All U. S. Congressmen, Freeholders, and
4 Mayors, whose districts were primarily affected.

5 The citizens of Monmouth, Ocean and Cape
6 May, as well as the entire seashore resort
7 industry, adamantly opposed a super oil port
8 plus the land-based facilities which of
9 necessity must follow.

10 2. The Report of the President's Council on
11 Environmental Quality ruled out any New Jersey site as
12 being not suitable, because New Jersey is the most
13 densely populated State in the Union.

14 3. Other States (Maine, Massachusetts,
15 Delaware, New Hampshire) have also turned down the super
16 oilport concept for their local, but Texas and Louisiana
17 on the other hand, have indicated a willingness.

18 BILL S-200 IS A BAD PIECE OF LEGISLATION

19 1. It weakens the credibility, authority and
20 financial responsibility of State Government to its
21 citizens.

22 2. Home Rule, deep-rooted in New Jersey since
23 Colonial times, has been by-passed. No specific location
24 has been defined in the bill. The attitude is, "We'll
25 let you know after the law is passed." A dictatorship

1 couldn't do better.

2 3. The right of eminent domain is handed over
3 to a private corporation. The Oil Industry is not yet a
4 Public Utility under strict government control or Federal
5 nationalization.

6 4. A tax-free status for its bonding
7 indebtedness is bestowed upon a private corporation.
8 This is a devious device becoming too prevalent, and
9 which may soon adversely affect the standing of New
10 Jersey General Obligation Bonds.

11 5. The Treasurer of the State of New Jersey
12 has testified that it would not increase the State
13 revenue to any great extent.

14 6. Present world conditions indicate that the
15 supply of imported oil will be limited and never cheap.

16 7. At the hearings held by the Army Corps at
17 Middletown, the Oil Industry stated they would be
18 willing to build the Mono-bouy and necessary pipe lines.
19 Why should the State become a lackey to the Oil Industry?

20 8. The super oilport was stated to be only a
21 short term, interim facility to buy time. Time has
22 already run out. The harm done would be irreversible.
23 New Jersey doesn't need it.

24 9. The proposed Authority would be exempted
25 from the existing State's Wetlands Act, the Major

1 Coastal Facilities Review Act, all local zoning ordinances,
2 and is not required to obtain any permits or approvals
3 from the State Department of Environmental Protection.
4 THE LAW should hold for everyone, or no one. This type
5 of injustice and special privilege breeds disrespect and
6 contempt for all laws.
7 For these reasons we strongly support the Resolution of
8 the Sea Bright Mayor and Council, and respectfully
9 request that S-200 be rejected.

10 Respectfully submitted,

11 (Mrs.) Kathleen Mendes, Chairman

12 (Miss) Loretta C. Hanley, Secretary

13 SEA BRIGHT CONSERVATION COMMITTEE
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PRESENTATION OF LOUIS J. STALSWORTH
BEFORE THE NEW JERSEY STATE SENATE
COMMITTEE ON ENERGY, AGRICULTURE AND
ENVIRONMENT ON WEDNESDAY, APRIL 10, 1974
IN POLLAK AUDITORIUM, MONMOUTH COLLEGE
SUBJECT: DEEPWATER OILPORT BILL

Gentlemen: I wish I could speak tonight in favor of a deepwater port off our shores. I wish I could welcome it and the good things it might bring with it and be a voice in favor of the project, rather than a voice of negativism. But, I must oppose any such project on three points.

The first is the obvious one. The threat of an oil spill. Its potential for disaster is obvious. So very much of our state's economy is dependent on the coastline, that great efforts must be made to preserve it and the economy it represents.

A second threat posed by a deepwater port may not be so obvious, but is perhaps more serious and more difficult to overcome and it is one that I've heard nothing about from experts or reporters until just this weekend. It is something I've been advised of from what should be a common source. I asked a college professor-- a geology professor at Brookdale Community College. I

1 simply asked him what problems he foresaw in any such
2 deepwater port and his answer surprised me more than you
3 can imagine. What he said was simply this--and I am
4 paraphrasing a little--: "The port doesn't scare me.
5 Putting it in is simple. What bothers me is shore
6 support facilities." He went on to point out that large
7 shore facilities would be needed to accommodate and
8 service the port facility. This is something that has
9 not been considered publicly to any great deal. This
10 weekend was the first time I saw any public reference to
11 such consideration and what I read in The Asbury Park
12 Press was less than reassuring. As much as 480 acres of
13 land might be needed for such support areas. It was
14 pointed out during Saturday's hearing, conducted by this
15 same panel, that 11 of 33 municipalities in Ocean County
16 are not as large as 480 acres, and theoretically, could
17 be obliterated by oil support facilities. Certainly,
18 that's far-fetched, but that does not answer the
19 questions of where to put such facilities. Where,
20 in deed, can such a complex be placed? Are we to move
21 entire communities to make room for storage areas?
22 Obviously not. Or, are we to use the little open space
23 left available along the coast line...the wet lands,
24 the marshes, those places so crucial to the ecocycle?
25 I'm not an environmental fanatic, but some common sense

1 must prevail. How can we proceed with deliberations on
2 the port when so little consideration is being given to
3 this storage problem?

4 Then we have the third and most disturbing
5 aspect of the entire oil port, support facility,
6 refinery, gasoline question. It's a matter of integrity
7 and competency and it's a matter that should be upper
8 most in everyone's mind. It began to grow in my con-
9 science a few months back when the gas "crisis" first
10 developed. Initially, it seemed everyone was bearing his
11 fair share of hardship. At least, it seemed that way
12 here in New Jersey. Then, however, disturbing reports
13 began to sift through the grapevine. This trickle of
14 information finally grew into a stream of reports,
15 reports that said: "Once you get out of Jersey, there's
16 plenty of gas." Over and over again, you'd meet people
17 who'd just been to Florida or Chicago or Timbuktu or
18 wherever, and there was lots of gas, as long as you
19 were anywhere but in New Jersey. My next door neighbor
20 is a traveling salesman whose livelihood depends on
21 getting around by car and he kept telling me he had no
22 troubles outside of New Jersey--from Washington, D. C.
23 to Chicago, he gassed up when he needed it. In fact,
24 during the height of the crisis, when people in the
25 Midwest had to wait in line as long as 30 minutes, we,

1 in New Jersey, were waiting four hours--we got the short
2 end of the stick. Why was that?

3 Was this some form of arm twisting? If so, I
4 say let them twist 'til my arm falls off. I'll find a
5 permanent alternative to the car. Certainly the oil
6 companies would deny any such corporate culpability.
7 What then was the cause of the New Jersey hardship?
8 Poor planning. That's the only answer left and that
9 leaves me with absolutely no faith in the oil industry.
10 How can we trust this industry to run an oil port and
11 its support facilities if it can't or won't manage what
12 facilities and resources it already has? At this point
13 in time, the burden of proof--proof of competency--rests
14 on the oil industry.

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1 STATEMENT OF
2 THE DELAWARE VALLEY COUNCIL
3 AT THE PUBLIC HEARING ON SENATE BILL S-200
4 OF THE
5 SENATE COMMITTEE ON ENERGY, AGRICULTURE AND ENVIRONMENT
6 MONMOUTH COUNTY COLLEGE, WEST LONG BRANCH, N. J.
7 APRIL 10, 1974
8 REGARDING
9 "OIL TRANSFER FACILITY CORPORATION ACT"
10

11 I am Samuel T. Hudson, President of the
12 Delaware Valley Council. The Delaware Valley Council is
13 a non-profit, non-partisan organization representing
14 industry in the 15 counties in New Jersey, Delaware and
15 Pennsylvania which comprise the Delaware Valley.

16 I welcome the opportunity to present a state-
17 ment on behalf of the Delaware Valley Council on a
18 matter vital to industry in this area. The Senate
19 Committee on Energy, Agriculture and Environment is to
20 be commended for its concern which has led it to hold
21 hearings on Senate Bill 200, dealing with the Oil
22 Transfer Facility Corporation Act.

23 It is obvious to all of us that if Delaware
24 Valley industry is to provide employment for people in
25 the area and if it is to continue to produce a wide

1 variety of materials and products for the consuming
2 public, it must have an adequate supply of petroleum
3 products at costs competitive with those in other parts
4 of the country.

5 The refineries in the Delaware Valley, which
6 provide employment for many people and which manufacture
7 gasoline, heating oil, as well as raw materials for our
8 chemical plants, must have crude oil at competitive costs
9 if they are to continue to operate. Our area is more
10 dependent on imported crude oil than any other section
11 of the country. Yet, we are lagging in our preparation
12 to handle increasing quantities of imported crude oil
13 carried by the mammoth tankers which are now being used
14 throughout the world. Certainly the present practice of
15 "lightering" tankers in the Delaware Bay is less
16 desirable, both environmentally and economically, than
17 the movement of crude oil into the area by very large
18 tankers unloading at an adequate deep water oil port.
19 I hope these hearings give impetus to a movement to provide
20 this area with such a port.

21 We feel that Senate Bill 200 has merit in that
22 it provides the mechanics for the State of New Jersey to
23 begin an investigation into all aspects of a deep water
24 terminal, and possibly to prepare for the construction
25 and operation of such a terminal.

1 However, our concern involves the requirement
2 in the bill that the facilities be state owned. We
3 suggest that the advantages of private ownership should
4 also be considered. These will be specialized facilities
5 for the handling of crude oil only. It is my under-
6 standing that a number of oil companies are ready and
7 able to take the risk and make the necessary investment
8 here as oil companies have in many parts of the world.
9 We are talking about a substantial sum of money--I
10 understand that the offshore oil ports proposed for
11 Louisiana and Texas may ultimately cost as much as
12 \$400 million each. New Jersey tax payers may not wish
13 to provide the large amount of capital required for a
14 New Jersey port, particularly if it can be provided by
15 private industry.

16 My own company, Hudson Engineers, Inc., of
17 Philadelphia, under the aegis of the Delaware Valley
18 Council developed a concept for a very exotic deep water
19 terminal in conjunction with educational and leisure
20 living complexes. However, the energy crunch is upon us.
21 We strongly urge the Legislators of the State of New
22 Jersey to investigate all the possibilities with which
23 to provide your state with the best design and in-
24 stallation of a deep water port in close proximity to
25 the refineries which it will serve. We believe that such

1 an installation to the north near the New York harbor will
2 provide in excess of 300,000 barrels per day for that
3 refinery area. We desperately need a deep water port
4 installation to serve the Delaware Valley, the Delaware
5 River estuary and the seven (7) major refineries
6 currently located within that industrial complex.

7 While indeed we are for any installation which
8 will supply us with a means for obtaining imported crudes
9 into our Valley, we feel that these installations can be
10 better located at or around the Delaware Bay. The
11 seven (7) refineries require approximately a million
12 barrels of crude every day to operate at average capacity.
13 We do not believe that an installation of a deep water
14 complex in the Monmouth County area is to the state's
15 best advantage for serving the refineries in South Jersey.

16 Some may question the need for an offshore oil
17 port now that Middle East imports have been disrupted and
18 in view of our stated national purpose of attaining self
19 sufficiency in our energy supply. It appears to me that
20 we will continue to have increasing amounts of imports
21 for some time. We will continue to import crude oil
22 from Latin America, West Africa and other parts of the
23 world, and undoubtedly the Middle East problems will
24 eventually be settled and imports from this area will be
25 resumed. I am also of the opinion that it will be a

1 number of years before our country is able to attain an
2 energy self sufficiency. Therefore, this area can expect
3 to be dependent on imports for many years. For this
4 reason, we need to prepare now to handle large volumes
5 of imported crude in the large tankers being used in
6 world-wide oil traffic.

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MUNICIPAL BUILDING

47 Broad Street

Eatontown, N. J.

07724

HERBERT E. WERNER

Mayor

April 1, 1974

Mr. David Mattek

c/o Senate Committee on

Agriculture, Energy & Environment

The State House

Trenton, New Jersey

Dear Mr. Mattek:

The Governing Body of the Borough of Eatontown does unanimously oppose the development of an off-shore oil facility as outlined in the enclosed resolution.

This was our position last year and we take a similar stance on this issue at the present time.

The upcoming forum to take place at Monmouth College on April 10, 1974 in regard to this proposal is of vital interest to our residents and it is respectfully requested that said resolution be read into the minutes at the April 10th meeting.

Very truly yours,

Harold Grossman

Business Administrator

1 Mr. Fleischman offered the following resolution
2 and moved its adoption:

3 R E S O L U T I O N
4

5 WHEREAS the United States Corp of Engineers has
6 proposed a site in the Atlantic Ocean, East of the City
7 of Long Branch as a recommended location for the con-
8 struction of an off-shore oil shipping terminal, and

9 WHEREAS the proposed facility does not provide
10 adequate safeguards against the hazard of substantial oil
11 spillage, and

12 WHEREAS the engineering studies supporting the
13 proposed facility do not demonstrate the need for such a
14 large oil depot and terminal, or the necessity for
15 locating the plant in the proximity of the New Jersey
16 Seashore, and

17 WHEREAS the vast majority of the citizens of
18 Eatontown who have expressed an opinion have expressed
19 strong opposition to this proposal, and

20 WHEREAS after careful consideration, the Mayor
21 and Council of the Borough of Eatontown have determined
22 that the construction of this off-shore facility and its
23 incidental structures and piping in and through the
24 municipalities of Monmouth County would be detrimental
25 to the welfare of the community and constitute a sub-

1 stantial threat to the ecology and recreational assets of
2 the county;

3 NOW, THEREFORE, BE IT RESOLVED that the Mayor
4 and Council of the Borough of Eatontown express their
5 strong opposition to the proposed off-shore oil facility,
6 and

7 BE IT FURTHER RESOLVED that copies of this
8 resolution will be forwarded to the Federal and State
9 representatives of the citizens of the Borough of
10 Eatontown with the request that they exercise their best
11 efforts to prevent this unnecessary and hazardous facility.

12 Seconded by Mr. Borneo and adopted upon the
13 following roll call vote:

14 AYES: Frankel, Frey, Boff, Borneo, Zebrowski, Fleischman

15 NAYS: None

16 DATED: March 27, 1974

17 APPROVED: HERBERT E. WERNER, MAYOR

18 ATTEST: MARJORIE L. BECKER, BOROUGH CLERK

19
20 * * * *

RR #2 Stone Hill Road
Colts Neck
New Jersey 07722

April 9, 1974

Senator Herbert J. Buehler

176 Monmouth Road

Oakhurst

New Jersey 07755

Dear Senator Buehler:

Enclosed is a copy of my letter to the Chairman of the Senate Committee on Energy, Agriculture and Environment on the subject of S-200.

I truly believe if we can hold down the expansion of petroleum facilities we will see a leveling off of the need for such facilities.

I have not gone into details in my testimony because I know these will be adequately covered by others and I'm sure are already part of the record of the Committee. I will expand on my points of concern if the Committee so desires.

When I speak of the estimated loss of fish yield correlated to the loss in productivity in the estuarine zone, I am speaking of a formula used by the Sports Fishing Institute. This loss can be expressed in economic terms. However no one has ever been able to put a dollar sign on quality, except in the case of our shell-

1 fish, and as a native shore-dweller I have witnessed
2 rapid deterioration in quality.

3 Sincerely, Patricia Allocca
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RR #2 Stone Hill Road

Colts Neck, N. J. 07722

April 9, 1974

Senate Energy, Agriculture & Environment Committee

Senator Joseph L. McGahn, Chairman

State House

Trenton, N. J. 08625

Re: Senate Bill S-200

Dear Senator McGahn:

Thank you for this opportunity to express my views on S-200 known as the "Oil Transfer Facility Corporation Act".

I cannot offer support for this Act for several reasons which I shall try to state briefly.

1. I believe S-200 is an exercise in futility considering the best scientific calculations estimate the world will run out of known supplies in about fifty years, at the present rate of consumption. And, if this is true, supplying countries will limit or stop exporting in order to preserve this energy resource for their own needs long before supplies run out. This has happened with our neighbor, Venezuela.

2. The economic reasoning for the need for "supertankers" facilities in the United States as put forth by this bill is highly questionable since apparently

1 such facilities have not produced savings for the consumer
2 in Europe. The last figure I heard for the price of the
3 equivalent of the gallon of gasoline was well over the
4 dollar mark.

5 3. Oil transfer by smaller ships will not
6 necessarily be reduced unless on shore facilities for
7 refining, etc., prohibited by S-200, are located nearby
8 crude oil storage facilities or pipelines are installed
9 to connect such facilities already established in New
10 Jersey and elsewhere on the east coast. An extensive
11 pipeline system has been proposed but indepth studies of
12 the effects of such a system on the land and water
13 resources of New Jersey have not been made. And, here,
14 I must point out the power of eminent domain that would
15 be granted to the Authority is a highly disturbing
16 thought when one considers this power in relation to
17 pipe line rights of way for, traditionally, the
18 initiation of need, the planning, siting and use
19 determinations for "public utilities" have stemmed from
20 the industry and not from a comprehensive, long-range
21 growth plan for New Jersey.

22 4. I am opposed to S-200 because it would set
23 up an Authority that could bond itself into perpetuity
24 and the only out for the State would be to pledge tax
25 monies to pay off bondholders.

1 5. If enacted this bill would set a precedent
2 for circumventing the Wetlands Act and the Coastal
3 Facilities Review Act. Public commitment to the aims and
4 purposes of these Acts was long overdue in New Jersey.
5 And, while not perfect, the mechanism for government and
6 citizen interaction to determine use of the vital
7 coastal areas has been established. So, too, has the
8 beginnings of a growth plan for the state.

9 6. I am opposed to any further use of New
10 Jersey's land and water resources for the purposes of
11 transporting and storing or any use for petroleum and
12 its by-products. Although a small state, New Jersey ranks
13 6th in the nation in providing land and water resources
14 for such purposes and I believe this is already too high
15 a position when looked at from a healthy and pleasing
16 environment for its citizens and from the socio-economic
17 health of its resort industry. And,

18 7. Last but not the least of my concerns is
19 that super-facilities for super-tankers pose super-
20 threats to the fisheries of the Atlantic. We can no
21 longer take unnecessary chances that would diminish this
22 food and recreational resource. The addition of
23 petroleum facilities, at this point in time, is an
24 unnecessary chance considering the finite status of
25 petroleum and the obvious move for this country to

1 become self sufficient in its energy sources. But, the
2 potential for delivering a lethal blow to the fisheries
3 by deliberately inviting the proliferation of super-
4 tankers in the coastal waters of our state borders on
5 idiocy. However, since I do not believe that any of our
6 elected officials are idiots, I must conclude this bill
7 was offered in good faith to control what is considered by
8 many to be an inevitability. Simply stated it is because
9 we have invested in super-tankers. May I suggest we
10 weigh this dollar investment against the cost of degraded
11 resources that will inevitably follow the decision to
12 build Oil Transfer Facilities to see if the investment
13 in super-tankers is a genuine consideration. We can
14 start with the estimated loss of fisheries yield on the
15 Continental Shelf due to loss of productive estuarine
16 land and water acreage. Add to this the corresponding
17 loss of revenues derived from commercial and sport
18 fishing, waterfowl hunting and the resort industry and
19 we have a good start on more than matching the investment
20 in super-tankers. Then consider that there is no
21 substitute for sport fishing, waterfowl hunting and the
22 coastal resort industry. But, a substitute for super-
23 tankers already exists.

24 I have tried to be brief, in so doing I hope I
25 have been clear.

Respectfully yours, Patricia Allocca

1 STATEMENT BY BOROUGH OF WEST LONG BRANCH

2 Represented by: Arnold B. Levin, Councilman,
3 Borough of West Long Branch
4 Chairman, West Long Branch
5 Environmental Commission
6

7 The Mayor and Council of the Borough of West
8 Long Branch extend their appreciation to you for per-
9 mission to be heard in regard to S-200. Let me state,
10 at the outset, that the Mayor and Council are in
11 opposition to S-200 in its present form and are in
12 opposition to the concept of a deep-water port as
13 presently being herein discussed.

14 The purpose of these hearings is to obtain the
15 thoughts of the public regarding the subject matter of
16 this Bill and I will direct my attention, at this time,
17 to its specifics:

18 1. The Bill makes clear the recognition by the
19 Legislature of the potential severe environmental impact
20 that may be experienced by the oil transfer facility.
21 This fact is evidenced by the findings which the
22 Legislature makes in paragraph 2.a. (1-4). However,
23 although the membership of the proposed Corporation is to
24 consist of the State Treasurer and the Commissioner of
25 the Department of Labor and Industry, together with five

1 other citizens, conspicuously, the Commissioner of the
2 Department of Environmental Protection is not designated
3 for membership. (see 6.b.)

4 2. The basic premise upon which this
5 Legislation is based is found in paragraph 2.a., wherein
6 the following language is found, ". . . oil transporta-
7 tion costs, which are ultimately passed on to the con-
8 sumer in higher oil and petroleum prices, will be sub-
9 stantially reduced when 'super tankers' can unload or
10 transfer oil at deep-water ports or oil transfer
11 facilities located in the United States." From this,
12 the Legislature must necessarily conclude that the deep-
13 water port will lead directly to the saving of costs to
14 the consumer or, otherwise, the Legislation would be
15 meaningless.

16 In Legislation adopted a relatively short time
17 ago, the Legislature enacted a "No Fault" statute which
18 mandated that premiums for liability insurance be re-
19 duced by 15%, (N.J.S. 39:6A-18). Yet, the Statute which
20 this Committee is considering has neither mandated a
21 percentage change in costs to be paid by the consumer,
22 not has it required that the private oil companies be
23 obligated to show the dollar saving to be expected by the
24 deep-water port and compelling this saving to be passed
25 on to the consumer. In absence of some compelling force

1 from the Legislature to effect a reduction in the sales
2 price of oil products, one can only assume that the
3 saving to the consumer is negligible, if at all, as
4 noted in the article by Jacqueline Alban in the Asbury
5 Park Press of April 8, 1974, or, though this saving is
6 real, it is only to be realized by the private oil
7 companies.

8 3. Pursuant to the provisions of paragraph
9 9.a., the oil transfer facility of not more than three-
10 fourths of a square mile in size, exclusive of pipe line
11 and right-of-way, may be constructed in Middlesex,
12 Monmouth, Ocean, Atlantic, Cape May, Cumberland and
13 Camden Counties.

14 An examination of the Directory prepared by
15 the County of Monmouth for the year 1973, demonstrates
16 that of the 53 municipalities in Monmouth County, 11 of
17 them are not three-fourths of a mile in total size, which
18 would mean that if placed within any of these munici-
19 palities, the municipality would cease to exist. The
20 municipalities are as follows: Allenhurst, Allentown,
21 Avon-by-the-Sea, Farmingdale, Highlands, Interlaken, Loch
22 Arbour, Sea Bright, Shrewsbury Township, South Belmar,
23 Englishtown.

24 While it might be facetious to argue that the
25 oil transport facility would be located within any of the

1 above designated towns, it would not be so to argue that
2 it might be located in one of the 30 municipalities in
3 Monmouth County of less than two acres in size. Further,
4 if the facility were located entirely within one of
5 these municipalities, and realizing that in addition to
6 the three-fourths of a mile allotted for the facility,
7 together with the additional acreage to be used for pipe
8 line and right-of-way within that municipality, and
9 realizing the great and necessary impact that a facility
10 such as this must have upon the area immediately
11 surrounding it (as an aside, how close is the nearest
12 home to the Bay Way Refinery), it is not hard to
13 envision a situation where a town of less than two miles
14 in size could be devastated by the construction within
15 it of an oil transfer facility. Put another way, any
16 one of more than half of the municipalities in Monmouth
17 County could be destroyed by the location within it of
18 the oil transfer facility. Set forth below are the
19 potentially affected municipalities: Allenhurst, Allen-
20 town, Asbury Park, Atlantic Highlands, Avon-by-the-Sea,
21 Belmar, Bradley Beach, Brielle, Deal, Englishtown, Fair
22 Haven, Farmingdale, Freehold Borough, Highlands, Inter-
23 laken, Keansburg, Keyport, Loch Arbour, Manasquan, Mon-
24 mouth Beach, Neptune City, Red Bank, Roosevelt, Sea
25 Bright, Sea Girt, Shrewsbury Township, South Belmar,

1 Spring Lake, Spring Lake Heights, Union Beach.

2 The third, and perhaps the only realistic way
3 to examine the prospects of an oil transfer facility
4 being located within Monmouth County, is to examine the
5 municipalities which remain. The following is a list
6 of those municipalities of more than two miles in size,
7 all of which, with rare exception, are substantially
8 developed: Colts Neck, Eatontown, Freehold, Hazlet,
9 Holmdel, Howell, Little Silver, Long Branch, Manalapan,
10 Marlboro, Matawan Borough, Matawan Township, Middletown,
11 Millstone, Neptune Township, New Shrewsbury, Ocean
12 Township, Oceanport, Rumson, Shrewsbury Borough, Upper
13 Freehold Township, Wall Township, West Long Branch.

14 If available acreage of more than two miles
15 proves to be the criteria upon which this Legislation
16 may cause the location of an oil transport facility, the
17 Borough of West Long Branch, as being defined therein,
18 would strongly oppose its location within its borders.

19 4. To compound the great problem of the
20 location of the oil transfer facility is found the
21 language contained in paragraph 8.t. Therein, the New
22 Jersey Oil Transfer Facility Corporation is given the
23 power to determine the location, size, type and character
24 of the oil transfer facility, notwithstanding any land
25 use plan, zoning regulations or building code now in

1 existence or hereafter adopted by the State of New Jersey,
2 municipality, county or determination of any other
3 political subdivision. When this is coupled with the
4 power of eminent domain created in paragraph 12.a., it
5 is apparent that this Corporation will have the ability
6 of designating precisely where it is to exist, how it is
7 to be constructed, how it is to be maintained and
8 operated and no one within its immediate proximity will
9 have anything to say. The only answer provided by the
10 Statute is that it will pay damages to the property
11 owner and other affected individuals. However, dollars
12 do not compensate for a change in life style, habitability,
13 clean air and the future of the life of the population.

14 Summarizing, it appears that the Legislation
15 is premised upon the desire to keep the crude oil flowing
16 to the United States from foreign lands at the cheapest
17 price possible for the American public. However, there
18 is absent from this Statute any explanation of how it is
19 intended that the price will either be reduced or main-
20 tained at a lower level.

21 The Legislation talks of environmental impact,
22 yet, it keeps the Commissioner of the Department of
23 Environmental Protection out of the Corporation and while
24 it talks in terms of requiring environmental impact
25 studies, it counters with the authorization given to the

1 Corporation to construct where it wants and how it wants
2 in derogation of existing State and municipal laws and
3 regulations.

4 Perhaps it is because the thesis of this
5 Legislation is not well founded and that, in reality,
6 while it would be beneficial to have an oil transfer
7 facility for the more efficient and dollar saving
8 operations of the private oil companies, it may not be
9 in any way reasonably beneficial to the general public.
10 Therefore, to expend half-a-million dollars just to
11 investigate and prepare preliminary plans for this
12 Corporation, plus millions more, even billions more, to
13 construct the proposed facility, is without good sense
14 and good planning.

15 If the real goal is to conserve energy and
16 conserve the wasteful expenditure and exploitation of
17 energy, perhaps we should also conserve our human
18 energies and spend less time on the examination of the
19 wisdom of creating an Oil Transfer Facility Corporation
20 and spend more of our human efforts on the investigation
21 of alternate energy means and proposed methods of energy
22 conservation.

23
24 * * * *
25

1 Senator McGahn.

2 Distinguished members of the Committee.

3 My name is Sidney Johnson. I have been Mayor
4 of the Borough of Monmouth Beach, Monmouth County, for
5 26 years. I would like to explain the interest our
6 municipality has in Senate Bill S-200. Our Borough is
7 the anchor which binds the Sandy Hook Peninsula to the
8 mainland of New Jersey. It is one of the areas of the
9 State most exposed to the Atlantic Ocean. We are a
10 water community nearly surrounded by the Atlantic--on the
11 west by the tidal arm of the ocean formed by the
12 Shrewsbury River as it empties into Sandy Hook Bay . . .
13 and on the east by the full weight of the Atlantic itself.

14 In our municipality there is a sheer drop of
15 the American headland into the ocean. We have no barrier
16 islands, sand dunes, or underwater slopes to protect us
17 from the ocean. A man-made seawall affords small pro-
18 tection from flood tides. We are at the mercy of what-
19 ever the winds and currents carry to our shores. And
20 whatever sets upon our beaches soon permeates into our
21 homes, our schools, our churches.

22 We in Monmouth Beach are aware that we cannot
23 separate our distinct municipal interests from the over-
24 all needs of the general public in the health and safety
25 of the State. However, we also wish the Committee to

1 know that in Monmouth Beach we recognize our responsibility
2 to protect the maritime environment of our sea and river
3 coastlines while also acknowledging the need for an
4 adequate energy supply.

5 In the Borough of Monmouth Beach, very serious
6 consideration is being given to the proposed legislation,
7 S-200. In recognition of the wishes of the citizens of
8 our Borough, I am compelled to urge the defeat of S-200
9 on the grounds that it stretches credibility, lacks
10 accountability, and is an inadequate stop-gap attempt to
11 solve a very large and grave problem--the future needs for
12 energy.

13 I would like to list specific objections. In
14 the area of credibility, Section 2 - (a), the list of
15 objectives S-200 imposition will achieve includes a re-
16 duction in the number of oil tankers moving into New
17 Jersey coastal waters. At present, oil industry reports
18 show that approximately 150 oil tankers of various
19 tonnages arrive at East Coast ports daily. Since the
20 largest East Coast concentration of oil refineries,
21 storage tanks and associated petrochemical plants are
22 located within the borders of New Jersey, it is a fair
23 evaluation that the largest number of these 150 tankers
24 off-load their cargoes in our waters.

25 Other industry reports project that by the mid

1 1980's--or only 10 years ahead--nearly 350 supertankers
2 will be needed to meet projected energy demands on the
3 East Coast. From these reports of the oil industry
4 itself, it is a logical conclusion that supertankers
5 servicing the East Coast are not going to deepwater
6 terminals in the Gulf of Mexico or to the new ports off
7 the coast of Canada. The largest number of these pro-
8 jected supertankers will come to New Jersey if S-200 is
9 approved. This is where the markets are. This is the
10 energy short area.

11 Additionally, to the more than 100 percent
12 increase in the number of ocean tankers, it is a fair
13 assumption that there will be a significantly large
14 increase in the number of intercoastal oil transports
15 entering our shore waters to take on cargo for shipment
16 to states both north and south. An oil port anywhere
17 on the East Coast will become a magnet drawing inter-
18 coastal ships from the full length of the coast.

19 Industry data shows that the largest oil
20 pollution problems are due to discharging of oil wastes
21 into the ocean as tankers clean out their holding tanks.
22 What can we expect if S-200 is passed? Is the Federal
23 Government going to provide the scores of new Coast
24 Guard cutters that would be needed to police the increased
25 traffic to ensure tankers will not pump their bilge wastes

1 over the side?

2 Turning to Section 3 - (c): Regarding the
3 liability for damages caused by leaks or spills from the
4 oil port and also Section 8 and 9--there is a question
5 of both credibility and accountability. Nowhere does
6 S-200 truly protect the public's best interests or health
7 by eliminating the need for citizens or municipalities
8 to sue or prove negligence in the courts in order to
9 collect reimbursements for damages due to port operations
10 or off-shore ship activities.

11 Section 9 - (d) addresses the problem of damage
12 due to defective conditions. But it does not clarify who
13 is to determine when a defective condition was the cause
14 of damage. Is the Authority to make a finding against
15 itself. The question of massive damages due to
16 collisions between supertankers in the vicinity of the
17 port facilities is not even considered. If the
18 Legislature passes S-200 it must consider all ramifications.
19 The ten largest oil spills in history--according
20 to Federal reports--have involved nine tanker collisions
21 and the largest, in the Gulf of Mexico, a ruptured
22 pipeline. On a percentage basis, we would be remiss not
23 to consider the possibility of tanker collisions or
24 groundings.

25 In Section 3 - (b) and in Section 9 - (a),

1 there would appear to be sufficient reason to question
2 the validity of the three-quarter square mile size of
3 the shore based facilities authorized by S-200. When
4 the size of the supertankers, estimated variously, at
5 between 1.5 and 2.5 million barrel capacities, is com-
6 pared to the size of the largest standard-size oil
7 storage tanks, there appears to be room to question
8 credibility. Unless the intent of S-200 is really to
9 provide only a shore based pass-through metering station,
10 then it is difficult to see how a three-quarter square
11 mile area can adequately handle the oil cargo from the
12 large tankers now in the planning stage.

13 My last point is a question all of us who live
14 in the shore counties are asking. It is--what do the
15 people of New Jersey gain from S-200? The covenant of
16 the bill, section 14, places no obligations to the
17 Authority to return any income or profits to the State
18 Treasury. Indeed, the wording of S-200 is such that the
19 people of New Jersey will never receive a nickel for
20 giving up their beaches and ocean to the risks of
21 massive damage from an oil spill. But we would gain a
22 new authority that doesn't have to be responsible to
23 anyone except its bondholders. In all likelihood these
24 bondholders would be the same companies the authority is
25 supposed to regulate or do business with in importing

1 oil.

2 We, however, gain no taxes.

3 We do lose our land use protection or benefits.

4 We do lose the right to determine our future
5 development should the oil port facilities or huge oil
6 refineries be located anywhere nearby.

7 We certainly could lose a great deal.

8 But what do we really gain?

9 Turning to the aspect of Accountability. The
10 wording of Section 5 - (d) is too loose. We believe
11 that both the State Department of Environmental Protec-
12 tion and municipal environmental approval must be re-
13 quired for all construction activities of any port
14 authority. A detailed environmental impact statement
15 must be required. We on the local municipal level are
16 often accused of zoning by variance. Yet S-200 proposes
17 to exempt a super-agency from the protection of the law
18 as provided by the New Jersey Coastal Protection Act and
19 the Wetlands Act. I submit, gentlemen, that this would
20 constitute most questionable zoning by variance on a
21 state-wide basis.

22 We on the local level are working hard to give
23 our people the best government possible. To provide for
24 the best land-use development. To meet the wishes of the
25 people as best as is humanly possible at a time when all

1 levels of our government are subjected to deep distrust
2 by the general public. Yet S-200 proposes to create a
3 unit of government beyond accountability to anyone--
4 aside from token acknowledgment of the Governor. I
5 would suggest, Mr. Chairman, to do so by approving S-200--
6 would be to flaunt the winds blowing across our land.

7 We in the maritime counties have put ourselves
8 into bonded indebtedness that already totals billions of
9 dollars, and will go even higher. This huge debt is to
10 pay for our sewage treatment facilities so that all
11 citizens of New Jersey may take advantage of clean
12 rivers and clean beaches. Now S-200 proposes to risk
13 these benefits; to make the tremendous investment of our
14 money for nothing should large scale oil spills occur.

15 In conclusion, I believe that the attempt to
16 build an off-shore oil port through creation of an
17 Authority to be an unwise method of providing for future
18 energy needs. We believe that it does not provide the
19 best protection for the health and welfare of our
20 citizens--either in the protection of our homes and
21 property or future energy.

22
23 * * * *
24
25

SPECIFIC COMMENTS ON SENATE BILL NO. 200

Section 3, Subsection e.

"Limiting the area of any onshore storage, holding and distribution facilities to three-fourths of a square mile, exclusive of the necessary pipeline right-of-way and prohibiting the construction of any oil refinery or petroleum processing or finishing industry therein";

There is no provision in the bill which would prevent additional non-corporation oil storage, holding or distribution facilities from being near or adjacent to the oil transfer facility nor a refinery or other processing facility.

Section 4, Subsection i.

Under this clause a "shore zone" would be created and would embrace the entire land area of Middlesex, Monmouth, Ocean, Atlantic, Cape May, Cumberland and Camden counties and all estuaries and offshore water.

Why does this "shore zone" include all of Monmouth County when the Coastal Area Facility Review Act defines a "coastal zone" covering far less area? With this provision storage holding or distribution facilities, pipelines etc., can be placed anywhere within

1 Monmouth County, without concern for the Monmouth County
2 General Development Plan.

3 Section 6, Subsection d.

4 This subsection provides for the formulation
5 of an environmental impact statement (EIS) on
6 any construction by the corporation and con-
7 sultation with any Federal, State or local
8 governmental agency which has jurisdiction by
9 law or special expertise in environmental
10 matters.

11 Since only the Governor of the State of New
12 Jersey has veto power over corporation plans or resolu-
13 tions and since no member of the New Jersey Department of
14 Environmental Protection (D.E.P.) will be a member of the
15 corporation, what system of checks and balances will
16 exist to prevent an environmental whitewash?

17 Section B, Subsection m.

18 Under this provision the oil transfer
19 corporation would have the authority to acquire
20 by purchase or (except with respect to the
21 State) by the exercise of the power of
22 eminent domain any land or other property
23 including subtidal land, meadowlands and
24 riparian rights for an oil transfer facility,
25 or for the relocation or reconstruction of any

1 highway, or acquire any and all rights, title
2 and interest in this land and property
3 including public lands, reservations, highways
4 or other public roads.

5 Under this provision the corporation would be
6 exempted from the provisions and recommendations of the
7 State Wetlands Act of 1970, the Coastal Area Facility
8 Review Act of 1973, the Monmouth County General
9 Development Plan and Municipal Zoning Ordinances.

10 Section 8, Subsection n.

11 This subsection states that the corporation
12 can accept any gifts, grants or loans of funds
13 or property in any form from the United States
14 of America, the State of New Jersey or any
15 other source.

16 This provision is much too broad and in effect
17 would allow the corporation to become a landholder for
18 itself, other corporations or individuals interested in
19 future development near the "Oil Transfer Facility."

20 Section 8, Subsection t.

21 This subsection would give the corporation
22 power to override zoning or land use regula-
23 tions of the state, county or municipal
24 governments.

25 Between the power of eminent domain as defined

1 in Section 8, subsection m and further explained in
2 Section 12, Subsection a and this Subsection, the concept
3 of regional and local planning would go out the window.
4 Since the primary consideration of the corporation would
5 be to the bondholders, it is evident that no moves would
6 be yaken that might jeopardize that relationship, be it
7 curtailment of operations or construction for environ-
8 mental, planning or zoning considerations. If it is in the
9 interests of the corporation to seel or lease land to an
10 oil corporation (apart from the Oil Transfer Facility)
11 for processing or refining purposes, then we can be sure
12 that environmentalists, planners and local governmental
13 officials would not be heard.

14 Section 29.

15 This section states that the Act "shall be
16 construed liberally to effectuate the legislative
17 intent and purposes of the Act as complete and
18 independent authority....and all powers herein
19 granted shall be broadly interpreted to
20 effectuate such intent and purposes and not as
21 a limitation of powers (underlining is mine).

22 Shall we take this to mean that the provisions
23 of the Act are only a general guide for the corporation
24 and if so desired or if necessary to fulfill obligations
25 to the condholders the corporation may extend its powers

1 and the basic term of this Act? If this is true then
2 we will in effect, by passing this law be signing away
3 all future rights to a clean and healthy environment,
4 a society that we can have a measure of control over,
5 and quite possibly, the right to a healthful existence
6 for ourselves and future generations in our Coastal New
7 Jersey Seashore Resorts.

8 SECTION II

9
10 The possibility of major oil-dependent industry*
11 moving into Monmouth County after the construction of a
12 deepwater port is real and should be given full con-
13 sideration. Such industries might include those that
14 produce polyvinyl chloride (PVC) polyethylene or syn-
15 thetic rubber. The rationale for considering these
16 developments is two-fold. (1) A lack of large areas of
17 land in Middlesex and Union Counties for expansion of
18 existing chemical facilities and (2) the obvious economic
19 advantage of locating an industry near a port of entry,
20 be it a ship terminal or a pipeline. In view of this
21 projected subsequent development I will now discuss the
22 effects that this development would have on: (1) The
23 Environment, (2) Land Use, (3) Water Supply, (4) Popula-
24 tion Growth, and (5) Employment.

25 (1) Effect of Oil on the Environment.

*Used here to mean industries that use some oil component
as a raw material.

1 There is no doubt that oil has an effect on
2 the coastal environment. While small amounts of
3 oil can be absorbed and broken down by wave
4 activity and biological processes, the damage
5 from a large spill or a large daily seepage can
6 be devastating. These consequences have been
7 well documented in the cases of the wreck of
8 the Torrey Canyon tanker and the Santa Barbara
9 blow-out and daily leakage.

10 Refined petroleum products contain higher
11 concentrations of the more toxic constituents
12 of petroleum. When washed ashore quickly after
13 a spill before loss by evaporation or dissolu-
14 tion and then protected by burial in sediments,
15 spills of these refined products can cause
16 massive destruction of marine organisms in
17 wetlands. (Draft EIS on Deepwater Ports pre-
18 pared by the Dept. of the Interior, June, 1973).
19 The onshore winds which are common during summer
20 months would tend to push the contaminants shore-
21 ward. Although some would be absorbed by
22 natural processes any excess would make an
23 impact.

24 One argument for a Deepwater Port is that
25 there will be a reduction in the number of

1 tanker movements (due to larger size of ships)
2 and thus a reduction in the oil spill hazard.
3 It is true that there will be a reduction in
4 incoming tanker move-ments, but much oil is
5 refined in the Arthur Kill area and some of this
6 refined oil is sent up and down the East Coast
7 via tug-barge combinations. There is no
8 indication that these outgoing shipments will
9 decrease.

10 If the quantity of imported oil increases
11 (it would if oil port were built) then the
12 quantity of oil being transshipped will also
13 increase. This is due to two main factors:

14 1. The main refinery capacity on the East
15 Coast is in the Arthur Kill and lower Delaware
16 River areas. Only negligible refinery capacity
17 exists north or south of New Jersey and Delaware.

18 2. The controlling depth of the Delaware
19 River and New York harbor is 35-40 feet. These
20 depths limit the size of ships that can trans-
21 ship refined oil and oil products. Thus,
22 number of tanker trips would increase.

23 Any dredging done for the pipeline would
24 cause damage to the benthic animals in the area.
25 Silt and sand stirred up would bury animals

1 that couldn't escape. Dredging by suction hose,
2 however, would alleviate some of this problem.

3 In addition, the laying of the pipeline
4 on land could cause adverse siltation in
5 streams and erosion of ground where vegetation
6 is removed during construction. Other
7 unknowns in pipeline construction are possible
8 disruption of ground water movements due to
9 burial of a long pipeline and possible exposure
10 of acid soil (pH of 3-4 or less) and subsequent
11 pollution of local streams.

12 2. Land Use.

13 The Tri-State Regional Planning Commission in a
14 report titled Potential Impacts of a Deepwater Port in
15 the North Atlantic, March 1974, projects that a total of
16 23,650 acres of land would be suitable for primary petro-
17 chemical use (crude oil storage, refineries and petro-
18 chemical plants) in the ADL Mid-Atlantic Belt. This
19 acreage requirement might reach 70,680 acres if industry
20 continues its excess acquisition of 2 to 3 times immediate
21 acreage needs.

22 Arthur D. Little estimates that with a high
23 level (as proposed) regional deepwater port off the coast
24 of New Jersey, 25 to 30 percent of the added land use
25 increment will impact on the Tri-State Region. This

1 results in a total land use of 51,000 acres (both direct
2 and secondary). According to the Tri-State Regional
3 Planning Commission, land available for residential and
4 non-residential development in the Tri-State, 5 county
5 portion of the Mid-Atlantic Belt is 301,808 acres. How-
6 ever if we just consider non-residential land this
7 number drops to 75, 949 acres.

8 Unfortunately both Arthur D. Little and the
9 Tri-State Report do not make specific projections for
10 Monmouth County. We in Monmouth County feel that the
11 impact could be considerably more severe than both A. D.
12 Little and Tri-State figures indicate. If we take the
13 70,680 acres of petrochemical use (crude oil storage,
14 refineries and petrochemical plants) land and divide it
15 between Middlesex, Union, Morris, Richmond and Monmouth
16 Counties and assume that expansion of refining capacity
17 would force crude oil storage and petrochemical plants to
18 less industrialized areas (such as Monmouth County) it is
19 not unrealistic to predict a land use for these purposes
20 in Monmouth County of some 14,000 acres. This acreage
21 incidentally is close to the total of 16,500 acres of
22 non-residential land suitable for petrochemical industry
23 in Monmouth County as estimated by Tri-State. This
24 amount of land is the equivalent of all of Ocean Township
25 and New Shrewsbury Boro or three times the area of

1 Neptune Township.

2 In the adopted Monmouth County General Develop-
3 ment Plan the total proposed industrial (manufacturing)
4 land use is put at 20,391 acres. Existing land use in
5 1966 for this category was about 4,000 acres leaving
6 about 16,391 acres available for all industrial manu-
7 facturing. Since 1966 this number of acres has dropped
8 further. The proposals and recommendations of the County
9 Master Plan are designed to accomplish a series of
10 interrelated goals and objectives based on the needs and
11 requirements of the people of the County.

12 3. Water Supply.

13 "A 100,000 B/D refinery making 40-50% usage of
14 air cooled heat exchanges (with the balance being water-
15 cooled), and the process operationally designed to
16 minimize water usage, will require 5-10 mgd of makeup
17 fresh water.

18 The availability of salt or brackish water for
19 cooling purposes on a once-through basis will reduce few
20 requirements, but such usage would necessitate the use of
21 more expensive piping to resist salt-water erosion.

22 In addition, once-through cooling would create
23 problems with thermal discharges."

24 A. D. Little Report, Vol. IV pgs. 5-151 and
25 5-152. The standard (p.c.) as defined by A. D. Little

pg. 5-163 in Vol. IV would use 20 mgd water in addition to 5-10 mgd. for a 100,000 B/D refinery. 10 mgd. = 25% of present water (potable) supply. According to E. T. Killam 1970, Report upon a Master Plan for Monmouth County, pg. L-2, independent industrial supply has been developed exclusive of potable water supply. If Monmouth County got one (1) refinery and one (1) p.c. water demand would be 25-30 mgd. According to Killam (ibid. p. 13) present water use (total) is 54 mgd. including 8 mgd for industrial use. Estimates for 1985 and 2000 are:

	<u>1985</u>	<u>2000</u>
Public water	83	139
Industrial use	15	20
Irrigation & private supplies	<u>5</u>	<u>4</u>
Total (mgd)	103	163

The 25-30 mgd demand for the p.c. and 100,000 B/D refinery would represent an increase in industrial water demand of 67-100% for 1985 and 25-50% for 2000. Of total water demand for 1985 the 25-30 mgd would represent about 25-30% and for 2000 15-20% of the total water demand. Obviously if larger refineries, or if more than one p.c., were built water demand would be double or triple of these estimates.

It should be noted that the water use figures

1 used for the year 2000 are based on an estimated popula-
2 tion for that year of 1,025,000. Recently this estimate
3 has been revised downward to 890,000. Based on this
4 figure we can project public water to be 118.7 mgd and a
5 total consumption of 142.7 mgd. Therefore the percent
6 increase required in total water supply for the year 2000
7 would be 18-21% above expected demand. Similar increases
8 can be projected for the year 1985.

9 4. Population Growth.

10 The Monmouth County Planning Board has
11 estimated that populations in Monmouth County would be
12 675,000 and 890,000 in the years 1985 and 2000. In
13 planning Area 1 (Bayshore and Middletown Township) the
14 increase in population between 1973 and 2000 will be some
15 50% to 218,000. For planning Area 11 (which includes the
16 North Shore South to and including Long Branch) the
17 estimated increase in population from 1973 to 2000 will
18 be about 36% for a total of 150,000 by 2000.

19 The construction of a deepwater port off Mon-
20 mouth County and the subsequent primary and secondary
21 industrial development will create a situation whereby
22 population growth will be accelerated and intensified,
23 and thus put a strain on services such as sewers, roads
24 and water supply. In the scramble to provide these
25 services certain tradeoffs will have to be made and such

1 tradeoffs traditionally have been open space, parks, clean
2 water and air, and comprehensive efficient transit
3 facilities. With the planned growth there will be no
4 surprises and all services will be provided in an orderly
5 manner.

6 5. Impact on Jobs.

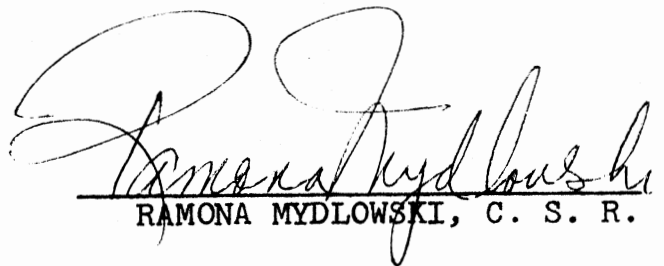
7 Any new industrial development will of course
8 have a favorable impact on jobs. As more industries move
9 into Monmouth County more jobs will become available.
10 As the County becomes developed, industrial jobs would
11 replace those of resort related types and would probably
12 show a significant increase. What needs to be considered
13 however, is whether the added benefit of many new jobs
14 is worth the increased strain on services that would occur
15 and the degradation the environment that would also result.
16 We in Monmouth County feel that the tradeoffs that would
17 be necessary to accommodate these added jobs are not
18 justified.

19 In closing I would like to make it clear that
20 even though some legislators in New Jersey may be backing
21 down from their staunch opposition to the deepwater port,
22 Monmouth County is not. We just cannot tolerate a po-
23 tential ruination of our Monmouth County Seashore Resorts,
24 which are the vital backbone of our Recreational Industry.

25 * * * *

C E R T I F I C A T I O N

I, RAMONA MYDLOWSKI, Certified Shorthand Reporter and Notary Public of the State of New Jersey, do hereby certify that the foregoing is a true and accurate account of my stenographic notes taken in the above entitled transcript of proceedings transcribed to the best of my knowledge and ability.


RAMONA MYDLOWSKI, C. S. R.

DATE:

May 6, 1974

BRODAPET, INC.	Cat. No. 23-221

BRODARI, INC.

Cat. No. 23-221

