



94TH CONGRESS
2D SESSION

H. R. 12112

[Report No. 94-1170, Part I]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1976

Mr. TEAGUE introduced the following bill; which was referred to the Committee on Science and Technology

MAY 15, 1976

Reported with an amendment, referred to the Committee on Banking, Currency and Housing and to the Committee on Interstate and Foreign Commerce for a period ending not later than June 10, 1976, for concurrent consideration of such provisions of the bill as fall within the jurisdictions of those committees under Rule X, clause 1(d) and clause 1(l), respectively, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

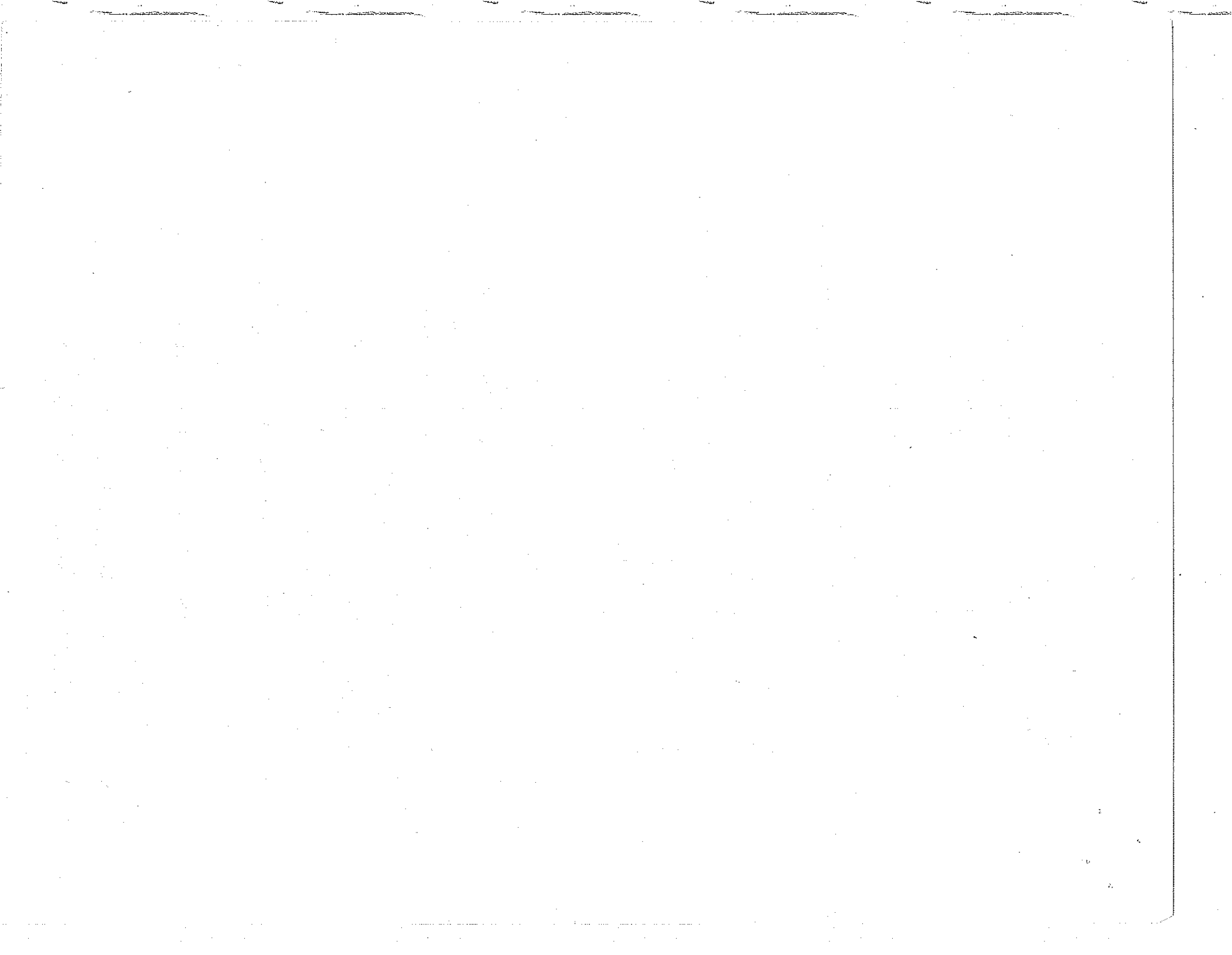
To provide additional assistance to the Energy Research and Development Administration for the advancement of non-nuclear energy research, development, and demonstration.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 ~~That section 7 (a) of the Federal Nonnuclear Energy Re-~~
4 ~~search and Development Act of 1974 (42 U.S.C. 5906) is~~
5 ~~amended—~~

6 ~~(1) by striking out "and" after the semicolon at the~~
7 ~~end of paragraph (5),~~

8 ~~(2) by striking out the period at the end of para-~~
9 ~~graph (6) and inserting in lieu thereof "; and", and~~



1 ~~(3) by adding at the end thereof the following new~~
2 ~~paragraph:~~

3 ~~"(7) Federal loan guarantees and commitments thereof~~
4 ~~as provided in section 17."~~

5 ~~(b) The Federal Nonnuclear Energy Research and De-~~
6 ~~velopment Act of 1974 (42 U.S.C. 5901 et seq.) is further~~
7 ~~amended by adding at the end thereof the following new~~
8 ~~section:~~

9 ~~"LOAN GUARANTEES FOR COMMERCIAL DEMONSTRATION~~
10 ~~FACILITIES~~

11 ~~"SEC. 17. (a) It is the purpose of this section—~~

12 ~~"(1) to assure adequate Federal support to foster~~
13 ~~a commercial demonstration program to produce syn-~~
14 ~~thetic fuels from coal, oil shale, and other domestic~~
15 ~~resources, to employ biomass and renewable and geo-~~
16 ~~thermal energy sources to produce synthetic fuels and~~
17 ~~other desirable forms of energy on a commercial scale,~~
18 ~~and to assure the availability of energy efficient indus-~~
19 ~~trial equipment and facilities;~~

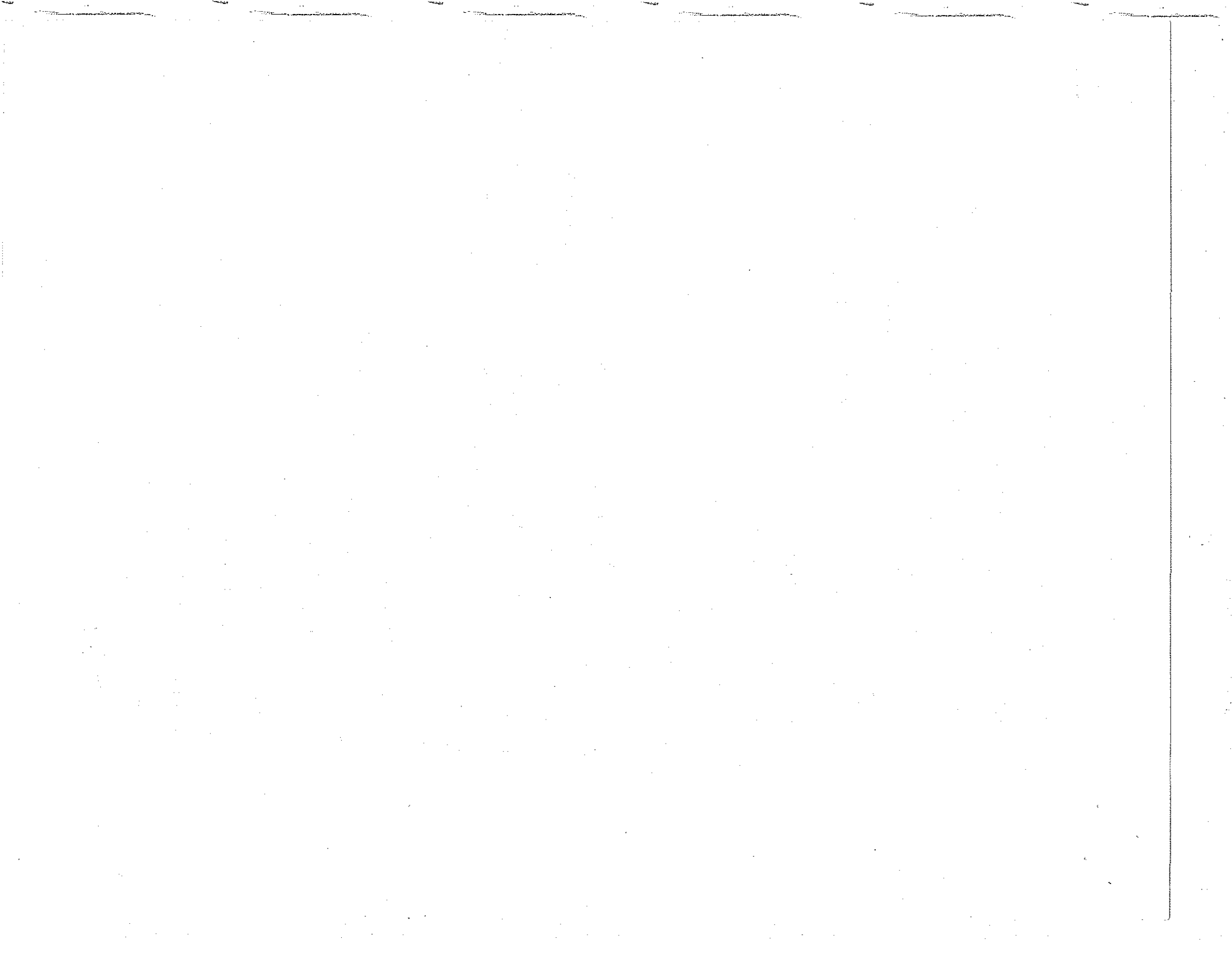
20 ~~"(2) to authorize loan guarantees for the construc-~~
21 ~~tion and startup and related costs of commercial demon-~~
22 ~~stration facilities (A) for the conversion of domestic~~
23 ~~coal, oil shale, biomass, and other domestic resources~~
24 ~~into synthetic fuels; (B) for the commercial demonstra-~~
25 ~~tion of synthetic fuels and other desirable forms of energy~~

1 ~~from renewable and geothermal sources; and (C) for~~
2 ~~the commercial demonstration of energy efficient indus-~~
3 ~~trial equipment and facilities; and~~

4 ~~“(3) to gather information about the technological,~~
5 ~~economic, environmental, and social costs, benefits, and~~
6 ~~impacts of such commercial demonstration facilities.~~

7 ~~“(b) (1) The Administrator is authorized, in accordance~~
8 ~~with such rules and regulations as he shall prescribe after~~
9 ~~consultation with the Secretary of the Treasury, to guarantee~~
10 ~~and to make commitments to guarantee, in such manner and~~
11 ~~subject to such conditions (not inconsistent with the pro-~~
12 ~~visions of this Act) as he deems appropriate, the payment~~
13 ~~of interest on, and the principal balance of, bonds, debentures,~~
14 ~~notes, and other obligations issued by or on behalf of any~~
15 ~~borrower for the purpose of (A) financing the construction~~
16 ~~and startup costs of commercial demonstration facilities for~~
17 ~~the conversion of domestic coal, oil shale, biomass, and other~~
18 ~~domestic resources into synthetic fuels, including, but not~~
19 ~~limited to, such synthetic fuels from coal as high Btu gaseous~~
20 ~~fuels compatible for mixture and transportation with natural~~
21 ~~gas by pipeline; gaseous, liquid, and solid fuels suitable for~~
22 ~~boiler use in compliance with applicable environmental re-~~
23 ~~quirements; liquid fuels for transportation uses; and petro-~~
24 ~~chemicals: *Provided*, That no oil shale commercial demon-~~
25 ~~stration facility receiving a loan guarantee under this section~~

1 shall be larger than is necessary, in the judgment of the
2 Administrator, to demonstrate the commercial viability of the
3 process, taking into account such considerations as water
4 usage, profitability levels, environmental effects, waste dis-
5 posal, labor conditions, health and safety, and the socio-
6 economic impacts on local communities; (B) financing the
7 construction and startup costs of commercial demonstration
8 facilities to generate desirable forms of energy (including
9 synthetic fuels) in commercial quantities from direct solar,
10 wind, ocean thermal gradient, bioconversion, or other renew-
11 able energy resources; (C) financing the purchase, construc-
12 tion, installation, and startup costs of energy-efficient indus-
13 trial equipment and facilities for commercial demonstration;
14 and (D) further implementing the financing of geothermal
15 resource development under the Geothermal Energy Re-
16 search, Development, and Demonstration Act of 1974 (30
17 U.S.C. 1401 et seq.). The outstanding indebtedness guar-
18 anteed and committed to be guaranteed under clauses (A);
19 (B); and (C) of this paragraph shall at no time exceed
20 \$2,000,000,000 or the amount approved in subsequent au-
21 thorization acts). With regard to such limitation the Adminis-
22 trator shall make no new commitments for loan guarantees
23 after June 30, 1987, and shall furnish no guarantees after
24 June 30, 1990.



1 ~~Loan guarantees for geothermal resource development~~
2 ~~under clause (D) of this paragraph shall be carried out pur-~~
3 ~~suant to the authority and provisions of the Geothermal~~
4 ~~Energy Research, Development, and Demonstration Act of~~
5 ~~1974: *Provided*, That paragraphs (2) and (4) of this sub-~~
6 ~~section, and subsections (g) (2), (h), (j), (n), and (v),~~
7 ~~of this section, shall also apply to such guarantees: *Provided*~~
8 ~~further, That the limitations in section 201 (e) of the Geo-~~
9 ~~thermal Energy Research, Development, and Demonstration~~
10 ~~Act of 1974 (30 U.S.C. 1141 (e)) shall not apply to such~~
11 ~~guarantees.~~

12 ~~"(2) An applicant for any guarantee under this section~~
13 ~~shall provide information to the Administrator in such form~~
14 ~~and with such content as the Administrator deems necesasry.~~

15 ~~"(3) Prior to issuing any guarantee under this section~~
16 ~~the Administrator shall obtain the concurrence of the Secre-~~
17 ~~tary of the Treasury with respect to the timing, interest rate,~~
18 ~~and substantial terms and conditions of such guarantee.~~

19 ~~"(4) The full faith and credit of the United States is~~
20 ~~pledged to the payment of all guarantees issued under this~~
21 ~~section with respect to principal and interest.~~

22 ~~"(e) The Administrator, with due regard for the need~~
23 ~~for competition, shall guarantee or make a commitment to~~
24 ~~guarantee any obligation under subsection (b) only if~~

1 ~~“(1) the Administrator is satisfied that the finan-~~
2 ~~cial assistance applied for is necessary to encourage fi-~~
3 ~~nanial participation;~~

4 ~~“(2) the amount guaranteed does not exceed 75-~~
5 ~~per centum of the total cost of the commercial demonstra-~~
6 ~~tion facility, as determined by the Administrator;~~
7 ~~Provided, That the amount guaranteed may not exceed~~
8 ~~90 per centum of the total cost of the commercial demon-~~
9 ~~stration facility during the period of construction and~~
10 ~~startup;~~

11 ~~“(3) the Administrator has determined that there-~~
12 ~~will be a continued reasonable assurance of full repay-~~
13 ~~ment;~~

14 ~~“(4) the obligation is subject to the condition that~~
15 ~~it not be subordinated to any other financing;~~

16 ~~“(5) the Administrator has determined, taking in-~~
17 ~~to consideration all available forms of assistance under~~
18 ~~this section and other Federal statutes, that the impacts~~
19 ~~directly resulting from the proposed commercial demon-~~
20 ~~stration facility have been fully evaluated by the bor-~~
21 ~~rower, the Administrator, and others, and that effective-~~
22 ~~steps have been taken or are planned to be taken in a~~
23 ~~timely manner to finance community planning and de-~~
24 ~~velopment costs directly resulting from such facility~~

1 under this section, under other provisions of law, or by
2 other means; and

3 "~~(6) the maximum maturity of the obligation does~~
4 ~~not exceed thirty years, or 90 per centum of the pro-~~
5 ~~jected useful economic life of the physical assets of the~~
6 ~~commercial demonstration facility covered by the guar-~~
7 ~~antee, whichever is less, as determined by the Admin-~~
8 ~~istrator.~~

9 "~~(d) Prior to submitting a report to Congress pursuant~~
10 ~~to subsection (m) of this section on each guarantee, the~~
11 ~~Administrator shall request from the Attorney General~~
12 ~~written views, comments, and recommendations concerning~~
13 ~~the impact of such guarantee or commitment on competition~~
14 ~~and concentration in the production of energy and give due~~
15 ~~consideration to views, comments, and recommendations~~
16 ~~received. Provided, That if the Attorney General within~~
17 ~~sixty days recommends against making such guarantee or~~
18 ~~commitment, the Administrator shall not do so unless he~~
19 ~~determines in writing that such guarantee or commitment~~
20 ~~is in the national interest.~~

21 "~~(e)(1) As soon as the Administrator knows the geo-~~
22 ~~graphic location of a proposed facility for which a guarantee~~
23 ~~or a commitment to guarantee is sought under this section,~~
24 ~~he shall inform the Governor of the State, and officials of~~
25 ~~each political subdivision and Indian tribe, as appropriate, in~~

1 which the facility would be located or which would be
2 impacted by such facility. The Administrator shall not guar-
3 antee or make a commitment to guarantee under subsection
4 (b) of the Governor of the State in which the proposed
5 facility would be located recommends that such action not
6 be taken unless the Administrator finds that there is an
7 overriding national interest in taking such action in order
8 to achieve the purpose of this section. If the Administrator
9 decides to guarantee or make a commitment to guarantee
10 despite a Governor's recommendation not to take such action,
11 the Administrator shall communicate, in writing, to the
12 Governor reasons for not concurring with such recommenda-
13 tion. The Administrator's decision, pursuant to this sub-
14 section, shall be final unless determined upon judicial review
15 to be arbitrary and capricious. Such review shall take place
16 in the United States court of appeals for the circuit in which
17 the State involved is located, upon application made within
18 ninety days from the date of such decision. The Adminis-
19 trator shall, by regulation, establish procedures for review
20 of and comment on, the proposed facility by States, local
21 political subdivisions, and Indian tribes which may be
22 impacted by such facility, and the general public.

23 “(2) The Administrator shall review and approve the
24 plans of the applicant for the construction and operation of
25 any commercial demonstration and related facilities con-

1 ~~structed or to be constructed with assistance under this sec-~~
2 ~~tion. Such plans and the actual construction shall include such~~
3 ~~monitoring and other data gathering costs associated with~~
4 ~~such facility as are required by the comprehensive plan and~~
5 ~~program under this section. The Administrator shall deter-~~
6 ~~mine the estimated total cost of such demonstration facility,~~
7 ~~including, but not limited to, construction costs, startup costs,~~
8 ~~costs to political subdivisions and Indian tribes by such~~
9 ~~facility, and costs of any water storage facilities needed in~~
10 ~~connection with such demonstration facility, and determine~~
11 ~~who shall pay such costs.~~

12 ~~“(f) Except in accordance with reasonable terms and~~
13 ~~conditions contained in the written contract of guarantee, no~~
14 ~~guarantee issued or commitment to guarantee made under~~
15 ~~this section shall be terminated, canceled, or otherwise re-~~
16 ~~voked. Such a guarantee or commitment shall be conclusive~~
17 ~~evidence that the underlying obligation is in compliance with~~
18 ~~the provisions of this section and that such obligation has~~
19 ~~been approved and is legal as to principal, interest, and other~~
20 ~~terms. Subject to the conditions of the guarantee or commit-~~
21 ~~ment to guarantee, such a guarantee shall be incontestable in~~
22 ~~the hands of the holder of the guaranteed obligation, except~~
23 ~~as to fraud or material misrepresentation on the part of the~~
24 ~~holder.~~

1 ~~“(g) (1) If there is a default by the borrower, as defined~~
2 ~~in regulations promulgated by the Administrator and in the~~
3 ~~guarantee contract, the holder of the obligation shall have the~~
4 ~~right to demand payment of the unpaid amount from the Ad-~~
5 ~~ministrator. Within such period as may be specified in the~~
6 ~~guarantee or related agreements, the Administrator shall pay~~
7 ~~to the holder of the obligation the unpaid interest on and un-~~
8 ~~paid principal of the guaranteed obligation as which the bor-~~
9 ~~rower has defaulted, unless the Administrator finds that there~~
10 ~~was no default by the borrower in the payment of interest or~~
11 ~~principal or that such default has been remedied. Nothing in~~
12 ~~this section shall be construed to preclude any forbearance~~
13 ~~by the holder of the obligation for the benefit of the borrower~~
14 ~~which may be agreed upon by the parties to the guaranteed~~
15 ~~obligation and approved by the Administrator.~~

16 ~~“(2) If the Administrator makes a payment under~~
17 ~~paragraph (1) of this subsection or section 202 (b) of the~~
18 ~~Geothermal Energy Research, Development, and Demon-~~
19 ~~stration Act of 1974 (30 U.S.C. 1142 (b)), the Adminis-~~
20 ~~trator shall be subrogated to the rights of the recipient of~~
21 ~~such payment as specified in the guarantee or related agree-~~
22 ~~ments including, where appropriate, the authority (notwith-~~
23 ~~standing any other provision of law) to complete, maintain,~~
24 ~~operate, lease, or otherwise dispose of any property acquired~~
25 ~~pursuant to such guarantee or related agreements, or to per-~~

1 ~~mit the borrower, pursuant to an agreement with the Ad-~~
2 ~~ministrators, to continue to pursue the purposes of the com-~~
3 ~~mmercial demonstration facility if the Administrator deter-~~
4 ~~mines that this is in the public interest.~~

5 ~~“(3) In the event of a default on any guarantee under~~
6 ~~this section, the Administrator shall notify the Attorney~~
7 ~~General, who shall take such action as may be appropriate~~
8 ~~to recover the amounts of any payments made under para-~~
9 ~~graph (1) (including any payment of principal and interest~~
10 ~~under subsection (h) from such assets of the defaulting bor-~~
11 ~~rower as are associated with the commercial demonstration~~
12 ~~facility, or from any other security included in the terms of~~
13 ~~the guarantee.~~

14 ~~“(4) For purposes of this section, patents and technol-~~
15 ~~ogy resulting from the commercial demonstration facility~~
16 ~~shall be treated as project assets of such facility in accord-~~
17 ~~ance with the terms and conditions of the guarantee agree-~~
18 ~~ment. Furthermore, the guarantee agreement shall contain~~
19 ~~a provision specifying that patents, technology, and other~~
20 ~~proprietary rights which are necessary for the completion~~
21 ~~or operation of the commercial demonstration facility shall~~
22 ~~be available to the Government and its designees on equitable~~
23 ~~terms, including due consideration to the amount of the~~
24 ~~Government's default payments.~~

1 ~~“(h) With respect to any obligation guaranteed under~~
2 ~~this section, the Administrator is authorized to enter into a~~
3 ~~contract to pay, and to pay, holders of the obligation, for~~
4 ~~and on behalf of the borrower, from the fund established by~~
5 ~~this section or from the Geothermal Resources Development~~
6 ~~Fund, as applicable, the principal and interest payments~~
7 ~~which become due and payable on the unpaid balance of such~~
8 ~~obligation if the Administrator finds that—~~

9 ~~“(1) the borrower is unable to meet such payments~~
10 ~~and is not in default; it is in the public interest to permit~~
11 ~~the borrower to continue to pursue the purposes of such~~
12 ~~demonstration facility; and the probable net benefit to~~
13 ~~the Federal Government in paying such principal and~~
14 ~~interest will be greater than that which would result in~~
15 ~~the event of a default;~~

16 ~~“(2) the amount of such payment which the Ad-~~
17 ~~ministrator is authorized to pay shall be no greater than~~
18 ~~the amount of principal and interest which the borrower~~
19 ~~is obligated to pay under the loan agreement; and~~

20 ~~“(3) the borrower agrees to reimburse the Admin-~~
21 ~~istrator for such payment on terms and conditions, in-~~
22 ~~cluding interest, which are satisfactory to the Admin-~~
23 ~~istrator.~~

24 ~~“(i) Regulations required by this section shall be issued~~
25 ~~within one hundred and eighty days after enactment of this~~

1 ~~section, except as provided in subsection (t) of this section.~~
2 ~~All regulations under this section and any amendments there-~~
3 ~~to shall be issued in accordance with section 553 of title 5,~~
4 ~~of the United States Code.~~

5 ~~“(j) The Administrator shall charge and collect fees for~~
6 ~~guarantees of obligations authorized by clauses (A) (except~~
7 ~~with respect to community planning and development), (B),~~
8 ~~(C), and (D) of subsection (b) (1), in amounts sufficient~~
9 ~~in the judgment of the Administrator to cover the applicable~~
10 ~~administrative costs and probable losses on guaranteed obli-~~
11 ~~gations, but in any event the portion of the fee attributable~~
12 ~~to providing for probable losses shall not exceed 1 per-~~
13 ~~centum per annum of the outstanding indebtedness covered~~
14 ~~by the guarantee.~~

15 ~~“(k) (1) In accordance with such rules and regulations~~
16 ~~as the Administrator in consultation with the Secretary of~~
17 ~~the Treasury shall prescribe, and subject to such terms and~~
18 ~~conditions as he deems appropriate, the Administrator is~~
19 ~~authorized, for the purpose of financing essential community~~
20 ~~development and planning which directly result from, or are~~
21 ~~necessitated by, one or more commercial demonstration fa-~~
22 ~~cilities assisted under this section to~~

23 ~~“(A) guarantee and make commitments to guaran-~~
24 ~~tee the payment of interest on, and the principal balance~~

1 ~~of, obligations for such financing issued by eligible States,~~
2 ~~political subdivisions, or Indian tribes,~~

3 ~~“(B) guarantee and make commitments to guaran-~~
4 ~~tee the payment of taxes imposed on such commercial~~
5 ~~demonstration facilities by eligible non-Federal taxing~~
6 ~~authorities which taxes are earmarked by such authorities~~
7 ~~to support the payment of interest and principal on~~
8 ~~obligations for such financing, and-~~

9 ~~“(C) require that the applicant for assistance for a~~
10 ~~commercial demonstration facility under this section ad-~~
11 ~~vance sums to eligible States, political subdivisions, and~~
12 ~~Indian tribes to pay for such financing of such develop-~~
13 ~~ment and planning: *Provided*, That the State, political~~
14 ~~subdivision, or Indian tribe agrees to provide tax abate-~~
15 ~~ment credits over the life of the facilities for such pay-~~
16 ~~ments by such applicant.~~

17 ~~“(2) Prior to issuing any guarantee under this sub-~~
18 ~~section, the Administrator shall obtain the concurrence of the~~
19 ~~Secretary of the Treasury with respect to the timing, interest~~
20 ~~rate, and substantial terms and conditions of such guarantee.~~

21 ~~“(3) The total amount guaranteed under paragraph~~
22 ~~(1) of this subsection shall not exceed \$350,000,000 which~~
23 ~~shall be included in the limitation on outstanding indebted-~~
24 ~~ness set forth in subsection (b) (1) of this section.~~

1 ~~"(4) In the event of any default by the borrower in~~
2 ~~the payment of taxes guaranteed by the Administrator~~
3 ~~under this subsection, the Administrator shall pay out of~~
4 ~~the fund established by this section such taxes at the time or~~
5 ~~times they may fall due, and shall be subrogated to the rights~~
6 ~~of such taxing authority.~~

7 ~~"(5) If after consultation with the State, political sub-~~
8 ~~division, or Indian tribe, the Administrator finds that the~~
9 ~~financial assistance programs of paragraph (1) of this sub-~~
10 ~~section will not result in sufficient funds to carry out the pur-~~
11 ~~poses of this subsection, then the Administrator may~~

12 ~~"(A) make direct loans to the eligible States, politi-~~
13 ~~cal subdivisions, or Indian tribes for such purposes:~~
14 ~~Provided, That such loans shall be made on such reason-~~
15 ~~able terms and conditions as the Administrator shall pro-~~
16 ~~scribe: *Provided further*, That the Administrator may~~
17 ~~waive repayment of all or part of a loan made under this~~
18 ~~paragraph, including interest, if the State or political sub-~~
19 ~~division or Indian tribe involved demonstrates to the sat-~~
20 ~~isfaction of the Administrator that due to a change in~~
21 ~~circumstances there will be net adverse impacts resulting~~
22 ~~from such demonstration facility that would probably~~
23 ~~cause such State, subdivision, or tribe to default on the~~
24 ~~loan; or~~

1 ~~“(B) require that any community development and~~
2 ~~planning costs which are associated with, or result from,~~
3 ~~such commercial demonstration facility and which are~~
4 ~~determined by the Administrator to be appropriate for~~
5 ~~such inclusion shall be included in the total costs of the~~
6 ~~commercial demonstration facility.~~

7 ~~“(6) The Administrator is further authorized to make~~
8 ~~grants to States, political subdivisions, or Indian tribes for~~
9 ~~studying and planning for the potential economic, environ-~~
10 ~~mental, and social consequences of commercial demonstration~~
11 ~~facilities.~~

12 ~~“(7) At any time the Administrator may, with the con-~~
13 ~~urrence of the Secretary of the Treasury, redeem, in whole~~
14 ~~or in part, out of the fund established by this section, the debt~~
15 ~~obligations guaranteed or the debt obligations for which tax~~
16 ~~payments are guaranteed under this subsection.~~

17 ~~“(8) When one or more States, political subdivisions,~~
18 ~~or Indian tribes would be eligible for assistance under this~~
19 ~~subsection but for the fact that construction and operation of~~
20 ~~the commercial demonstration facilities occurs outside its~~
21 ~~jurisdiction, the Administrator is authorized to provide, to~~
22 ~~the greatest extent possible, arrangements for equitable shar-~~
23 ~~ing of such assistance.~~

24 ~~“(9) Such amounts as may be necessary for direct loans~~
25 ~~and grants pursuant to this subsection shall be available as~~

1 ~~provided in annual authorization Acts and shall be requested~~
2 ~~in fiscal year 1977, and in subsequent fiscal years.~~

3 ~~“(10) The Administrator, if appropriate, shall provide~~
4 ~~assistance in the financing of up to 100 per centum of the~~
5 ~~costs of the required community development and planning~~
6 ~~pursuant to this subsection.~~

7 ~~“(1) (1) The Administrator is directed to submit a~~
8 ~~report to the Congress within one hundred and eighty days~~
9 ~~after the enactment of section setting forth his recommenda-~~
10 ~~tions on the best opportunities to implement a program of~~
11 ~~Federal financial assistance with the objective of demon-~~
12 ~~strating production and conservation of energy.~~

13 ~~“(2) The report submitted under paragraph (1) of this~~
14 ~~subsection shall include a comprehensive plan and program to~~
15 ~~acquire information and evaluate the environmental, eco-~~
16 ~~nomie, social, and technological impacts of the demonstra-~~
17 ~~tion program under this section. In preparing such a com-~~
18 ~~prehensive plan and program, the Administrator shall con-~~
19 ~~sult with the Environmental Protection Agency, the Federal~~
20 ~~Energy Administration, the Department of Housing and~~
21 ~~Urban Development, the Department of the Interior, and the~~
22 ~~Department of Agriculture.~~

23 ~~“(3) The comprehensive plan and program described in~~
24 ~~paragraph (2) shall include, but not be limited to~~

1 ~~“(A) information about potential commercial dem-~~
2 ~~onstration facilities proposed in the program under this~~
3 ~~section;~~

4 ~~“(B) any significant adverse impacts which may~~
5 ~~result from any activity included in the program;~~

6 ~~“(C) proposed regulations required to carry out the~~
7 ~~purposes of this section;~~

8 ~~“(D) a list of Federal agencies, governmental en-~~
9 ~~tities, and other persons that will be consulted or utilized~~
10 ~~to implement the program; and~~

11 ~~“(E) methods and procedures by which the infor-~~
12 ~~mation gathered under the program will be analyzed and~~
13 ~~disseminated.~~

14 ~~“(4) The report required under paragraph (1) of this~~
15 ~~subsection shall be updated and submitted to the Congress~~
16 ~~at least annually for the duration of the program under this~~
17 ~~section.~~

18 ~~“(m) Prior to issuing any guarantee or commitment to~~
19 ~~guarantee pursuant to subsection (b) of this section, the~~
20 ~~Administrator shall submit to the Committee on Science and~~
21 ~~Technology of the House of Representatives and the Com-~~
22 ~~mittee on Interior and Insular Affairs of the Senate a full~~
23 ~~and complete report on the proposed commercial demon-~~
24 ~~stration facility and such guarantee. Such guarantee or com-~~
25 ~~mitment to guarantee shall not be finalized under the au-~~

1 ~~authority granted by this section prior to the expiration of sixty~~
2 ~~calendar days (not including any day on which either House~~
3 ~~of Congress is not in session because of an adjournment of~~
4 ~~more than three calendar days to a day certain) from the~~
5 ~~date on which such report is received by such committees:~~
6 ~~Provided, That, where the cost of such commercial demon-~~
7 ~~stration facility exceeds \$500,000 such guarantee or com-~~
8 ~~mitment to guarantee shall not be finalized if prior to the~~
9 ~~close of such ninety day period either House passes a reso-~~
10 ~~lution stating in substance that such House does not favor~~
11 ~~the making of such guarantee or commitment.~~

12 ~~“(n) (1) There is hereby created within the Treasury~~
13 ~~a separate fund (hereafter in this section called the ‘fund’)~~
14 ~~which shall be available to the Administrator without fiscal~~
15 ~~year limitation as a revolving fund for the purpose of carry-~~
16 ~~ing out the program authorized by clauses (A), (B), and~~
17 ~~(C) of subsection (b) (1) and subsections (g), (h), and~~
18 ~~(k) of this section. The Geothermal Resources Development~~
19 ~~Fund established by the Geothermal Energy Research, De-~~
20 ~~velopment, and Demonstration Act of 1974 shall be avail-~~
21 ~~able for the purpose of carrying out the geothermal loan~~
22 ~~guarantee program as established by that Act and as further~~
23 ~~implemented by this section.~~

24 ~~“(2) There are authorized to be appropriated to the~~
25 ~~fund from time to time such amounts as may be necessary~~

1 ~~to carry out the purposes of the applicable provisions of this~~
2 ~~section, including, but not limited to, the payments of interest~~
3 ~~and principal and the payment of interest differentials and~~
4 ~~redemption of debt. All amounts received by the Admin-~~
5 ~~istrator as interest payments or repayments of principal on~~
6 ~~loans which are guaranteed under this section, fees, and any~~
7 ~~other moneys, property, or assets derived by him from oper-~~
8 ~~ations under this section shall be deposited in the fund or in~~
9 ~~the Geothermal Resources Development Fund, as applicable.~~

10 ~~“(3) All payments on obligations, appropriate expenses~~
11 ~~(including reimbursements to other government accounts),~~
12 ~~and repayments pursuant to operations of the Administrator~~
13 ~~under this section shall be paid from the fund subject to~~
14 ~~appropriations or from the Geothermal Resources Develop-~~
15 ~~ment Fund, as applicable. If at any time the Administrator~~
16 ~~determines that moneys in the fund exceed the present and~~
17 ~~reasonably foreseeable future requirements of the fund, such~~
18 ~~excess shall be transferred to the general fund of the~~
19 ~~Treasury.~~

20 ~~“(4) If at any time the moneys available in the fund~~
21 ~~or in the Geothermal Resources Development Fund are in-~~
22 ~~sufficient to enable the Administrator to discharge his respon-~~
23 ~~sibilities as authorized by subsections (b) (1), (g), (h),~~
24 ~~and (k) of this section, or the Geothermal Energy Research,~~
or ~~Development and Demonstration Act of 1974 (30 U.S.C.~~

~~1 1101), as the case may be, the Administrator shall issue to
2 the Secretary of the Treasury notes or other obligations in
3 such forms and denominations, bearing such maturities, and
4 subject to such terms and conditions as may be prescribed
5 by the Secretary of the Treasury. Redemption of such notes
6 or obligations shall be made by the Administrator from ap-
7 propriations or other moneys available under paragraph (2)
8 of this subsection for loan guarantees authorized by clauses
9 (A), (B), and (C) of subsection (b) (1) and subsections
10 (g), (h), and (k) of this section, and from appropriations
11 or other moneys available under section 204 of the Geo-
12 thermal Energy Research, Development, and Demonstration
13 Act of 1974 for loan guarantees described in clause (D)
14 of subsection (b) (1) of this section. Such notes or other
15 obligations shall bear interest at a rate determined by the
16 Secretary of the Treasury, which shall be not less than a
17 rate determined by taking into consideration the average
18 market yield on outstanding marketable obligations of the
19 United States of comparable maturities during the month
20 preceding the issuance of the notes or other obligations. The
21 Secretary of the Treasury shall purchase any notes or other
22 obligations issued hereunder and for that purpose he is au-
23 thorized to use as a public debt transaction the proceeds
24 from the sale of any securities issued under the Second
25 Liberty Bond Act; and the purpose for which securities may~~

1 be issued under that Act are extended to include any pur-
2 chase of such notes or obligations. The Secretary of the Treas-
3 ury may at any time sell any of the notes or other obligations
4 acquired by him under this subsection. All redemptions, pur-
5 chases, and sales by the Secretary of the Treasury of such
6 notes or other obligations shall be treated as public debt
7 transactions of the United States.

8 ~~“(5) The provisions of this subsection do not apply to~~
9 ~~direct loans or planning grants made under subsection (k) of~~
10 ~~this section.~~

11 ~~“(6) For the purposes of this section, the term—~~

12 ~~“(1) ‘State’ means any State of the United States,~~
13 ~~the District of Columbia, the Commonwealth of Puerto~~
14 ~~Rico, Guam, the Virgin Islands, American Samoa, or~~
15 ~~any territory or possession of the United States;~~

16 ~~“(2) ‘United States’ means the several States, the~~
17 ~~Commonwealth of Puerto Rico, the Virgin Islands,~~
18 ~~Guam, and American Samoa, and~~

19 ~~“(3) ‘borrower’ or ‘applicant’ shall include any in-~~
20 ~~dividual, firm, corporation, company, partnership, asso-~~
21 ~~ciation, society, trust, joint venture, joint stock company,~~
22 ~~or other non-Federal entity;~~

23 ~~“(p) (1) An applicant seeking a guarantee under sub-~~
24 ~~section (b) of this section must be a citizen or national of the~~
25 ~~United States. A corporation, partnership, firm, or associa-~~

1 tion shall not be deemed to be a citizen or national of the
2 United States unless the Administrator determines that it
3 satisfactorily meets all the requirements of section 802 of title
4 46, United States Code, for determining such citizenship, ex-
5 cept that the provisions in subsection (a) of such section 802
6 concerning (1) the citizenship of officers or directors of a
7 corporation, and (2) the interest required to be owned in the
8 case of a corporation, association, or partnership operating a
9 vessel in the coastwise trade, shall not be applicable.

10 “(2) The Administrator, in consultation with the Secre-
11 tary of State, may waive such requirements in the case of a
12 corporation, partnership, firm, or association, controlling in-
13 terest in which is owned by citizens of countries which are
14 participants in the International Energy Agreement.

15 “(q) No part of the program authorized by this section
16 shall be transferred to any other agency or authority, except
17 pursuant to Act of Congress enacted after the date of enact-
18 ment of this section.

19 “(r) Inventions made or conceived in the course of or
20 under a guarantee authorized by this section shall be subject
21 to the title and waiver requirements and conditions of section
22 9 of this Act.

23 “(s) With respect to any obligation which is issued after
24 the enactment of this section by, or in behalf of, any State,
25 political subdivision, or Indian tribe and which is either guar-

~~1 anteed under, or supported by taxes levied by said issuer
2 which are guaranteed under, this section, the interest paid on
3 such obligation and received by the purchaser thereof (or the
4 purchaser's successor in interest) shall be included in gross
5 income for the purposes of chapter 1 of the Internal Revenue
6 Code of 1954, as amended: *Provided*, That the Administra-
7 tor shall pay to such issuer out of the fund established by this
8 section such portion of the interest on such obligations, as
9 determined by the Secretary of the Treasury to be appropri-
10 ate after taking into account current market yields (1) on
11 obligations of said issuer, if any, or (2) on other obligations
12 with similar terms and conditions, the interest on which is
13 not so included in gross income for purposes of chapter 1 of
14 said Code, and in accordance with such terms and conditions
15 as the Secretary of the Treasury shall require.~~

~~16 "(t) (1) Each officer or employee of the Energy Re-
17 search and Development Administration who~~

~~18 "(A) performs any function or duty under this sec-
19 tion; and~~

~~20 "(B) (i) has any known financial interest in any
21 person who is applying for or receiving financial assist-
22 ance for a commercial demonstration facility under this
23 section; or~~

~~24 "(ii) has any known financial interest in property
25 from which coal, natural gas, oil shale, crude oil, or other~~

1 ~~energy resources are commercially produced in connec-~~
2 ~~tion with any commercial demonstration facility receiv-~~
3 ~~ing financial assistance under this section,~~

4 ~~shall, beginning on February 1, 1977, annually file with the~~
5 ~~Administrator a written statement concerning all such inter-~~
6 ~~ests held by such officer or employee during the preceding~~
7 ~~calendar year. Such statement shall be available to the public.~~

8 ~~“(2) The Administrator shall—~~

9 ~~“(A) act within ninety days after the date of enact-~~
10 ~~ment of this Act—~~

11 ~~“(i) to define the term ‘known financial inter-~~
12 ~~est’ for purposes of paragraph (1) of this subsec-~~
13 ~~tion; and~~

14 ~~“(ii) to establish the methods by which the~~
15 ~~requirement to file written statements specified in~~
16 ~~paragraph (1) will be monitored and enforced,~~
17 ~~including appropriate provisions for the filing by~~
18 ~~such officers and employees of such statements and~~
19 ~~the review by the Administrator of such statements;~~
20 ~~and~~

21 ~~“(B) report to the Congress on June 1 of each~~
22 ~~calendar year with respect to such disclosures and the~~
23 ~~actions taken in regard thereto during the preceding~~
24 ~~calendar year.~~

1 ~~“(3) In the rules prescribed in paragraph (2) of this~~
2 ~~subsection, the Administrator may identify specific positions~~
3 ~~within the Administration which are of a nonpolicy-making~~
4 ~~nature and provide that officers or employees occupying~~
5 ~~such positions shall be exempt from the requirements of this~~
6 ~~subsection.~~

7 ~~“(4) Any officer or employee who is subject to, and~~
8 ~~knowingly violates, this subsection shall be fined not more~~
9 ~~than \$2,500 or imprisoned not more than one year, or both.~~

10 ~~“(u) Nothing in this section shall be construed as affect-~~
11 ~~ing the obligations of any borrower receiving a guarantee~~
12 ~~pursuant to this section to comply with Federal and State~~
13 ~~environmental, land use, water, and health and safety laws~~
14 ~~and regulations or to obtain applicable Federal and State~~
15 ~~permits, licenses, and certificates.~~

16 ~~“(v) The information maintained by the Administrator~~
17 ~~under this section shall be made available to the public,~~
18 ~~subject to the provisions of section 552 of title 5, United~~
19 ~~States Code, and section 1905 of title 18, United States~~
20 ~~Code, and to other Government agencies in a manner that~~
21 ~~will facilitate its dissemination: Provided, That upon a show-~~
22 ~~ing satisfactory to the Administrator by any person that any~~
23 ~~information, or portion thereof obtained under this section by~~
24 ~~the Administrator directly or indirectly from such person~~
25 ~~would, if made public, divulge (1) trade secrets or (2)~~

1 ~~other proprietary information of such person, the Adminis-~~
2 ~~trator shall not disclose such information and disclosure~~
3 ~~thereof shall be punishable under section 1905 of title 18,~~
4 ~~United States Code: *Provided further,* That the Adminis-~~
5 ~~trator shall, upon request, provide such information to (A)~~
6 ~~any delegate of the Administrator for the purpose of carrying~~
7 ~~out this Act, and (B) the Attorney General, the Secretary~~
8 ~~of Agriculture, the Secretary of the Interior, the Federal~~
9 ~~Trade Commission, the Federal Energy Administration,~~
10 ~~the Environmental Protection Agency, the Federal Power~~
11 ~~Commission, the General Accounting Office, other Federal~~
12 ~~agencies, or heads of other Federal agencies, when necessary~~
13 ~~to carry out their duties and responsibilities under this and~~
14 ~~other statutes, but such agencies and agency heads shall not~~
15 ~~release such information to the public. This section is not~~
16 ~~authority to withhold information from Congress, or from~~
17 ~~any committee of Congress upon request of the chairman.~~
18 ~~For the purposes of this subsection, the term "person" shall~~
19 ~~include the borrower.~~

20 ~~"(w) Notwithstanding any other provision of this sec-~~
21 ~~tion, the authority to make guarantees or commitments to~~
22 ~~guarantee under subsection (b) (1), the authority to make~~
23 ~~guarantees or commitments to guarantee, or to make loans~~
24 ~~or grants, under subsection (k), the authority to make con-~~
25 ~~tracts under subsection (h), the authority to charge and~~

1 ~~collect fees under subsection (n) of this section shall be~~
2 ~~effective only to the extent provided, without fiscal year~~
3 ~~limitation, in appropriation Acts enacted after the date of~~
4 ~~enactment of this section."~~

5 *That section 7(a) of the Federal Nonnuclear Energy Re-*
6 *search and Development Act of 1974 (42 U.S.C. 5906) is*
7 *amended—*

8 *(1) by striking out "and" after the semicolon at the*
9 *end of paragraph (5),*

10 *(2) by striking out the period at the end of para-*
11 *graph (6) and inserting in lieu thereof "; and", and*

12 *(3) by adding at the end thereof the following new*
13 *paragraph:*

14 *"(7) Federal loan guarantees and commitments thereof*
15 *as provided in section 18."*

16 *(b) The Federal Nonnuclear Energy Research and De-*
17 *velopment Act of 1974 (42 U.S.C. 5901, et seq.) is further*
18 *amended by adding at the end thereof the following new*
19 *section:*

20 *"LOAN GUARANTEES FOR DEMONSTRATION FACILITIES*

21 *"SEC. 18. (a) It is the purpose of this section—*

22 *"(1) to assure adequate Federal support to foster*
23 *a demonstration program to produce synthetic fuels from*
24 *coal, oil shale, and other domestic resources, to employ*
25 *biomass and renewable and geothermal energy sources to*

1 produce synthetic fuels and other desirable forms of en-
2 ergy, and to assure the availability of energy-efficient
3 industrial equipment and facilities;

4 “(2) to authorize loan guarantees for the construc-
5 tion and startup and related costs of demonstration
6 facilities (A) for the conversion of domestic coal, oil shale,
7 biomass, and other domestic resources into synthetic fuels;
8 (B) for the demonstration of synthetic fuels and other
9 desirable forms of energy from renewable and geothermal
10 sources; and (C) for the demonstration of energy-
11 efficient industrial equipment and facilities; and

12 “(3) to gather information about the technological,
13 economic, environmental, and social costs, benefits, and
14 impacts of such demonstration facilities.

15 “(b)(1) Except as provided in paragraph (5) of this
16 subsection, the Administrator is authorized, in accordance
17 with such rules and regulations as he shall prescribe after
18 consultation with the Secretary of the Treasury, to guaran-
19 tee and to make commitments to guarantee, in such manner
20 and subject to such conditions (not inconsistent with the pro-
21 visions of this Act) as he deems appropriate, the payment
22 of interest on, and the principal balance of, bonds, debentures,
23 notes, and other obligations issued by, or on behalf of, any
24 borrower for the purpose of (A) financing the construction
25 and startup costs of demonstration facilities for the conversion

1 of domestic coal, oil shale, biomass, and other domestic re-
2 sources into synthetic fuels, including, but not limited to,
3 such synthetic fuels from coal as high-Btu gaseous fuels
4 compatible for mixture and transportation with natural gas
5 by pipeline; gaseous, liquid, and solid fuels suitable for
6 boiler use in compliance with applicable environmental re-
7 quirements; liquid fuels for transportation uses; and petro-
8 chemicals: Provided, That no loan guarantee for a full sized
9 oil shale facility shall be provided under this section until
10 after successful demonstration of a modular facility pro-
11 ducing between six and ten thousand barrels per day, taking
12 into account such considerations as water usage, environ-
13 mental effects, waste disposal, labor conditions, health and
14 safety, and the socioeconomic impacts on local communities:
15 Provided further, That no loan guarantee shall be available
16 under this clause for the manufacture of component parts
17 for demonstration of facilities eligible for assistance under
18 this clause; (B) financing the construction and startup costs
19 of demonstration facilities to generate desirable forms of
20 energy (including synthetic fuels) from direct solar, wind,
21 ocean thermal gradient, bioconversion, or other renewable
22 energy resources; (C) financing the purchase, construction,
23 installation, and startup costs of energy-efficient industrial
24 equipment and facilities for demonstration by small business
25 concerns and others for general use; and (D) further im-

1 plementing the financing of geothermal resource develop-
2 ment under the Geothermal Energy Research, Development,
3 and Demonstration Act of 1974 (30 U.S.C. 1101, et seq.).
4 The amount of obligations authorized for any guarantee or
5 commitment to guarantee under this subsection is \$2,000,-
6 000,000 for each of the following fiscal years, 1977 and
7 1978: Provided, That the indebtedness guaranteed or com-
8 mitted to be guaranteed which may be outstanding at any
9 time in any fiscal year shall not exceed the aggregate of the
10 total amount authorized pursuant to this section for that
11 fiscal year and all preceding fiscal years. With regard to
12 such limitation the Administrator shall make no new com-
13 mitments for loan guarantees after September 30, 1984, and
14 shall furnish no guarantees after September 30, 1986. The
15 authorized indebtedness to be guaranteed under clauses (A),
16 (B), and (C) of this paragraph shall be allocated by the
17 Administrator so that no more than 50 per centum is for
18 high-Btu coal gasification, no more than 30 per centum for
19 other fossil-based synthetic fuels, and no more than 50 per
20 centum for renewable energy resources, including biomass,
21 urban and other waste, direct solar, wind, ocean thermal
22 gradient, bioconversion, and for industrial energy conserva-
23 tion. All guarantees or commitments to guarantee authorized
24 by this section shall be made only for demonstration facilities
25 constructed within the United States or in waters contiguous

1 to its territory. None of the amounts authorized for guaran-
2 tee under this section shall be committed until the studies
3 already initiated by the Administrator concerning the syn-
4 thetic fuels demonstration program authorized by this sub-
5 section are completed and a report of each such study is
6 submitted to the Speaker of the House of Representatives and
7 the House Committee on Science and Technology and the
8 President of the Senate and the Senate Committee on Interior
9 and Insular Affairs. Loan guarantees for geothermal re-
10 source development under clause (D) of this paragraph
11 shall be carried out pursuant to the authority and provisions
12 of the Geothermal Energy Research, Development, and Dem-
13 onstration Act of 1974: Provided, That paragraphs (2) and
14 (4) of this subsection, and subsections (g)(2), (h), (j),
15 (n), (s) and (v) of this section, shall also apply to such
16 guarantees: Provided further, That the limitations in section
17 201(e) of the Geothermal Energy Research, Develop-
18 ment, and Demonstration Act of 1974 (30 U.S.C. 1141(e))
19 shall not apply to such guarantees.

20 “(2) An applicant for any financial assistance under
21 this section shall provide information to the Administrator in
22 such form and with such content as the Administrator deems
23 necessary.

24 “(3) Prior to issuing any guarantee under this section
25 the Administrator shall obtain the concurrence of the Secre-

1 tary of the Treasury with respect to the timing, interest rate,
2 and substantial terms and conditions of such guarantee. The
3 Secretary of the Treasury shall insure to the maximum ex-
4 tent feasible that the timing, interest rate, and substantial
5 terms and conditions of such guarantee will have the minimum
6 possible impact on the capital markets of the United States,
7 taking into account other Federal direct and indirect secu-
8 rities activities.

9 “(4) The full faith and credit of the United States is
10 pledged to the payment of all guarantees issued under this
11 section with respect to principal and interest.

12 “(5)(A) The Administrator is authorized, in the case
13 of a facility for the conversion of oil shale to synthetic fuels
14 which is determined by the Administrator pursuant to the
15 proviso in paragraph (1)(A) of this subsection, to be
16 constructed at a modular size, to enter into a cooperative
17 agreement with the applicant in accordance with section 8
18 of this Act and the other provisions of this Act to share the
19 estimated total design and construction costs, plus operation
20 and maintenance costs, of such modular facility. The Fed-
21 eral share shall not exceed 75 per centum of such costs. All
22 receipts for the sale of any products produced during the
23 operation of the facility shall be used to offset the costs in-
24 curred in the operation and maintenance of the facility. The
25 provisions of subsections (d), (e), (k), (m), (p), (s), (t),

1 (u), (v), (w), (x), (y), and (z) shall apply to any such
2 modular facility. The provisions of this section shall apply
3 to any loan guarantee for such modular facility.

4 “(B) After successful demonstration of the modular
5 facility, as determined by the Administrator, the facility is
6 eligible for financial assistance under this section for pur-
7 poses of expansion to a full sized facility and the applicant
8 may purchase the Federal interest in the modular facility as
9 represented by the Federal share thereof by means of (i) a
10 cash payment to the United States, or (ii) a share of the
11 product or sales resulting from such expanded operation,
12 as determined by the Administrator. If expansion of such
13 facility is determined not to be warranted by the Administra-
14 tor, he may, at the option of the applicant, dispose of the
15 modular facility to the applicant at not less than fair
16 market value, as determined by the Administrator as of the
17 date of the disposal, or otherwise dispose of it, in accordance
18 with applicable provisions of law, and distribute the net
19 proceeds thereof, after expenses of such disposal, to the appli-
20 cant in proportion to the applicant's share of the costs of such
21 facility.

22 “(6) To the extent possible, loan guarantees shall be
23 issued on the basis of competitive bidding among guarantee
24 applicants in a particular technology area.

25 “(c) The Administrator, with due regard for the need

1 for competition, shall guarantee or make a commitment to
2 guarantee any obligation under subsection (b) only if—

3 “(1) the Administrator is satisfied that the finan-
4 cial assistance applied for is necessary to encourage
5 financial participation;

6 “(2) the amount guaranteed does not exceed 75
7 per centum of the total cost of the demonstration facility,
8 as determined by the Administrator: Provided, That
9 the amount guaranteed may not exceed 90 per centum
10 of the total cost of the demonstration facility during the
11 period of construction and startup;

12 “(3) the Administrator has determined that there
13 will be a continued reasonable assurance of full
14 repayment;

15 “(4) the obligation is subject to the condition that
16 it not be subordinated to any other financing;

17 “(5) the Administrator has determined, taking in-
18 to consideration all reasonably available forms of assist-
19 ance under this section and other Federal and State
20 statutes, that the impacts resulting from the proposed
21 demonstration facility have been fully evaluated by the
22 borrower, the Administrator, and the Governor of the
23 affected State, and that effective steps have been taken or
24 will be taken in a timely manner to finance community
25 planning and development costs resulting from such fa-

1 *cility under this section, under other provisions of law,*
2 *or by other means;*

3 *“(6) the maximum maturity of the obligation does*
4 *not exceed thirty years, or 90 per centum of the pro-*
5 *jected useful economic life of the physical assets of the*
6 *demonstration facility covered by the guarantee, which-*
7 *ever is less, as determined by the Administrator;*

8 *“(7) the Administrator has determined that, in the*
9 *case of any demonstration or modular facility planned*
10 *to be located on Indian lands, the appropriate Indian*
11 *tribe, with the approval of the Secretary of the Interior,*
12 *has given written consent to such location.*

13 *“(d) Prior to submitting a report to Congress pursuant*
14 *to subsection (m) of this section on each guarantee and coop-*
15 *erative agreement, the Administrator shall request from the*
16 *Attorney General and the Chairman of the Federal Trade*
17 *Commission written views, comments, and recommendations*
18 *concerning the impact of such guarantee or commitment or*
19 *agreement on competition and concentration in the production*
20 *of energy and give due consideration to views, comments, and*
21 *recommendations received: Provided, That if either official,*
22 *within sixty days after receipt of such request or at any time*
23 *prior to the Administrator submitting such report to Congress,*
24 *recommends against making such guarantee or commitment*
25 *or agreement, the Administrator shall not do so unless he*

1 determines in writing that such guarantee or commitment or
2 agreement is in the national interest.

3 “(e) (1) As soon as the Administrator knows the geo-
4 graphic location of a proposed facility for which a guarantee
5 or a commitment to guarantee or cooperative agreement is
6 sought under this section, he shall inform the Governor of
7 the State, and officials of each political subdivision and Indian
8 tribe, as appropriate, in which the facility would be located
9 or which would be impacted by such facility. The Adminis-
10 trator shall not guarantee or make a commitment to guarantee
11 or enter into a cooperative agreement under subsection (b) of
12 this section, if the Governor of the State in which the pro-
13 posed facility would be located recommends that such action
14 not be taken, unless the Administrator finds that there is an
15 overriding national interest in taking such action in order
16 to achieve the purpose of this section. If the Administrator
17 decides to guarantee or make a commitment to guarantee or
18 enter into a cooperative agreement despite a Governor’s rec-
19 ommendation not to take such action, the Administrator shall
20 communicate, in writing, to the Governor reasons for not
21 concurring with such recommendation. The Administrator’s
22 decision, pursuant to this subsection, shall be final unless
23 determined upon judicial review initiated by the Governor
24 to be unlawful by the reviewing court pursuant to 5 U.S.C.
25 706(2) (A) through (D). Such review shall take place

1 in the United States court of appeals for the circuit in which
2 the State involved is located, upon application made within
3 ninety days from the date of such decision. The Administra-
4 tor shall, by regulation, establish procedures for review of,
5 and comment on, the proposed facility by States, local po-
6 litical subdivisions, and Indian tribes which may be im-
7 pacted by such facility, and the general public.

8 “(2) The Administrator shall review and approve the
9 plans of the applicant for the construction and operation of
10 any demonstration and related facilities constructed or to be
11 constructed with assistance under this section. Such plans and
12 the actual construction shall include such monitoring and
13 other data-gathering costs associated with such facility as are
14 required by the comprehensive plan and program under this
15 section. The Administrator shall determine the estimated total
16 cost of such demonstration facility, including, but not limited
17 to, construction costs, startup costs, costs to political subdivi-
18 sions and Indian tribes by such facility, and costs of any
19 water storage facilities needed in connection with such demon-
20 stration facility, and determine who shall pay such costs.
21 Such determination shall not be binding upon the States,
22 political subdivisions, or Indian tribes.

23 “(3) There is hereby established a panel to advise the
24 Administrator on matters relating to the program author-
25 ized by this section, including, but not limited to, the impact

1 of the demonstration facilities on communities and States
2 and Indian tribes, the environmental and health and safety
3 effects of such facilities, and the means, measures, and plan-
4 ning for preventing or mitigating such impacts, and other
5 matters relating to the development of synthetic fuels and
6 other energy sources under this section. The panel shall in-
7 clude such Governors or their designees as shall be designated
8 by the Chairman of the National Governors Conference.
9 Representatives of Indian tribes, industry, environmental
10 organizations, and the general public shall be appointed by
11 the Administrator. The Chairman of the panel shall be se-
12 lected by the Administrator. No person shall be appointed to
13 the panel who has a financial interest in any applicant apply-
14 ing for assistance under this section. Members of the panel
15 shall serve without compensation. The provisions of section
16 106(e) of the Energy Reorganization Act of 1974 (42
17 U.S.C. 5816(e)) shall apply to the panel.

18 “(f) Except in accordance with reasonable terms and
19 conditions contained in the written contract of guarantee, no
20 guarantee issued or commitment to guarantee made under
21 this section shall be terminated, canceled, or otherwise re-
22 voked. Such a guarantee or commitment shall be conclusive
23 evidence that the underlying obligation is in compliance with
24 the provisions of this section and that such obligation has
25 been approved and is legal as to principal, interest, and other

1 terms. Subject to the conditions of the guarantee or commit-
2 ment to guarantee, such a guarantee shall be incontestable in
3 the hands of the holder of the guaranteed obligation, except
4 as to fraud or material misrepresentation on the part of the
5 holder.

6 “(g) (1) If there is a default by the borrower, as defined
7 in regulations promulgated by the Administrator and in the
8 guarantee contract, the holder of the obligation shall have the
9 right to demand payment of the unpaid amount from the Ad-
10 ministrator. Within such period as may be specified in the
11 guarantee or related agreements, the Administrator shall pay
12 to the holder of the obligation the unpaid interest on, and
13 unpaid principal of, the guaranteed obligation as to which the
14 borrower has defaulted, unless the Administrator finds that
15 there was no default by the borrower in the payment of interest
16 or principal or that such default has been remedied. Nothing
17 in this section shall be construed to preclude any forbearance
18 by the holder of the obligation for the benefit of the borrower
19 which may be agreed upon by the parties to the guaranteed
20 obligation and approved by the Administrator.

21 “(2) If the Administrator makes a payment under
22 paragraph (1) of this subsection or section 202(b) of the
23 Geothermal Energy Research, Development, and Demon-
24 stration Act of 1974 (30 U.S.C. 1142(b)), the Adminis-
25 trator shall be subrogated to the rights of the recipient of

1 such payment (and such subrogation shall be expressly
2 set forth in the guarantee or related agreements), including
3 the authority to complete, maintain, operate, lease, or other-
4 wise dispose of any property acquired pursuant to such
5 guarantee or related agreements, without regard to the pro-
6 visions of the Federal Property and Administrative Services
7 Act of 1949, as amended, except section 207 of that Act (40
8 U.S.C. 488), or any other law, or to permit the borrower,
9 pursuant to an agreement with the Administrator, to continue
10 to pursue the purposes of the demonstration facility if the
11 Administrator determines that this is in the public interest.

12 “(3) In the event of a default on any guarantee under
13 this section, the Administrator shall notify the Attorney
14 General, who shall take such action as may be appropriate
15 to recover the amounts of any payments made under para-
16 graph (1) including any payment of principal and interest
17 under subsection (h) from such assets of the defaulting bor-
18 rower as are associated with the demonstration facility, or
19 from any other security included in the terms of the guarantee.

20 “(4) For purposes of this section, patents^{owned by the borrower} including any
21 inventions for which a waiver^{to the borrower} was made by the Administrator
22 under section 9 of this Act, and technology resulting from the
23 demonstration facility, shall be treated as project assets of
24 such facility. The guarantee agreement shall include such
25 detailed terms and conditions as the Administrator deems

1 appropriate to protect the interests of the United States in
2 the case of default and to have available all the patents and
3 technology necessary for any person selected, including, but
4 not limited to, the Administrator to complete and operate the
5 defaulting project. Furthermore, the guarantee agreement
6 shall contain a provision specifying that patents, technology,
7 and other proprietary rights which are necessary for the
8 completion or operation of the demonstration facility shall
9 be available to the United States and its designees on equitable
10 terms, including due consideration to the amount of the
11 United States default payments. Inventions made or con-
12 ceived in the course of or under such guarantee, title to which
13 is vested in the United States under this Act, shall not be
14 treated as project assets of such facility for disposal purposes
15 under this subsection, unless the Administrator determines in
16 writing that it is in the best interests of the United States to
17 do so.

18 “(h) With respect to any obligation guaranteed under
19 this section, the Administrator is authorized to enter into a
20 contract to pay, and to pay, holders of the obligation, for
21 and on behalf of the borrower, from the fund established by
22 this section or from the Geothermal Resources Development
23 Fund, as applicable, the principal and interest payments
24 which become due and payable on the unpaid balance of such
25 obligation if the Administrator finds that—

1 “(1) the borrower is unable to meet such payments
2 and is not in default; it is in the public interest to permit
3 the borrower to continue to pursue the purposes of such
4 demonstration facility; and the probable net benefit to
5 the Federal Government in paying such principal and
6 interest will be greater than that which would result in
7 the event of a default;

8 “(2) the amount of such payment which the Ad-
9 ministrator is authorized to pay shall be no greater than
10 the amount of principal and interest which the borrower
11 is obligated to pay under the loan agreement; and

12 “(3) the borrower agrees to reimburse the Ad-
13 ministrator for such payment on terms and conditions,
14 including interest, which are satisfactory to the Ad-
15 ministrator.

16 “(i) Regulations required by this section shall be issued
17 within one hundred and eighty days after enactment of this
18 section, except as provided in subsection (t) of this section.
19 All regulations under this section and any amendments there-
20 to shall be issued in accordance with section 553 of title 5,
21 of the United States Code.

22 “(j) The Administrator shall charge and collect fees for
23 guarantees of obligations authorized by clauses (A), (B),
24 (C), and (D) of subsection (b)(1), in amounts sufficient
25 in the judgment of the Administrator to cover the applicable

1 *administrative costs and probable losses on guaranteed obli-*
2 *gations, but in any event the portion of the fee attributable to*
3 *providing for probable losses shall not exceed 1 per centum*
4 *per annum of the outstanding indebtedness covered by the*
5 *guarantee. Nothing in this subsection shall be construed to*
6 *apply to community planning and development assistance*
7 *pursuant to subsection (k) of this section.*

8 “(k) (1) *In accordance with such rules and regulations*
9 *as the Administrator in consultation with the Secretary of*
10 *the Treasury shall prescribe, and subject to such terms and*
11 *conditions as he deems appropriate, the Administrator is*
12 *authorized, for the purpose of financing essential community*
13 *development and planning which directly result from, or are*
14 *necessitated by, one or more demonstration facilities assisted*
15 *under this section to—*

16 “(A) *guarantee and make commitments to guaran-*
17 *tee the payment of interest on, and the principal balance*
18 *of, obligations for such financing issued by eligible States,*
19 *political subdivisions, or Indian tribes,*

20 “(B) *guarantee and make commitments to guaran-*
21 *tee the payment of taxes imposed on such demonstration*
22 *facilities by eligible non-Federal taxing authorities which*
23 *taxes are earmarked by such authorities to support the*
24 *payment of interest and principal on obligations for such*
25 *financing, and*

1 “(C) require that the applicant for assistance for a
2 demonstration facility under this section advance sums
3 to eligible States, political subdivisions, and Indian tribes
4 to pay for the financing of such development and plan-
5 ning: Provided, That the State, political subdivision, or
6 Indian tribe agrees to provide tax abatement credits
7 over the life of the facilities for such payments by such
8 applicant.

9 “(2) Prior to issuing any guarantee under this sub-
10 section, the Administrator shall obtain the concurrence of the
11 Secretary of the Treasury with respect to the timing, interest
12 rate, and substantial terms and conditions of such guarantee.
13 The Secretary of the Treasury shall insure to the maximum
14 extent feasible that the timing, interest rate, and substantial
15 terms and conditions of such guarantee will have the mini-
16 mum possible impact on the capital markets of the United
17 States, taking into account other Federal direct and indirect
18 securities activities.

19 “(3) The amount of obligations authorized for any
20 guarantee and commitment to guarantee under paragraph
21 (1) of this subsection is \$150,000,000 for each of the fol-
22 lowing fiscal years 1977 and 1978: Provided, That such
23 obligations guaranteed or committed to be guaranteed which
24 may be outstanding at any time in any fiscal year shall not
25 exceed the aggregate of the total amount authorized pursuant

1 to this subsection for that fiscal year and all preceding fiscal
2 years, and shall be included in the limitation on outstanding
3 indebtedness set forth in subsection (b)(1) of this section.

4 “(4) In the event of any default by the borrower in
5 the payment of taxes guaranteed by the Administrator
6 under this subsection, the Administrator shall pay out of
7 the fund established by this section such taxes at the time or
8 times they may fall due, and shall have by reason of such
9 payment a claim against the borrower for all sums paid plus
10 interest.

11 “(5) If after consultation with the State, political sub-
12 division, or Indian tribe, the Administrator finds that the
13 financial assistance programs of paragraph (1) of this sub-
14 section will not result in sufficient funds to carry out the pur-
15 poses of this subsection, then the Administrator may—

16 “(A) make direct loans to the eligible States, politi-
17 cal subdivisions, or Indian tribes for such purposes:
18 Provided, That such loans shall be made on such reason-
19 able terms and conditions as the Administrator shall pre-
20 scribe: Provided further, That the Administrator may
21 waive repayment of all or part of a loan made under this
22 paragraph, including interest, if the State or political sub-
23 division or Indian tribe involved demonstrates to the sat-
24 isfaction of the Administrator that due to a change in

1 *circumstances there will be net adverse impacts resulting*
2 *from such demonstration facility that would probably*
3 *cause such State, subdivision, or tribe to default on the*
4 *loan; or*

5 *“(B) require that any community development and*
6 *planning costs which are associated with, or result from,*
7 *such demonstration facility and which are determined by*
8 *the Administrator to be appropriate for such inclusion*
9 *shall be included in the total costs of the demonstration*
10 *facility.*

11 *“(6) The Administrator is further authorized to make*
12 *grants to States, political subdivisions, or Indian tribes for*
13 *studying and planning for the potential economic, environ-*
14 *mental, and social consequences of demonstration facilities,*
15 *and for establishing related management expertise.*

16 *“(7) At any time the Administrator may, with the con-*
17 *currence of the Secretary of the Treasury, redeem, in whole*
18 *or in part, out of the fund established by this section, the debt*
19 *obligations guaranteed or the debt obligations for which tax*
20 *payments are guaranteed under this subsection.*

21 *“(8) When one or more States, political subdivisions,*
22 *or Indian tribes would be eligible for assistance under this*
23 *subsection, but for the fact that construction and operation of*
24 *the demonstration facilities occurs outside its jurisdiction, the*

1 Administrator is authorized to provide, to the greatest extent
2 possible, arrangements for equitable sharing of such
3 assistance.

4 “(9) (A) Such amounts as may be necessary for direct
5 loans and grants pursuant to this subsection shall be available
6 as provided in annual authorization Acts and shall be re-
7 quested in fiscal year 1977, and in subsequent fiscal years.

8 “(B) There is hereby authorized to be appropriated for
9 the fiscal year ending June 30, 1976, and the transition
10 period, \$2,000,000 for grants to be used to carry out the
11 purposes of this subsection.

12 “(10) The Administrator, if appropriate, shall provide
13 assistance in the financing of up to 100 per centum of the
14 costs of the required community development and planning
15 pursuant to this subsection.

16 “(11) In carrying out the provisions of this subsection,
17 the Administrator shall provide that title to any facility
18 receiving financial assistance under this subsection shall vest
19 in the applicable State, political subdivision, or Indian tribe,
20 as appropriate, and in the case of default by the borrower
21 on a loan guarantee made or committed under subsection (b)
22 of this section, such facility shall not be considered a project
23 asset for the purposes of subsection (g) of this section.

24 “(l) (1) The Administrator is directed to submit a report
25 to the Congress within one hundred and eighty days after

1 the enactment of this section setting forth his recommenda-
2 tions on the best opportunities to implement a program of
3 Federal financial assistance with the objective of demonstrat-
4 ing production and conservation of energy. Such report shall
5 be updated and submitted to Congress at least annually for
6 the duration of the program authorized by this section and
7 shall include specific comments and recommendations by the
8 Secretary of the Treasury on the methods and procedures set
9 forth in subparagraph (B) (viii) of this subsection, including
10 their adequacy, and changes necessary to satisfy the objectives
11 stated in this subsection. This report shall include—

12 “(A) a study of the purchase or commitment to pur-
13 chase by the Federal Government, for use by the United
14 States, of all or a portion of the products of any synthetic
15 fuel facilities constructed pursuant to this program as a
16 direct or an alternate form of Federal assistance, which
17 assistance, if recommended, shall be carried out pursuant
18 to section 7(a)(4) of this Act; and

19 “(B) a comprehensive plan and program to acquire
20 information and evaluate the environmental, economic,
21 social, and technological impacts of the demonstration
22 program under this section. In preparing such a com-
23 prehensive plan and program, the Administrator shall
24 consult with the Environmental Protection Agency, the
25 Federal Energy Administration, the Department of

1 *Housing and Urban Development, the Department of the*
2 *Interior, the Department of Agriculture, and the Depart-*
3 *ment of the Treasury, and shall include therein, but not*
4 *be limited to, the following:*

5 *“(i) information about potential demonstration*
6 *facilities proposed in the program under this section;*

7 *“(ii) any significant adverse impacts which*
8 *may result from any activity included in the pro-*
9 *gram;*

10 *“(iii) the extent to which it is feasible to com-*
11 *mercialize the technologies as they affect different*
12 *regions of the Nation;*

13 *“(iv) proposed regulations required to carry*
14 *out the purposes of this section;*

15 *“(v) a list of Federal agencies, governmental*
16 *entities, and other persons that will be consulted or*
17 *utilized to implement the program;*

18 *“(vi) the methods and procedures by which the*
19 *information gathered under the program will be*
20 *analyzed and disseminated;*

21 *“(vii) a plan for the study and monitoring of*
22 *the health effects of such facilities on workers and*
23 *other persons, including, but not limited to, any*
24 *carcinogenic effect of synthetic fuels; and*

25 *“(viii) the methods and procedures to insure*

1 that (1) the use of Federal assistance for demonstra-
2 tion facilities is kept to the minimum level necessary
3 for the information objectives of this section, (2) the
4 impact of loan guarantees on the capital markets of
5 the United States is minimized, taking into account
6 other Federal direct and indirect securities activities,
7 and any economic sectors which may be negatively
8 impacted as a result of the reduction of capital by the
9 placement of guaranteed loans, and (3) the granting
10 of Federal loan guarantees under this Act does not
11 impede movement toward improvement in the climate
12 for attracting private capital to develop synthetic
13 fuels without continued direct Federal incentives.

14 “(2) The Administrator shall annually submit a detailed
15 report to the Congress concerning—

16 “(A) the actions taken or not taken by the Adminis-
17 trator under this section during the preceding fiscal year,
18 and including, but not be limited to (i) a discussion of
19 the status of each demonstration facility and related
20 facilities financed under this section, including progress
21 made in the development of such facilities, and the ex-
22 pected or actual production from each such facility,
23 including byproduct production therefrom, and the dis-
24 tribution of such products and byproducts, (ii) a detailed
25 statement of the financial conditions of each such demon-

1 *stration facility, (iii) data concerning the environmental,*
2 *community, and health and safety impacts of each such*
3 *facility and the actions taken or planned to prevent or*
4 *mitigate such impacts, (iv) the administrative and other*
5 *costs incurred by the Administrator and other Federal*
6 *agencies in carrying out this program, and (v) such*
7 *other data as may be helpful in keeping Congress and*
8 *the public fully and currently informed about the pro-*
9 *gram authorized by this section; and*

10 *“(B) The activities of the funds referred to in*
11 *subsection (n) of this section during the preceding fiscal*
12 *year, including a statement of the amount and source*
13 *of fees or other moneys, property, or assets deposited into*
14 *the funds, all payments made, the notes or other obliga-*
15 *tions issued by the Administrator, and such other data*
16 *as may be appropriate.*

17 *“(3) The annual reports required by this subsection shall*
18 *be a part of the annual report required by section 15 of*
19 *this Act, except that the matters required to be reported by*
20 *this subsection shall be clearly set out and identified in such*
21 *annual reports. Such reports and the one-hundred-and-eighty-*
22 *day report required in paragraph (1) of this subsection shall*
23 *be transmitted to the Speaker of the House of Representatives*
24 *and the House Committee on Science and Technology and to*

1 *the President of the Senate and the Committee on Interior and*
2 *Insular Affairs of the Senate.*

3 “(m) *Prior to issuing any guarantee or commitment to*
4 *guarantee or cooperative agreement pursuant to subsection*
5 *(b) of this section, the Administrator shall submit to the*
6 *Committee on Science and Technology of the House of*
7 *Representatives and the Committee on Interior and Insular*
8 *Affairs of the Senate a full and complete report on the pro-*
9 *posed demonstration facility and such guarantee or agreement.*
10 *Such guarantee or commitment to guarantee or cooperative*
11 *agreement shall not be finalized under the authority granted*
12 *by this section prior to the expiration of ninety calendar days*
13 *(not including any day on which either House of Congress is*
14 *not in session because of an adjournment of more than three*
15 *calendar days to a day certain) from the date on which such*
16 *report is received by such committees: Provided, That, where*
17 *the cost of such demonstration facility exceeds \$200,000,000,*
18 *such guarantee or commitment to guarantee or cooperative*
19 *agreement shall not be finalized if prior to the close of such*
20 *ninety-day period both Houses pass a resolution stating in*
21 *substance that the Congress does not favor the making of*
22 *such guarantee or commitment or agreement.*

23 “(n) (1) *There is hereby created within the Treasury*
24 *a separate fund (hereafter in this section called the ‘fund’)*

1 which shall be available to the Administrator without fiscal
2 year limitation as a revolving fund for the purpose of carry-
3 ing out the program authorized by clauses (A), (B), and
4 (C) of subsection (b)(1) and subsections (g), (h), and (k)
5 of this section. The Geothermal Resources Development
6 Fund established by the Geothermal Energy Research, De-
7 velopment, and Demonstration Act of 1974 shall be avail-
8 able for the purpose of carrying out the geothermal loan
9 guarantee program as established by that Act and as further
10 implemented by this section.

11 “(2) There are hereby authorized to be appropriated
12 to the fund for administrative expenses for the fiscal year
13 ending June 30, 1976, \$1,000,000, and for the period
14 beginning July 1, 1976 and ending September 30, 1976,
15 \$1,000,000, and from time to time such other amounts as
16 may be necessary to carry out the purposes of the applicable
17 provisions of this section, including, but not limited to, the
18 payments of interest and principal and the payment of interest
19 differentials and redemption of debt. All amounts received
20 by the Administrator as interest payments or repayments
21 of principal on loans which are guaranteed under this sec-
22 tion, fees, and any other moneys, property, or assets derived
23 by him from operations under this section shall be deposited
24 in the fund or in the Geothermal Resources Development
25 Fund, as applicable.

1 “(3) All payments on obligations, appropriate expenses
2 (including reimbursements to other government accounts),
3 and repayments pursuant to operations of the Administrator
4 under this section shall be paid from the fund subject to
5 appropriations or from the Geothermal Resources Develop-
6 ment Fund, as applicable. If at any time the Administrator
7 determines that moneys in the fund exceed the present and
8 reasonably foreseeable future requirements of the fund, such
9 excess shall be transferred to the general fund of the Treasury.

10 “(4) If at any time the moneys available in the fund
11 or in the Geothermal Resources Development Fund are in-
12 sufficient to enable the Administrator to discharge his respon-
13 sibilities as authorized by subsections (b)(1), (g), (h),
14 and (k) of this section, or the Geothermal Energy Research,
15 Development, and Demonstration Act of 1974 (30 U.S.C.
16 1101), as the case may be, the Administrator shall issue to
17 the Secretary of the Treasury notes or other obligations in
18 such forms and denominations, bearing such maturities, and
19 subject to such terms and conditions as may be prescribed
20 by the Secretary of the Treasury. Redemption of such notes
21 or obligations shall be made by the Administrator from ap-
22 propriations or other moneys available under paragraph (2)
23 of this subsection for loan guarantees authorized by clauses
24 (A), (B), and (C) of subsection (b)(1) and subsections
25 (g), (h), and (k) of this section, and from appropriations

1 or other moneys available under section 204 of the Geo-
2 thermal Energy Research, Development, and Demonstration
3 Act of 1974 for loan guarantees described in clause (D)
4 of subsection (b)(1) of this section. Such notes or other
5 obligations shall bear interest at a rate determined by the
6 Secretary of the Treasury, which shall be not less than a
7 rate determined by taking into consideration the average
8 market yield on outstanding marketable obligations of the
9 United States of comparable maturities during the month
10 preceding the issuance of the notes or other obligations. The
11 Secretary of the Treasury shall purchase any notes or other
12 obligations issued hereunder and for that purpose he is au-
13 thorized to use as a public debt transaction the proceeds
14 from the sale of any securities issued under the Second
15 Liberty Bond Act; and the purposes for which securities may
16 be issued under that Act are extended to include any pur-
17 chase of such notes or obligations. The Secretary of the Treas-
18 ury may at any time sell any of the notes or other obligations
19 acquired by him under this subsection. All redemptions, pur-
20 chases, and sales by the Secretary of the Treasury of such
21 notes or other obligations shall be treated as public debt
22 transactions of the United States.

23 “(5) The provisions of this subsection do not apply to
24 direct loans or planning grants made under subsection (k) of
25 this section.

1 “(o) For the purposes of this section, the term—

2 “(1) ‘State’ means any State of the United States,
3 the District of Columbia, the Commonwealth of Puerto
4 Rico, Guam, the Virgin Islands, American Samoa, or
5 any territory or possession of the United States,

6 “(2) ‘United States’ means the several States, the
7 Commonwealth of Puerto Rico, the Virgin Islands,
8 Guam, and American Samoa, and

9 “(3) ‘borrower’ or ‘applicant’ shall include any in-
10 dividual, firm, corporation, company, partnership, asso-
11 ciation, society, trust, joint venture, joint stock company,
12 or other non-Federal entity.

13 “(p) (1) An applicant seeking a guarantee or coopera-
14 tive agreement under subsection (b) of this section must be a
15 citizen or national of the United States. A corporation, part-
16 nership, firm, or association shall not be deemed to be a citizen
17 or national of the United States unless the Administrator
18 determines that it satisfactorily meets all the requirements of
19 section 802 of title 46, United States Code, for determining
20 such citizenship, except that the provisions in subsection (a)
21 of such section 802 concerning (1) the citizenship of officers
22 or directors of a corporation, and (2) the interest required
23 to be owned in the case of a corporation, association, or part-
24 nership operating a vessel in the coastwise trade, shall not be
25 applicable.

1 “(2) The Administrator, in consultation with the Secre-
2 tary of State, may waive such requirements in the case of a
3 corporation, partnership, firm, or association, controlling in-
4 terest in which is owned by citizens of countries which are
5 participants in the International Energy Agreement.

6 “(q) No part of the program authorized by this section
7 shall be transferred to any other agency or authority, except
8 pursuant to Act of Congress enacted after the date of enact-
9 ment of this section.

10 “(r) Inventions made or conceived in the course of or
11 under a guarantee authorized by this section shall be subject
12 to the title and waiver requirements and conditions of section
13 9 of this Act.

14 “(s) With respect to any obligation which is issued after
15 the enactment of this section by, or in behalf of, any State,
16 political subdivision, or Indian tribe and which is either guar-
17 anteed under, or supported by taxes levied by said issuer
18 which are guaranteed under, this section, the interest paid on
19 such obligation and received by the purchaser thereof (or the
20 purchaser's successor in interest) shall be included in gross
21 income for the purposes of chapter 1 of the Internal Revenue
22 Code of 1954, as amended: Provided, That the Administra-
23 tor shall pay to such issuer out of the fund established by this
24 section such portion of the interest on such obligations, as
25 determined by the Secretary of the Treasury to be appropri-

1 ate after taking into account current market yields (1) on
2 obligations of said issuer, if any, or (2) on other obligations
3 with similar terms and conditions, the interest on which is
4 not so included in gross income for purposes of chapter 1 of
5 said Code, and in accordance with such terms and conditions
6 as the Secretary of the Treasury shall require.

7 “(t) (1) Each officer or employee of the Energy Re-
8 search and Development Administration who—

9 “(A) performs any function or duty under this sec-
10 tion; and

11 “(B) (i) has any known financial interest in any
12 person who is applying for or receiving financial assist-
13 ance for a demonstration facility under this section; or

14 “(ii) has any known financial interest in property
15 from which coal, natural gas, oil shale, crude oil, or other
16 energy resources is produced in connection with any
17 demonstration facility receiving financial assistance under
18 this section,

19 shall, beginning on February 1, 1977, annually file with the
20 Administrator a written statement concerning all such inter-
21 ests held by such officer or employee during the preceding
22 calendar year. Such statement shall be available to the public.

23 “(2) The Administrator shall—

24 “(A) act within ninety days after the date of enact-
25 ment of this Act—

1 “(i) to define the term ‘known financial inter-
2 est’ for purposes of paragraph (1) of this subsec-
3 tion; and

4 “(ii) to establish the methods by which the
5 requirement to file written statements specified in
6 paragraph (1) will be monitored and enforced,
7 including appropriate provisions for the filing by
8 such officers and employees of such statements and
9 the review by the Administrator of such statements;
10 and

11 “(B) report to the Congress on June 1 of each
12 calendar year with respect to such disclosures and the
13 actions taken in regard thereto during the preceding
14 calendar year.

15 “(3) In the rules prescribed in paragraph (2) of this
16 subsection, the Administrator may identify specific positions
17 within the Administration which are of a nonpolicymaking
18 nature and provide that officers or employees occupying
19 such positions shall be exempt from the requirements of this
20 subsection.

21 “(4) Any officer or employee who is subject to, and
22 knowingly violates, this subsection shall be fined not more
23 than \$2,500 or imprisoned not more than one year, or both.

24 “(u) Nothing in this section shall be construed as affect-
25 ing the obligations of any person receiving financial assistance

1 pursuant to this section to comply with Federal and State
2 environmental, land use, water, and health and safety laws
3 and regulations or to obtain applicable Federal and State
4 permits, licenses, and certificates.

5 “(v) The information maintained by the Administrator
6 under this section shall be made available to the public,
7 subject to the provisions of section 552 of title 5, United
8 States Code, and section 1905 of title 18, United States
9 Code, and to other Government agencies in a manner that
10 will facilitate its dissemination: Provided, That upon a show-
11 ing satisfactory to the Administrator by any person that any
12 information, or portion thereof obtained under this section by
13 the Administrator directly or indirectly from such person
14 would, if made public, divulge (1) trade secrets or (2)
15 other proprietary information of such person, the Adminis-
16 trator shall not disclose such information and disclosure
17 thereof shall be punishable under section 1905 of title 18,
18 United States Code: Provided further, That the Admin-
19 istrator shall, upon request, provide such information to (A)
20 any delegate of the Administrator for the purpose of carrying
21 out this Act, and (B) the Attorney General, the Secretary
22 of Agriculture, the Secretary of the Interior, the Federal
23 Trade Commission, the Federal Energy Administration,
24 the Environmental Protection Agency, the Federal Power
25 Commission, the General Accounting Office, other Federal

1 agencies, or heads of other Federal agencies, when necessary
2 to carry out their duties and responsibilities under this and
3 other statutes, but such agencies and agency heads shall not
4 release such information to the public. This section is not
5 authority to withhold information from Congress, or from
6 any committee of Congress upon request of the chairman.
7 For the purposes of this subsection, the term 'person' shall
8 include the borrower.

9 “(w) Notwithstanding any other provision of this sec-
10 tion, the authority provided in this section to make guarantees
11 or commitments to guarantee or enter into cooperative agree-
12 ments under subsection (b)(1), to make guarantees or com-
13 mitments to guarantee, or to make loans or grants, under sub-
14 section (k), to make contracts under subsection (h), to
15 use fees and receipts collected under subsections (b) and (j)
16 of this section, and the authorities provided under subsection
17 (n) of this section shall be effective only to the extent provided,
18 without fiscal year limitation, in appropriation Acts enacted
19 after the date of enactment of this section.

20 “(x) No person in the United States shall on the grounds
21 of race, color, religion, national origin, or sex, be excluded
22 from participation in, be denied benefits of, or be subjected to
23 discrimination under any program or activity funded in
24 whole or in part with assistance made available under this
25 section: Provided, That Indian tribes are exempt from the
26 operation of this subsection: Provided further, That ...

1 exemption shall be limited to the planning and provision of
2 public facilities which are located on reservations and which
3 are provided for members of the affected Indian tribes as the
4 primary beneficiaries.

5 “(y) In carrying out his functions under this section,
6 the Administrator shall provide a realistic and adequate
7 opportunity for small business concerns to participate in the
8 program to the optimum extent feasible consistent with the size
9 and nature of each project.

10 “(z)(1) Recipients of financial assistance under this
11 section shall keep such records and other pertinent documents,
12 as the Administrator shall prescribe by regulation, including,
13 but not limited to, records which fully disclose the disposition
14 of the proceeds of such assistance, the cost of any facility, the
15 total cost of the provision of public facilities for which assist-
16 ance was used, and such other records as the Administrator
17 may require to facilitate an effective audit. The Adminis-
18 trator and the Comptroller General of the United States or
19 their duly authorized representatives shall have access, for
20 the purpose of audit, to such records and other pertinent
21 documents.”.

22 “(2) All laborers and mechanics employed by contractors
23 or subcontractors in the performance of construction work
24 financed in whole or in part with assistance under this section
25 shall be paid wages of rates not less than those prevailing on
26 similar construction in the locality as determined by the

- 1 Secretary of Labor in accordance with the Davis-Beacon
- 2 Act, as amended (40 U.S.C. 276a--276a-5). The Secretary
- 3 of Labor shall have, with respect to such labor standards,
- 4 the authority and functions set forth in Reorganization Plan
- 5 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and
- 6 section 2 of the Act of June 13, 1934, as amended (48 Stat.
- 7 948; 40 U.S.C. 276(c))."

94TH CONGRESS
2D SESSION

H. R. 12112

[Report No. 94-1170, Part I]

A BILL

To provide additional assistance to the Energy Research and Development Administration for the advancement of nonnuclear energy research, development, and demonstration.

By Mr. TEAGUE

FEBRUARY 25, 1976

Referred to the Committee on Science and Technology

MAY 15, 1976

Reported with an amendment, referred to the Committee on Banking, Currency and Housing and to the Committee on Interstate and Foreign Commerce for a period ending not later than June 10, 1976, for concurrent consideration of such provisions of the bill as fall within the jurisdictions of those committees under Rule X, clause 1(d) and clause 1(1), respectively, and ordered to be printed