U.S. FOREIGN POLICY AND THE LAW OF THE SEA

HEARINGS
BEFORE THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
NINETY-SEVENTH CONGRESS
SECOND SESSION

JUNE 17, AUGUST 12, AND SEPTEMBER 30, 1962

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APPENDIX 1

LETTER DATED JUNE 8, 1982, FROM CHAIRMAN ZABROCKI REQUESTING WRITTEN TESTIMONY FROM WILLIAM V. RAPP, VICE PRESIDENT, BANK OF AMERICA

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
WASHINGTON, D.C., JUNE 8, 1982.

Mr. William V. Rapp,
Vice President, Project Finance Group 501L, Bank of America, San Francisco, Calif.

Dear Mr. Rapp:

The Committee on Foreign Affairs has scheduled hearings on June 17th and June 22nd on U.S. foreign policy and the Law of the Sea. The Committee will review the results of the 11th session of the Law of the Sea Conference, which concluded at the end of April in New York and consider how best the United States can promote its foreign policy ocean interests, including issues concerning seabed mining.

I am writing to invite you to submit written testimony for the hearing record without respect to the political-economic risks that financial institutions such as the Bank of America take into consideration in determining whether to invest in the development of a U.S. seabed mining industry in exclusive economic zones and in international waters, beyond the limits of national jurisdiction. A recent report prepared by the General Accounting Office, "Impediments to U.S. Involvement in Deep-Ocean Mining Can Be Overcome," discusses in Chapter III, Capital Availability and Technology Development, and in particular certain provisions in the 1989 Deep-Sea Hard Minerals Resource Act as well as the Treaty that was adopted on April 20th that would impede financing seabed ventures. A copy of this report is enclosed for your reference; please see pages 30-32. The Committee would appreciate having your assessment as to whether the Bank of America would be willing to invest in U.S. seabed mining operations in international waters, beyond the limits of national jurisdiction, under any or all of the following three sets of circumstances: (1) the 1989 Deep-Sea Mining Act, that is, under unaltered legislation; (2) under a nonproliferating States' agreement among two or three countries, the United States, the United Kingdom, and the Federal Republic of Germany; (3) under a comprehensive treaty whose provisions on seabed mining were altered to meet the requirements of financial institutions. In the latter regard, the Committee would be interested in knowing which provisions of the Treaty would need to be changed to meet the requirements of the Bank of America in order for it to invest in the seabed mining industry.

I regret that you cannot testify in person before the Committee; however, we shall ask to see your written testimony for the hearing record, and may call on you at a later time to appear before the Committee. Meanwhile, should you have any questions concerning your written testimony, please do not hesitate to telephone Peggy Galley of the Committee Staff at (202) 225-5031.

With best wishes,

Sincerely yours,

Clement J. Zabrocki, Chairman.

Enclosure.

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