settled, the better. The "blocking-up program" makes good sense to me. Clearly the several bureaus in the Department of the Interior that would be concerned will have to have the funds and capacity to develop the basic information that will be required and to work up the conservation and other requirements that would go along with any lease program.

In conclusion, I believe that the five-point program is a good one at this stage. It is recognized, of course, that a careful mixture of clarity and firmness on one hand with flexibility and reasonableness on the other, will be necessary. The two-phase approach, first of research and development and then later of commercial scale development, seems best to me in terms of conservation of land and water resources in the oil shale region, in terms of assuring the public adequate returns on its property, and in terms of making it possible for private enterprise to get on with developing the resource in an orderly way.

Thank you.

Senator Moss. Thank you, Mr. Fisher. This discussion of the two-phase development is, of course, the heart of this present inquiry, I believe. At least it is one of the sticky points about which we must make some decisions.

Mr. Fisher. Yes, sir.

Senator Moss. Your suggestion that perhaps we should have private companies take a lease on a small section and do the research and development work and then be eligible to bid on a larger commercial block of land sounds reasonable. I am wondering how the eligibility might be made sufficient by elastic. Suppose a private company, in doing its research and development work spent $10 million, another one did research and development work, and only spent $1 million. Do they have a varying eligibility then in bidding for the larger block later?

Mr. Fisher. Well, this would be a hard administrative determination and I do not have an answer to it. It is a problem. I would think there would have to be some cutoff point expressed in terms of research and development money spent or results achieved and any company that had done that or more would be given a special leg-up on the commercial leasing.

Senator Moss. In any event, the point is an intriguing one. I think, obviously, the way to induce private industry investment and know-how is to give them a degree eligibility so that there is a possibility of recovery of investment once the process has been perfected. How to get to it is the thing that I am still turning over in my mind.

Mr. Fisher. Yes. I do not see it clearly in administrative terms either. I could imagine a minimum figure in terms of research and development money spent. It is conceivable, I suppose, that any company might be allowed to engage in the lease bidding but a percentage preference would be given to those who had done a certain amount of research and development and, I think, in the end it would have just to be an administrative determination of what that minimum amount would be which would qualify a company for what I called a moment ago the leg-up advantage.