

consideration of other values, including optimum financial return to the federal government, preventing of pollution, stopping monopolies, avoidance of speculative windfalls, elimination of wasteful extractive practices, and preservation of aesthetic and other values of national concern. Basic to all our thinking is of course, our obligations to avoid waste of the resource itself by denying it an opportunity to enter the energy field.

Our discussions, including the one with you, have identified what we consider to be the major goals by which to judge any program for development of federally owned oil shale, and probably of non-federally owned oil shale as well.

These are—

1. Development of oil shale as an available supplemental energy source to meet national security needs. The other benefits of development, nationally and regionally, are obvious without further comment.
2. Protection against pollution and waste and against any unnecessary lessening of aesthetic and other use values.
3. Provision for maximum privately financed development as an alternative to publicly financed operations.
4. Provision for optimum financial return to the federal government by minimizing windfall profits, monopoly control and preferred treatment for any segment of the national economy.
5. Giving fair recognition to the role of private, state, and federal contribution to an oil shale development program and to the just interests and responsibilities of each.

After consideration of your proposed regulations we conclude we should here honor your request for our advice by leaving technical discussion to the lawyers and other professionals and addressing our comments to the soundest method for achieving those essential goals.

You have indicated your proposed regulations are tentative and that you seek and welcome suggested improvements.

After careful study we conclude that the regulations need some revision to best achieve your stated objectives. We agree with you that a competitive private enterprise, operating within the framework of the general laws for the protection of the public interest, is the only suitable vehicle for the development of an oil shale industry.

This view gives full recognition to our full and firm support for proper conservation of our natural resources, for preservation and improvement of our environment, and for proper regulation of those who would misuse the opportunities afforded private enterprise in our nation and states. All these we have weighed, and no one should assume otherwise. Our concern is with seeing that an oil shale industry develop, and that all development, whether on federal, state or privately owned land conforms to controlling public interest requirements.

The following expands our views on the results of testing the goals we have stated against proposed and possible alternative procedures.

*First: National Security.* Oil shale in the ground and without availability of its oil and other products through proven and immediately useable methods is valueless in national emergencies. Recent Middle-East and other area incidents show that potential need for alternate sources of oil may arise with critical suddenness. Only presently accelerated research and experimentation plus pilot and proto-type plant operations in a variety of areas can provide the answer. Not to know whether oil shale resources can be available if and when needed is a dangerous ignorance we need not and should not risk.

We believe the public interest, with special emphasis on national security, demands that shale oil in substantial quantity begin to flow to the market place in the 1970's. A program which brings to bear all of the financial and technological resources of industry can accomplish this objective. Such a program for offshore oil land drilling resulted in resolving much the same questions as are found in developing oil shale. Such a program for oil shale can, we believe, result from your regulations as to the federal portion of the resource. The changes in approach, which we propose, will better achieve the necessary efforts from industry.

*Second: Protection of other values.* There can be no disagreement between us as to the need to avoid waste of the resource itself by non-use or misuse, to stop or prevent air and water pollution, to treasure and protect all surface and aesthetic values to the greatest extent possible, to give our full attention to water and community development and planning. Our only possible disagreement would