

have styled a general summary of the comments which have been received by this department up to this point. This is not complete, but we did feel this should be in the record.

The CHAIRMAN. Without objection, the comments you referred to will be included at this point.

(The document referred to follows:)

GENERAL SUMMARY

Thirty six specific comments have been received or considered by August 22, 1967, in connection with the invitation to submit comments concerning the proposed oil shale regulations as published in Federal Register of May 10 (Vol. 32, No. 90).

These comments were separated into the following categories:

Congressional	2
Federal agencies	3
State government agencies	4
Associations	2
Industry	18
Conservation groups	1
Private individuals	6

The period for submitting comments has been extended until the close of business October 16.

Summary Analysis

Major interest in the proposed regulations center around the following points:

1. **Royalties:** Some stated the regulations concerning royalty are not realistic, and that to encourage company participation no royalty should be required until at least five years after commercial production; thereafter, the royalty should be modest—i.e., five percent of the production at the mine or wellhead. There was a suggestion that royalty payments be used to offset deferred rentals.

2. **Patents:** Some stated that the provision in the proposed regulations that the United States acquire title to all inventions will discourage participation. It was contended that as an incentive, the participant should have the right to retain title to all inventions subject only to the requirement that they be licensed to others on a nondiscriminatory reasonable royalty basis. Most making this point also urged a use of a competitive leasing system. On the other hand the view was expressed that the patent technology be available to all without cost.

3. **Term:** It was suggested that the lease should be for a fixed term of years and as long thereafter as oil shale is commercially produced—provision should be made for an extension of the fixed term on a showing that research has proceeded diligently and that there is a reasonable possibility that research will prove successful or that commercial production can be obtained during the extended term. It was suggested that the uncertainties contained in the proposed regulations with respect to the lease term should be eliminated.

4. **Acreage:** Some criticized the provision permitting a reduction in acreage when commercial production is attained. It was contended that few companies would be willing to undertake a research project of this nature without knowing in advance the number of acres that it would be entitled to hold during both the research and commercial phases of the lease. It was also urged that one of the most important facts to be developed through research is a determination of the optimum sized tract for oil shale development and that the acreage allowed a participant should be large enough to permit research and experimentation in this regard.

5. **Selection of Lessees:** There was opposition to the criterion of evaluating applications for leases on the basis of the applicant's need for lands to conduct research, on the ground that applications should be granted to any applicant that indicates it has the financial and technical ability to conduct a good research program. Many suggested that competitive bidding be used as the system for selecting lessees.

6. **Multiple Resources:** Some urged that it was not clear from the proposed regulations whether nahcolite and dawsonite are included in the definition of