

III. Bureau of Outdoor Recreation

The Bureau requests that a section be inserted to provide consultation with B.O.R. in site selection and priority of areas to be given where there will be the least adverse effect on recreation resources and natural beauty environment.

STATES

I. Governors John A. Love, Colorado, Calvin L. Rampton, Utah, and Stanley Hathaway, Wyoming, joint letter to the Secretary

A. The major goals for a development program on federally owned oil shale lands and probably non-federally owned oil shale lands 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. Provisions 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.

They concluded that the regulations need some revision to best achieve the stated objectives; They agree 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.

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

1. *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. Only presently accelerated research and experimentation plus pilot and proto-type plant operations in a variety of areas can provide the answer for the availability of the petroleum product.

2. *Protection of other values.*—There can be no disagreement 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. The only possible disagreement would be as to methods. Neither the federal, state, or private interests have or should have a monopoly on devotion to or efforts for such programs. No program would be acceptable which disregards the multiple values of those areas containing oil shale.

3. *Private Financing.*—(a) The full costs of carrying an unborn oil shale industry to full growth can only be estimated. However, the development of oil shale in the three states appears to be a closely parallel situation to the recent history of the Outer Continental Shelf. Less than a generation ago, little was known about techniques of handling deep water drilling. The impediments to such development were considered all but insurmountable. Without reasonable rules and adequate incentives, private capital could not have been invested. With adequate opportunities and incentives, private development of oil shale might duplicate such progress. Private capital can be expected to make the investments and provide the efforts if incentives are adequate. Certain changes in the proposed program are needed to achieve such private effort.

(b) The concept of negotiated leases based on the "need" of an applicant for oil shale reserves creates serious impediments to any development. It also creates serious problems for administration that far overbalance any possible benefits. The actual "need" with which we are concerned is the need for our nation to develop an alternative source of energy to be available when required. The premise of your proposed regulations appears to be that the lease holder who has no present oil or other reserves might be expected to proceed more aggressively. It does not necessarily follow that he will be most successful.

(c) Further, the wisdom of a Secretary of the Interior is questioned. He is exposing his high office to the attacks which will be made charging favoritism