

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., September 14, 1967.

Senator HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee, New Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: I am taking this opportunity to comment on the oil shale resource problem that is currently being considered by your committee. Three facts stand out in any examination of these oil shale deposits.

First, the vast extent of the resource. According to the Geological Survey the deposits contain 170 trillion barrels of oil. Estimates of recoverable oil range to high figure of 2.6 trillion barrels worth more than \$5 trillion.

Second, 85% of the resource is owned by the American people through their government.

Third, we appear to know virtually nothing about the full extent or value of this precious resource and very little about development costs, problems and processes.

For these reasons I urge your Committee to prohibit the Secretary of the Interior from proceeding with plans to lease this shale oil land to private industry for research and development. Any attempt by the Secretary to draft final regulations in view of the many unanswered questions that remain would be akin to the efforts of a blind man in a darkened room to read an unknown language.

I have seen no evidence to indicate that it is essential, or even desirable to develop these shale oil reserves with the haste exemplified by the Secretary of the Interior's decision to issue draft regulations. Naturally the Secretary is under severe pressures from within the oil industry to proceed with a development plan. But it is up to your Committee, Mr. Chairman, to put a brake on the present headlong rush to lease this land.

This Committee and the Congress, not the Interior Department, should make the significant decisions as to how this extraordinarily valuable property should be handled. The stakes are too high, the public interest is too transcendent, the pressures are too great, and the questions are too many to permit these decisions to be left to administrative discretion.

It would be irresponsible of me to suggest this course to your Committee without presenting some sort of alternative that would protect the interests of my Wisconsin constituents and the people of his country, which we all represent. I am currently drafting legislation which would reassert the legitimate rights of the people in this public treasure trove. I only wish I could have come before your Committee with a final version of the bill for discussion during the current hearings. However I can say that it will deal with the multiple problems that will be encountered in developing this resource by setting up a mechanism to:

Determine the extent and value of the resources, including not only the oil shale but aluminum, sodium and other minerals as well.

Evaluate the impact vast residues from the processing of the shale could have on our natural environment and how to avert this type of pollution.

Investigate the adequacy of existing technology to get the extraction job done as well as the type of research that needs to be undertaken and by whom, and decide on the disposition to be made of the results of this research.

Clear title to disputed claims to much of the shale oil land.

Decide on the most orderly, fairest way of allocating these shale oil reserves with particular reference to encouraging competition within the industry as well as protecting the rights of the smaller, independent oil companies.

Set the level of payment the Federal government should receive from the extraction of oil and other minerals from the shale as well as the proper distribution of these payments among the states within which the deposits are located, the remaining states, and the Federal government.

None of these questions have been satisfactorily answered. Until they are, this Committee should not permit these deposits to be leased. And the Congress has a unique responsibility to assume the mantle of leadership in seeing that these many problems are approached by the Federal government in an orderly, sensible fashion. We cannot refuse this stewardship of the public trust.