

cipients of these revenues also receive a great many other economic and social benefits by reason of activities conducted on the Federal lands.

The Bureau of the Budget advises that there is no objection to the submission of this report and that the Bureau is opposed to the enactment of this legislation not only for the reasons set out in this report but also because the bill would be inconsistent with the 1969 Budget and result in an increased deficit.

Sincerely yours,

DAVID S. BLACK,
Under Secretary of the Interior.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., February 20, 1968.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 1826, a bill "Relating to the conservation of natural resources upon lands of the United States and amending certain provisions of the Outer Continental Shelf Lands Act and the Mineral Leasing Act."

S. 1826 has three separate but related purposes. First, section 3 would make state conservation laws and regulations, including market-demand proration, applicable without discrimination to all federal lands and mineral interests (including trust lands) within the States or on the adjacent outer continental shelf, to be administered and enforced by state officials; and section 4 would amend section 4(a) (3) of the Outer Continental Shelf Lands Act, 43 U.S.C. 1333(a) (3), by correspondingly modifying its negation of state interest in or jurisdiction over the outer continental shelf, and by giving state courts concurrent jurisdiction with federal courts of proceedings to enforce state conservation laws and regulations with respect to the outer continental shelf. Second, section 5 would distribute receipts from outer continental shelf leases (including those now impounded pending title determination), 37½% to the adjacent State, for roads or education, and 62½% among all States in proportion to population, for education. Finally, section 6 would amend section 35 of the Mineral Leasing Act of 1920, 30 U.S.C. 191, to increase from 37½% to 60% the share of the public lands mineral lease revenues given to the State where the land lies, for roads or education, and to decrease from 52½% to 30% the share contributed to the Reclamation Fund or given without restriction to Alaska.

Existing statutes authorizing the Secretary of the Interior to issue mineral leases on federal lands give him authority to prescribe applicable conservation regulations. These include the Mineral Leasing Act of 1920, section 30, 30 U.S.C. 187; the Mineral Leasing Act for Acquired Lands, section 10, 30 U.S.C. 359; the Act of May 21, 1930, for leasing minerals under railroad and other rights of way, section 6, 30 U.S.C. 306; and the Act of May 11, 1938, for leasing minerals under unallotted Indian lands, section 4, 25 U.S.C. 369d. The Outer Continental Shelf Lands Act, under which he issues mineral leases on the outer continental shelf outside state boundaries, requires him to prescribe necessary regulations, section 5, 43 U.S.C. 1334. The Naval petroleum and oil shale reserves are under the jurisdiction of the Secretary of the Navy, subject in certain respects to approval of the President or consultation with congressional committees, with experimental oil shale development conducted by the Secretary of the Interior. Production from the naval reserves is required to be adjusted to defense needs. 10 U.S.C. 7421-7438.

While section 30 of the Mineral Leasing Act, 30 U.S.C. 187, empowers the Secretary of the Interior to include various restrictions, including conservation provisions, in federal mineral leases, it requires that such provisions not conflict with the law of the State where the land lies. See the Interior Department's letter on this subject to your Committee, June 5, 1953, printed in the hearings on S. 1901, 83d Cong., 1st sess., at pages 693-694.

Until rather recently, virtually all producing areas on the outer continental shelf have been subject to a title dispute between the United States and the State of Louisiana. Pending resolution of that dispute, a practical accommodation has been reached, whereby the Secretary of the Interior has, in effect, required compliance with state regulations, but without recognizing the authority of the State in the area. On December 13, 1965, a decree was entered sustaining the exclusive federal rights in a large part of the disputed area, *United States v.*