

over and with NASA in connection with our NERVA and SNAP projects.

In conclusion, I would like to emphasize that we are looking forward to the continuation of the Federal desalting program and the early demonstration and application of large-scale desalting. We expect the atom to assist in making desalting a viable water alternative in the foreseeable future, particularly in the arid southwest, and look forward to providing the continued expertise and support of our staff and the AEC's national laboratories to the Federal program.

Thank you very much.

Senator ANDERSON. Senator Allott?

Senator ALLOTT. Yes.

The Secretary of the Interior now has general authority to propose construction prototype desalting plants with Federal participation. Since the Bolsa Island proposal of 1967 failed to be carried out, however, no further proposals have been made. S. 991 would require the Secretary to report within one year. Do you believe that a definite requirement to work toward a prototype will be valuable?

Mr. RAMEY. Yes, sir, I do, in this sense: I believe that from Secretary Smith's and Mr. O'Meara's testimony, they gave every indication that they had a desire and intent to come up with a concrete proposal, together with its factual backup, in a year. On the other hand, I believe a statutory requirement approved by the President would provide some guidance, equally, to the staff of the Bureau of the Budget, now called the OMB, who are always a little sticky and a little negative on any kind of development project, including desalting efforts.

Senator ALLOTT. I was interested in one thing in your statement in particular, and that was the systems management approach which you suggested as a necessity to successful completion and operation.

Mr. RAMEY. Yes, sir.

Senator ALLOTT. The thing that struck me when you said this, would you attribute the demise of the Bolsa Island project, at least in a major part because the systems management approach was not used in that instance?

Mr. RAMEY. Yes, sir, I think that was a large factor. As the project was originally conceived and proposed, the partners who were, as you know, the Southern California Edison people, the city of Los Angeles department of water and power, and the metropolitan water district. They were the principal proposers and in addition there were the Department of Interior and AEC at the Government level. The general idea was that they were going to have the Bechtel Corp. as a major architect-engineer constructor as sort of the systems manager for the project. But, before the project even got through the planning phase, it became clear that this approach was not going to be followed. There was not a corporate setup established for the management of the project and we had a sort of loose consortium. This, therefore, made it very difficult, and as Secretary Smith mentioned, there were just too many cooks. It was a kind of uneasy consortium with one group pulling loose on one aspect and another group pulling loose on another.

I think, of course, the other major factor involved in Bolsa Island was that it came along just at the time that costs were beginning to escalate due to increased labor charged and increased interest costs. Accordingly, one of the utilities decided that it was just a little too