

SENATE COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

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November 12, 1975

Dear Congressman Staggers:

Senator Jackson has asked me to provide you with
a copy of the enclosed letter for your information.

Daniel A. Dreyfus,
Deputy Staff Director for Legislation.

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United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

November 11, 1975

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The Honorable Richard Lamm
Governor
State of Colorado
State Capitol
Executive Chambers
Denver, Colorado 80202

Dear Governor Lamm:

Upon my return from a weekend trip yesterday, the staff brought to my attention an article from Friday's Denver Post reporting my comments on your proposed amendments to the loan guarantee program for synthetic fuels development.

I was particularly concerned about any misunderstanding the article may have created about my attitude towards giving the Governors a right of disapproval of any specific loan guarantee. While I have reservations about unlimited state rights to veto Federal actions, I have supported the concept of state disapproval in the Outer Continental Shelf Act and in the Deep Water Port Act. I will certainly consider proposals on this subject in conference and be prepared to support a provision which affords adequate protection for valid Federal interests.

With respect to the other recommendations made by the Governors, I am sure that the conference will accept appropriate language on these subjects.

I am well aware of the concerns which have been expressed about the application of the loan guarantee program to oil shale development. You may recall that the amendment which Senator Randolph and I proposed was originally limited to loan guarantees for coal-based synthetic fuel demonstrations. The loan guarantee authority was extended to include oil shale by amendment in Committee.

As you recognize, the loan guarantee program does not commit the Federal government to any synthetic fuels program. It is designed to encourage the early construction of a few prototype facilities to demonstrate the potential of new technologies. The experience of building these plants will enable us to make responsible decisions about synthetic fuel development in the future. If experience shows that the development of western oil shale is feasible, then the people of Colorado and their representatives should have a major voice in deciding whether or not to proceed with such development.

With best wishes.

Sincerely,

Henry M. Jackson
Chairman

HMJ/ggs