

Law Offices
ALBIN ANDERSON
Grand Junction, Colorado
81501

Telephone 243-3449
640 Grand Avenue

February 27, 1974

The Honorable Rogers C. B. Morton
Secretary of the Interior
Washington, D. C. 20000

Re: Oil Shale Development Impact
on Western Colorado

Dear Mr. Morton:

Enclosed, herewith, is a clipping from page 8 of the Rocky Mountain News for Wednesday, February 27, 1974. Senator Floyd K. Haskell held hearings on the above matter in Grand Junction on January 19, 1974. You would be well-advised, in view of comments attributed to you by the article, to read a summary of those hearings.

I am the attorney for the Board of Commissioners of Mesa County, Colorado, who are seeking to provide modern sanitation facilities for Mesa County before it is engulfed by sewage caused by the forthcoming oil shale boom. It is presently estimated that \$25 million will be required in the near future to meet this problem and that there is a present need for \$7.3 million for three sanitation projects in Mesa County.

I would be grateful to you if you would let me know what existing federal aid programs you had in mind when you asserted that they should be sufficient to help local governments handle the increased growth expected when oil shale production gets into full swing. You were also quoted as stating that "we are going to try to work this out with local governments before committing vast sums to putting the federal government into the business of building new towns." I also direct your attention to your statement that you would "hate to get into it (oil shale development) if I thought the West is so broke it couldn't handle it all with aid from all the existing federal programs."

I am assuming that by "local governments" you are referring to boards of county commissioners who are properly so described in this part of the West.

Will you, therefore, please let me know what federal aid and what "existing federal programs" you had in mind when you testified before Ms. Mink's subcommittee and will you also

advise us what, specifically, you are doing "to try and work this (problem) out with local governments."

Your early attention to this letter will be appreciated because already this area is experiencing an increasing immigration of an appreciable number of people representing the advance elements of the oil shale boom army.

Yours very truly,



Albin Anderson
Attorney for
Mesa County Sanitation System

AA/s
Enc.

xc: Governor John D. Vanderhoof
Hon. Peter H. Dominick
Hon. Floyd K. Haskell
Hon. James P. Johnson
Hon. Patsy Mink
Members Ad Hoc Committee
William E. Foster, Esq., Co-counsel
Mr. Ted Ford, Budget Officer Mesa County

Morton cool about hike in aid to oil shale states

By ROBERT THRELKELD
News Washington Bureau

WASHINGTON—Secretary of Interior Rogers C. B. Morton Tuesday remained cool to suggestions that the federal government boost Colorado's share of oil shale development money.

In testimony before a House subcommittee, Morton said existing federal aid programs should be sufficient to help local governments handle the increased growth expected when oil shale production gets into full swing.

"We are going to try and work this out with local governments before committing vast sums to putting the federal government into the business of building new towns," Morton said.

Gov. John Vanderhoof is pressing for a change in federal law to allow Colorado's share of oil shale development money to be raised from 37.5 per cent to 90 per cent. This money comes from bonus bids, land rentals and royalties paid by oil shale leaseholders.

Under current law, the state's share of the money can be spent only on roads and schools. However, Colorado Sens. Floyd Haskell and Peter Dominick have introduced legislation to allow the money to be spent on any public service activity.

Morton said local governments should be able to pay for other public services with money they wouldn't have to be paying on roads and schools. However, he conceded that "maybe" new legislation along the lines of the Haskell-Dominick proposal will be needed.

Morton didn't flatly reject suggestions by Rep. John Camp, R-Okla., that Colorado, Utah

and Wyoming get a larger share of the oil shale dollar.

But he said he would "hate to get into it (oil shale development) if I thought the West is so broke it couldn't handle it all with aid from all the existing federal programs."

Most of Morton's testimony before the House Interior Mines and Mining Subcommittee was in defense of the Interior Department's prototype leasing program.

The subcommittee chairman, Rep. Patsy Mink, D-Hawaii, is an outspoken critic of the program and has introduced legislation to establish a government-controlled corporation to help develop the shale deposits.

Mrs. Mink and several other members contended such a corporation should quickly develop oil shale technology "best suited to the public interest," they said, the corporation would be owned by large oil companies from which royalties would be paid on shale production.

Oil industry spokesmen said Mrs. Mink's remarks were "less than fair."

"The experience history has shown is that the most effective way to develop oil shale is through a government-owned public corporation," she said.

Despite Mrs. Mink's remarks, the House has not yet voted on the legislation.

Hon. Rogers C. B. Morton
Re: Oil Shale Development Impact
Western Colorado