

Attachment G.

## Letters Requesting OTA Study

CLIFFORD P. CASE  
NEW JERSEYCOMMITTEE  
APPROPRIATIONS  
FOREIGN RELATIONS  
TECHNOLOGY ASSESSMENT  
BOARDUnited States Senate  
WASHINGTON, D.C. 20510

January 27, 1975

Emillio Daddario  
Director  
Office of Technology Assessment  
Washington, D.C.

Dear Mire:

As you know, Senator Magnuson, chairman of the Senate Commerce Committee, and Senator Jackson, chairman of the Senate Interior Committee, have jointly requested that OTA undertake a specific analysis of the feasibility of separating exploration of the oil resources of the Outer Continental Shelf frontier areas in the Atlantic, Pacific and Gulf of Alaska from development and production.

I suggest that the OTA staff be directed to work up a proposal along this line for presentation to the Board at its next meeting.

If an assessment such as this is to be of value, as Senators Jackson and Magnuson suggest in their letter of January 23, it must be done quickly since it would be used as a basis for Congressional action that should be completed before the Interior Department's planned leasing of 10 million acres in these frontier areas by the end of this year.

It is my hope the staff can give its attention to this matter without impeding work on ongoing assessments.

Sincerely,



Clifford P. Case  
Acting Chairman  
Technology Assessment Advisory Board

CPC/vmw

cc. The Honorable Warren G. Magnuson  
The Honorable Henry M. Jackson

## United States Senate

WASHINGTON, D.C. 20510

January 23, 1975

The Honorable Clifford P. Case  
 Acting Chairman  
 Technology Assessment Advisory Board  
 United States Senate  
 Washington, D.C.

Dear Senator Case:

One of the most important issues facing the first session of the 94th Congress is the proposed leasing of oil and gas resources in areas of the U. S. Continental Shelf which have not been previously opened to leasing and the impact of such development upon the coastal zones of our coastal states.

The governors of many of the coastal states have begun to urge the Congress to consider changes in the present OCS leasing policy before (1) extensive exploration has identified the general nature and extent of the resources and (2) irrevocable commitments are made for development. One recurring request is that Congress mandate a separation between the exploration and developmental phases of OCS leasing policy. This would permit the government to obtain a better estimate of the size and value of oil and gas resources and the socio-economic and environmental impacts of commercial development prior to leasing for development and production.

We are, of course, following with interest the present OTA assessment related to possible introduction of three energy systems in "the waters off the coasts of New Jersey and Delaware. Although this study is not designed to examine OCS leasing policy, some of its findings certainly will pertain to this issue.

Last year, following hearings by the Committee on Interior and Insular Affairs and the National Ocean Policy Study of the Committee on Commerce, the Senate passed S. 3221, the Energy Supply Act of 1974, which would have made major changes in existing policies and procedures. The House of Representatives, however, did not act on the bill. We believe that Congress should act rapidly on amending the Outer Continental Shelf Lands Act this year.

The Honorable Clifford P. Case  
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**The most appropriate approach to exploration and development is a central issue.** In order to assist the Committee on Interior and Insular Affairs and the Senate *in its consideration* of OCS leasing policy, we believe that OTA should undertake a specific analysis of the feasibility of separating exploration (meaning actual exploratory drilling, but not geophysical assessment) of the OCS frontier areas in the Atlantic, Pacific and Gulf of Alaska from development and production. This analysis should consider all feasible alternatives including exploration by private industry on its *own* initiative and exploration by private industry under government contract. This analysis should consider:

1. Whether such project should be a pilot effort focused on areas of most concern to adjacent coastal states or an all-out attempt to explore all tracts.
2. The 'impact upon industry, upon on-going production, upon the rate of development and upon the economic return to the public and to industry.
3. Alternative methods of resource allocation for production and development following exploration and assessment of reserves.
4. Impact on exploration and development of data disclosure to the government and to the public.
5. Alternative bases for determination of drill sites and number of holes necessary.
6. How the program could be managed and the desired or required rate of industry participation necessary.
7. The cost of such program and availability of financial resources to offset costs.
8. Impact upon other legislation.

The Honorable Clifford P. Case


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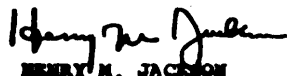
January 23, 1975

Our committees are particularly interested in whether any changes will speed up, slow down, or otherwise affect our nation's ability to obtain oil and gas from the OCS assuming such supply is necessary to meet national energy needs.

We urge the Board to approve the request as quickly as is practicable. Our respective staffs will, in the meantime, meet with the OTS staff to further define this project. On behalf of our committees, we wish to thank you for your attention to this matter of urgent concern to the nation.

Sincerely,

  
WARREN G. MAGNUSON  
Chairman  
Committee on Commerce

  
HENRY M. JACKSON  
Chairman  
Committee on Interior  
and Insular Affairs

cc: Mr. Emilio Daddario