

Interior

UNITED STATES DEPARTMENT of the INTERIOR

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OFFICE OF THE SECRETARY

Boatner--343-4124

For Release April 12, 1967

UDALL ANNOUNCES DECISION TO CHANGE ASPHALT IMPORT PROGRAM

Secretary of the Interior Stewart L. Udall announced today a decision by the Administration to provide a means by which import controls on asphalt can be eased if required by the supply-demand situation.

Decision to alter the existing oil import program was made after full consultation with all interested federal agencies, Udall said.

Under the amendment to the 1959 proclamation the Secretary of the Interior will have discretion to allow increased imports of finished asphalt. The Secretary stated that he intends to have a "thorough, expeditious consultation" with the asphalt industry and other interested parties before deciding upon how and to what extent he would exercise this discretion.

Secretary Udall related that asphalt shortages have been threatened in areas of the country over the past six months. "We must maintain ample supplies of asphalt as the inter-state road construction program is moved into high gear." Without authority to relax controls of asphalt imports, we would be helpless to deal with a serious shortage at an early stage," he continued.

Other factors influencing the decision, he said, were:

- Technological changes making possible recovery of increasing quantities of light products from crude oil, leaving less residual oil for asphalt production.
- Increasing concentration of asphalt production facilities.
- Recent price increases on East Coast asphalt, some of which were attributed to import controls by the producers involved.

Other government bodies involved in the decision to seek the amendment were the Departments of State, Defense, Commerce, the Office of Emergency Planning, the Bureau of the Budget and the Council of Economic Advisers.

Secretary Udall also announced that the Director of the Office of Emergency Planning, Governor Farris Bryant, had been requested to begin an immediate inquiry as to the national security implications of relaxing import restrictions on asphalt-bearing crude and unfinished oils to the extent they produce asphalt.

Not all crude and unfinished oils are suitable for the production of asphalt. Those which are suitable can also be refined to produce a variety

of lighter petroleum products, such as gasoline, in addition to asphalt.

The Secretary emphasized that the request to OEP was limited to consideration of easing import controls on only the asphaltic component of imported oils, and not upon the other components.

"It may be," the Secretary said, "that we should relax somewhat the present controls on asphaltic crudes and unfinished oils to assure that we have ample supplies of finished asphalt, and to protect domestic asphalt refineries from temporary economic hardship and market dislocations."

The Secretary said that Governor Bryant believes that his study can be completed in two or three months. This "will give us the answers by the time we need them." the Secretary added.

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