

C. Policy Issues

The lead group in a synthetic fuels development program would have to address the difficult problem of determining ground rules for project funding which assures equitable government and industry cost sharing. One favored technique was bidding by industry for the interest rate on a government loan or the subsidy on a synthetic fuel product. Clauses for renegotiation might have to be included if the future energy situation continues to be volatile. It was felt that bidding was the best way of determining which projects and processes were really nearest commercial viability. Another incentive mentioned was a guaranteed market such as fuel for DOD vehicles, ships or planes.

A major concern of industry was insurance against massive losses caused by precipitous scaling up of inadequately tested technology. The government "insurance" would have to be based on some mutually agreed upon norm for losses due to construction, startup and operation delays.

Although industry would be held responsible for errors in technical judgment, it would probably have to be protected against non-technical pressures such as competition from low priced foreign oil. On the other hand, the government should avoid subsidizing projects that private industry was prepared to carry out without government support.

Industrial contacts were generally of the opinion that government involvement in commercial-scale plants should not be permanent. Protection against catastrophic loss during early operation of a plant was necessary, but after several years government guarantees should be gradually withdrawn.

After the first generation of synthetic fuel plants was operating independent of direct subsidy, a number of policy questions remain: Should the government encourage operation and expansion of a coal gasification and liquefaction industry by structuring coal based fuel regulations so as (1) to increase subsidies to coal or (2) to reduce subsidies to petroleum production? Another thorny problem could be the degree to which energy prices for domestic production should be government subsidized, if necessary, to produce parity with international oil prices. Subsidies might be needed because energy intensive industries in the U.S. would operate at a disadvantage in international trade if domestic fuel prices were exorbitant.

Finally, one of the most emphatically stated industrial opinions was that government involvement should be temporary. When the large scale technical base had been established, government support should be terminated. The emergent synthetic fuels industry should be left to compete on a free market without "artificial" price adjustments relative to other domestic fuels.

**List of Contacts Made
in the Preparation of
This Report**

COAL COMPANIES

CONTACT

Consolidation Coal Company, Liberty, Penn.	
Zane Kosowski, Asst. To Vice President-Reclamation	ANL
Earl Smith, Reclamation Officer	ANL
Nelson Sole - Assistant to Vice President	ANL
Eric H. Reichl, Vice President-Research	ORNL-AEC
Hydrocarbon Research Inc., Trenton, N.J.	
Clarence A. Johnson, Vice President	ORNL
Harold H. Stotler	ORNL
Kidder Peabody, New York City	
Nick Bailey	AEC
Old Ben Coal, Chicago, Ill.	
Mr. Buchanan, Vice President	LLL
Pacific Coal Company, Los Angeles, Calif.	
R. L. Rudzik	ORNL
Peabody Coal Company, St. Louis, Mo.	
John Arnold, Vice President-Mining	ANL
Alten F. Grandt, Vice President-Reclamation	ANL
Union Carbide Corporation, Charleston, W. Va.	
Tom Brotherton, Manager, Corporate Development Dept.	ORNL
United Electric Coal Company, Chicago, Ill.	
Malcolm Propert, Vice President-Mining	ANL
Montana Power & Light Company, Billings, Montana	
Roger C. Rice, Sr. Geologist, Western Energy Division	ANL

OIL COMPANIESCONTACT

Continental Oil Company (CONOCO), Stamford, Connecticut	
M. L. Sharrah, Vice President-Research	AEC
Continental Oil Company (CONOCO), Ponca City, Okla	
John N. Dzw, Manager, Project Development, R&D	ORNL
Robert G. Jackson, Fuels Technology Development	ORNL
James C. Kirk, General Manager, R&D	ORNL
James E. Landers, Director, Fuels Technology Development	ORNL-LLL
Alan Lundeen, Supervisor, Petrochemical Research	ORNL
M. L. Sharrah, Vice President, Research & Engineering	ORNL
Richard M. Tillman, Associate Manager, Petroleum Products Division, R&D	ORNL
Warren W. Woods, Manager, Petroleum Products Division R&D	ORNL
Exxon Corporation, Florham Park, N.J.	
Edward Gornowski, Executive Vice President	ORNL
Robert Green	ORNL
Exxon Corporation, New York, N.Y.	
Fred Holloway, Vice President-Science and Technology	AEC
Gulf Oil, Pittsburgh, Penn.	
Frank Driesler, Director-Synthetic Fuels Division	AEC
Gulf Research & Development Company, Harmarville, Penn.	
Norman Coggeshall, Director Research	LLL
Gulf Energy & Minerals Company, Pittsburgh, Penn.	
R. W. Baldwin, President	LLL
Shell Oil, Houston, Texas	
Richard Mullineaux, General Manager-Refining, Marketing, Planning R&D	AEC
Standard Oil of California, Research and Development, Richmond, Calif.	
Mr. Thomas, President	LLL
Thomas Goldman	LLL
Robert Lindquist	LLL
Texaco, New York, N.Y.	
James F. Calvert, Chairman, Energy Committee	AEC

GAS COMPANIES

CONTACT

Davy-Powergas, Lakeland, Florida

Dennis Eastland

ORNL

Jerome Marten

ORNL

L. G. Restor

ORNL

S. Subramania

ORNL

El Paso Natural Gas Company, El Paso, Texas

Guy Moore

LLL

Sam Sherwood

LLL

Houston Natural Gas Company, Houston, Texas

Robert Herring, President

LLL

Robert Stewart

LLL

Southern California Gas Company, Los Angeles, Calif.

G. W. Gilmore

ORNL

T. C. Harlan

ORNL

George E. Strong

ORNL

Texas Eastern Transmission Company
(WESCO), Houston Texas

Martin Elliott, Corporate Scientific Adviser

LLL

Jack Wooten

LLL

UTILITY COMPANIES

CONTACT

Pacific Power & Light Company, Portland, Oregon

C. Eugene Phillips, Attorney

ANL

Commonwealth Edison Company, Chicago, Illinois

A. David Rossin, Environmental Officers

ANL

Southern California Edison, Los Angeles, Calif.

George Davis

LLL

Larry Papay

LLL

Pacific Gas and Electric Company (PG&E)

James Harrall

LLL

INDUSTRIAL EQUIPMENT MANUFACTURERS

CONTACT

Babcock and Wilcox Company, Alliance, Ohio	
K. S. Vorres	ORNL
Bethlehem Steel	LLL
Catalytic Inc., Philadelphia, Pa.	
Charles E. Ennis, Vice President	ORNL
FMC Corporation, Princeton, N.J.	
Norris Brunsvoild	ORNL
Foster Wheeler Corp., Livingston, N.J.	
Jon Duris, Project Engr., Process Plants Division	ORNL
Koppers Company, Washington, D.C.	
Gilbert McGurl, Senior Research Scientist	ORNL
Reginald Wintrell, Senior Process Engineer	ORNL
M. W. Kellogg Company, Houston, Texas	
A. Eugene Cover, Senior Process Engineer	ORNL
Warren Schreiner, Manager, Chemical Engineering Development	ORNL
A. Glenn Sliger, Senior Process Engineer	ORNL
U. S. Steel Corporation	LLL
U. S. Steel Corporation, Monroeville, Pa.	
Norman S. Boodman, Section Supervisor, Chemicals Division	ORNL
Vulcan-Cincinnati, Inc., Cincinnati, Ohio	
Emil Allegrini, Director - Project Management	ORNL
Robert W. Duhl, Vice President	ORNL
C. T. Liu, Senior Process Engineer	ORNL
Joseph J. Schone, Assistant to the President	ORNL

ENGINEERING FIRMS

Fluor Corporation, Los Angeles, Calif.

- * Davis S. Bruce
- * Thorn P. Cook
- * T. G. Freeman
- * J. F. Mullowney
- * R. P. Schaaf

Ralph M. Parsons Company, Los Angeles, Calif.

- Felix Cumare
- Norman E. Jentz
- W. E. Leonard, Vice President
- A. M. Marchello
- E. A. Mills
- James B. O'Hara, Manager, Energy Department
- A. N. Rippee

CONTACT

LLL - ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

ORNL

* The names of these individuals contacted should be removed if this list is made public.

ASSOCIATIONS

CONTACT

American Gas Association, Arlington, Virginia

Doug King, Vice President-Research

AEC

A. B. Flowers

AEC

American Institute of Chemical Engineers

LLL

Midwest Coal Producers, Springfield, Ill.

Otis Gibson, President

ANL

Montana Coal Council, Helena, Montana

Thomas Gwynn

ANL

National Coal Association, Washington, D.C.

Joe Brennan, Vice President-Mining

AEC

Rodney Krause

ANL

CONSULTANTS

CONTACT

Georgetown University, Washington, D.C.

Jack Bridges

AEC

Qwin Dobson & Foreman, Pittsburg, Pa.

John W. Foreman, Vice President, Mineral Industries
Division

ANL

National Economic Research Association, Inc.,
Washington D. C.

Harry Perry, Senior Consultant

AEC

RESEARCH INSTITUTES

CONTACT

Electric Power Research Institute (EPRI), Palo Alto, Calif.

Sy Alpert

LLL

George Hill

LLL

Stanford Research Institute, Menlo Park, Calif.

Jim Moll

LLL

U.S. GOVERNMENT

CONTACT

Bureau of Labor Statistics, Washington, D.C.	LLL
Dept. of Interior, Washington, D.C.	
Neal Cochran, Director-Research & Development, OCR	AEC
Alex Mills, Director-Coal Research, Bureau of Mines	AEC
Tom Henry, Bureau of Mines	AEC
Nels Jenson, DOI-AEC Liaison	AEC
Environmental Protection Agency (EPA), Research Triangle, North Carolina	
Bob Hangebrauck	AEC
Federal Power Commission, Washington, D.C.	
Bill Webb, Public Information	AEC
National Science Foundation, Washington, D.C.	LLL
Ray Zahradnik, Energy Policy	AEC
Scientific Manpower Commission, Washington, D.C.	LLL

STATE GOVERNMENTS

CONTACT

Director Mines and Minerals, Illinois	ANL
Acting Director, Department of Commerce	ANL
Department of Commerce-Industrial Development, Kentucky	ANL
Director Reclamation- Governor's Office, Ohio	ANL
Energy Office, West Virginia	ANL
Governors's Office, Pennsylvania	ANL
Governor's Office, Montana	ANL
Governor's Office, North Dakota	ANL
Governor's Office, Wyoming	ANL

LOCAL GOVERNMENTSCONTACT

Country Agricultural Extension Advisors asked to indicate reactions of local leaders and local citizens.

<u>STATE</u>	<u>COUNTY</u>	
Illinois	Perry	ANL
	Saline	ANL
	Crawford	ANL
Indiana	Green	ANL
	Spencer	ANL
	Gibson	ANL
Kentucky	Webster	ANL
	Davies	ANL
	Lawrence	ANL
Ohio	Jefferson	ANL
	Noble	ANL
	Gallica	ANL
Pennsylvania	Butlar	ANL
	Clearfield	ANL
	Payette	ANL
Montana	Roosevelt	ANL
	Powder River	ANL
	Dawson	ANL
North Dakota	Mountrail	ANL
	Stark	ANL
West Virginia	Calsoll	ANL
Wyoming	Johnson	ANL

LIST OF CONTRIBUTORS

TO THIS REPORT

CONTRIBUTING AUTHORS

<u>NAME</u>	<u>ORGANIZATION</u>
John O. Cowles, Chairman*	AEC-DAT
Joseph J. Asbury	ANL
Thomas A. Baldwin	ANL
Joseph L. Behne	LLL
Samuel G. Booras	Illinois Institute for Environmental Quality
Ralph P. Carter*	ANL
Edward J. Croke	ANL
Leland L. Dibley	LLL
F. S. Endelman	ORNL
John W. Foreman	Owin, Dobson & Foreman Mineral Industries Division
Robert E. Grench	ANL
J. M. Holmes	ORNL
Albert A. Jonke	ANL
N. C. Kostyk	ANL
Sherrill A. Mattson	LLL
Ivan M. Morvay	LLL
Jere P. Nichols *	ORNL
T. W. Pickel	ORNL
William J. Ramsey	LLL
Barney Rubin	LLL
R. Salmon	ORNL
Wesley Seitz	University of Illinois
Rufus Shivers	AEC-DAT
Douglas R. Stephens*	LLL
Howard A. Taves	LLL
Berthold J. Weis	LLL
R. P. Withner	ORNL
Stanley D. Zellmer	ANL
Eick R. Zimmerman	Soil Testing Services Inc.
AEC-Atomic Energy Commission, Division of Applied Technology	
ANL-Argonne National Laboratory, Argonne, Illinois	

ILL - Lawrence Livermore Laboratory, Livermore, California
ORNL - Oak Ridge National Laboratory, Oak Ridge, Tennessee