

**STATEMENTS OF RICHARD L. COUNTS, PRESIDENT, ROBERT SMITH,
GENERAL COUNSEL, AND LOUIS VIA, STEUART PETROLEUM
COMPANY**

Mr. COUNTS. On behalf of Steuart Petroleum Company, of which I am President, and on behalf of the Oil Heat Institute of the District of Columbia, of which our company is a member, as representing the local Oil Industry in the Washington Metropolitan Area, I welcome this opportunity to appear before your Committee and to present to you the problems of the local Oil Industry as related to the matter of air pollution in the Washington Metropolitan Area.

The local Oil Industry naturally is not opposed to air pollution controls and in fact favors them. The local Oil Industry recognizes, of course, that the burning of fuel contributes to air pollution, but at the same time we maintain that it does not play the dominant role that some would lead you to believe.

However, since attention has been focused on the air pollution problem in the Washington area, our company and our suppliers have been diligently engaged in plans and activities toward developing methods and means of producing and making available residual fuel oil of a sulphur content within limits acceptable to the health authorities. Though this presents difficult problems, good progress is being made. The Oil Industry, by the blending of products and the use of improved technology in the reduction of sulphur content residual fuel oil, has been able to reduce the sulphur content from 3 per cent to 2 per cent without any particular increase by reason thereof in cost to consumer, and for the current heating year of July 1, 1967 to June 30, 1968, 2 per cent sulphur content residual is being supplied, at least to those companies receiving products through our company's terminals, which represent approximately 75 per cent of the consumption in the area. We have been assured by our suppliers that within one year, this can be further reduced to 1.5 per cent to be available for the July 1, 1968 to June 30, 1969 heating year, and further reduced to 1 per cent by the heating year commencing July 1, 1969. We hope that this gradual reduction may be effected without disruption of the normal marketing operations and at limited increase in cost to consumers.

One per cent sulphur content residual fuel oil, reduced from 3 per cent, 2 per cent, or even 1.5 per cent, cannot be obtained merely by turning on a faucet, or by any simple process. We doubt if it is possible to achieve sufficient quantities of 1 per cent residual fuel oil to supply the entire Washington Metropolitan Area, or any major metropolitan area on the East Coast of the United States where residual fuel oil is principally consumed, prior to July, 1969. New York City, which consumes more residual fuel oil than any other city, recognized Industry's problem in this regard by adopting a program of gradual reduction of sulphur content residual fuel, when, in connection with its Air Pollution Control Act, adopted in 1964, it provided for 1 per cent sulphur content residual fuel oil after May, 1971.

The local Oil Industry, therefore, strongly urges that any legislation for air pollution control considered by this Committee, provide for gradual reduction of sulphur content in residual fuel oil so as to result in 1 per cent sulphur content residual fuel oil no earlier than July 1, 1969.