

Such a policy would also serve to eliminate much of the apprehension affected parties might feel if confronted with regulatory proposals whose economic consequences they did not have time to assess. Moreover, it would give them the time to determine how much leadtime would be required and whether compliance is, in fact, possible.

For example, a study was recently made for the American Petroleum Institute by the Bechtel Corp. to determine the cost of equipping refineries in the Caribbean area to produce extremely low sulfur content fuel oil for their eastern seaboard markets. The study showed that the required investment in new refining facilities would total more than three quarters of a billion dollars.

Obviously, the leadtime required to complete such a huge capital investment program is significant and should not be ignored in setting deadlines for delivery of extremely low sulfur content fuels.

Mr. DADDARIO. How much time are you talking about? The present law is 15 months after the criteria has been established. Do you disagree with that figure?

Dr. ECKARDT. I would say to design—from the time you reached the decision to put in desulfurization facilities, put it on the design board, go ahead and construct it and get it into operation would be of the order of 3 to 4 years.

Maybe Mr. Gammelgard would disagree with this.

Mr. GAMMELGARD. I would lower it and say 2 to 4 years.

Mr. DADDARIO. Shouldn't we assume that during the period of time when this criteria is being established that you are somehow keeping pace with it? I don't understand, Dr. Eckardt, that the criteria could come to you as a complete surprise. Somewhere along the line, with all these mechanisms you are presently developing—the fact that you are keeping in touch with the regulatory agencies—your activities must be taking place, simultaneously and in lockstep, with the development of the criteria I would think.

Dr. ECKARDT. I have learned this from talking with some of my technical people: The problem is that targets have been moving. In New York they had a time schedule for reduction of sulfur content of fuel. They started at 2.5 percent and now they are supposedly at 2.2 and they ultimately in the 1970's will get to 1 percent.

We then had an abatement conference in the New York area where they proposed that fuel content go to three-tenths of a percent by 1969, I believe, were the recommendations. Now, this makes it very difficult to keep up with. We were trying to keep pace with the previous schedule and now a new one comes in and you can't keep up with it. We couldn't possibly meet the 1969 recommendation of three-tenths percent sulfur through desulfurization facilities.

Mr. DADDARIO. What is it that prevents you from keeping up? As the targets move—as we could expect them to, as the people desire higher standards—what does cause you problems? Is there a liaison problem here, so that you aren't in fact able to establish a relationship with those people who are establishing criteria? Or is it that they, not being professionally competent, are establishing a criteria beyond their ability or your ability to achieve? You know about it, but there is nothing presently available from a technical point of view so that you could adhere to it whether you wanted to or not? Where does the problem come from?