*pursuant to Section 309 of the Tariff Act of 1930, as amended,* and (*B*) shipments (*i*) from Puerto Rico, the Virgin Islands, and Guam into the United States, and (*ii*) into any foreign-trade zone located within the United States."

EXPLANATION

This revision maintains the existing exclusion of bonded fuel from the mandatory oil import program. It uses the language of Section 2(e) of the proclamation establishing the mandatory oil import program (Proclamation No. 3279 of March 10, 1959) which has always excluded bonded fuel withdrawals from the quotas and limitations established thereunder.

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STATEMENT OF SOUTHERN CALIFORNIA EDISON CO.

The Southern California Edison Company (Edison) is a public utility that provides electric service to an area in central and southern California and central Nevada containing a population of more than 7 million people. This service is substantially dependent upon the continued operation of Edison's oil and gas-fired steam electric generating plants located in southern California. Because of its requirements for substantial amounts of low sulfur Indonesian fuel oil, resulting from the inadequacy of the gas supplies available to it and the need to conform to the strict air pollution control requirements in southern California, Edison is vitally concerned that such imported low sulfur oil continue to be available for its use.

Edison provides electric service to homes, farms, manufacturing and military establishments, food processing and preservation plants, hospitals, schools, churches, railroads, factories, water, fire and sewage services, police departments, cities, counties, unincorporated towns and rural areas and to the public generally in the area which it serves. The public health, welfare and safety in Edison's service area is dependent upon a sufficient and reliable supply of electricity by Edison.

The electric generating capacity available to Edison aggregates 8.9 million kilowatts, of which over 7.7 million kilowatts is thermal generation. Approximately 7.4 million kilowatts of this thermal generation is oil and gas-fired and is located in southern California. In addition, Edison has 1.3 million kilowatts of oil and gas-fired thermal generation under construction in southern California. Two coal-fired generating stations are under construction—one at Four Corners, New Mexico, which will commence operations in 1969, and the other in southern Nevada, which will commence operations in 1970—in which Edison will have an entitlement of approximately 1.6 million kilowatts. The generating capacity being added to the Edison system is required by load growth and the continued operation of its existing plants, as well as the operation of the above mentioned new plants, is necessary to meet the needs for Edison's electric service in its service areas.

In view of the air pollution problems which exist in the southern California area, coal cannot be burned for the generation of electricity, and Edison's oil and gas-fired generating plants use natural gas as their principal fuel supply. There, however, is insufficient gas available to this area to satisfy the fuel requirements of these plants, and fuel oil must be used to supplement the available gas supply.

In the past, California residual fuel oil, used by Edison to meet the deficiencies in the supplies of natural gas, had a sulfur content of approximately two percent by weight. However, as early as 1955, Edison was convicted in criminal actions filed by the Los Angeles County Air Pollution Control District in the Redondo Beach Municipal Court of alleged violations of the California Air Pollution Control laws. These violations were due to the combustion of conventional domestic residual fuel oil. Since 1955, because of its inability to comply with air pollution requirements, Edison has been unable to obtain permits from the Air Pollution Control District of Los Angeles County to operate its steam electric generating stations using such fuel oil, and its operations have been subject to variances.

Edison has engaged in extensive and continuing research and development programs in accordance with the requirements of the variances granted to it. These programs have involved all aspects of power plant air pollution control, ranging from a determination of the kind and amount of materials emitted by oil