

Congress of the United States
House of Representatives
Washington, D.C. 20515

February 2, 1984

Mr. Edward E. Noble, Chairman
U.S. Synthetic Fuels Corporation
2121 K Street, N.W.
Washington, D.C. 20586

Dear Mr. Noble:

As members of the Illinois Congressional delegation, we would like to express our support for a proposal that the Synthetic Fuels Corporation has been accepted as a qualified bidder. That proposal, the COGA-1 project, would produce 1.1 million tons of anhydrous ammonia fertilizer annually from 1.6 million tons of Illinois high sulfur coal. The plant would be located in downstate Illinois.

We believe that this project is worthy of the Corporation's support for a number of reasons. First, the project would use large amounts of Illinois' high sulfur coal in an environmentally safe manner to produce fertilizer that is in great demand. Further, the fertilizer produced would be a boon to our farm economy in Illinois and other agricultural states.

At the present time, anhydrous ammonia is produced from natural gas. The COGA-1 process would produce anhydrous ammonia from Illinois coal at a substantial savings over the natural gas product.

The COGA-1 plant will contribute substantially to Illinois' economy. Our state was one of the hardest hit in the recent recession. The COGA-1 plant would directly employ an estimated 1,000 to 1,500 Illinois residents during construction and approximately 75 full-time upon completion. It will create 300-500 jobs in our depressed coal industry to meet the increased demand for coal.

Our support for COGA-1 is also based on the technology to be used on the project. The plant will use the Texaco gasification process which has proven to be technologically feasible. Such a project meets your Corporation's goal of financing technologies which are environmentally sound and can be demonstrated commercially in a short period of time.

A further reason for our support for COGA-1 is that the Japanese are now building a similar coal gasification plant to produce anhydrous

Mr. Edward E. Noble, Chairman
U.S. Synthetic Fuels Corporation
February 2, 1984
Page Two

ammonia. They will import their high sulfur coal from Canada. There is no reason why the U.S. should surrender this market to the Japanese when we have with COGA-1 both the technology and the coal resources to develop this fertilizer market in this country.

We should further call to your attention that Senator Percy and Governor Thompson have helped guide the development of this project for more than a year.

In sum, we feel that COGA's proposal is meritorious for the reasons we have discussed. We believe you will find that their technical proposals and cost figures are first-rate and that they demonstrate the necessary financial backing.

We hope our comments have been helpful, and we anxiously await your final decision.

Sincerely,

Alvin J. Dixon

Ed McLaughlin

John [unclear]

Lance Evans

William O. Lynam

[unclear]

Fred Amadio

Charles W. Perry

[unclear]

Lynn Martin

Paul [unclear]

George O'Brien

Robert H. Michel