

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

September 20, 1984

The President
White House
Washington, D.C.

Dear Mr. President:

One of the top priorities during the remaining weeks of the 98th Congress should be funding for the Synthetic Fuels Corporation (SFC).

The House has approved a \$5 billion cut in spending. Earlier proposals to cut \$9 billion may at first seem like a prudent fiscal endeavor. However, this attempt at budget-trimming could ultimately endanger our national security.

The SFC was formed in 1980 to promote a viable private sector synthetic fuels industry. The Corporation was, and is, designed to foster trust and cooperation between private industry and government, while helping build an energy independent America.

America has the ability to be energy self-sufficient if it can develop alternatives to conventional energy sources. These alternatives - coal, oil shale, tar sands, peat, and several others - constitute the backbone of our energy future.

One of these alternatives, coal, could supply between one-half and two-thirds of the additional energy the world needs between now and the year 2000 if it is properly developed.

We have a way to develop coal in an environmentally acceptable manner - right now. One place where this technology is ready to be utilized is in central Illinois, where local residents are working on a proposal, known as COGA-1, to produce 1.1 million tons of anhydrous ammonia fertilizer from 1.6 million tons of Illinois high sulfur coal. This new fertilizer source would help area farmers stabilize anhydrous cost and conserve precious natural resources.

COGA-1 has an application pending before the SFC. Its fate is tied directly to the funding level of SFC.

EXHIBIT A

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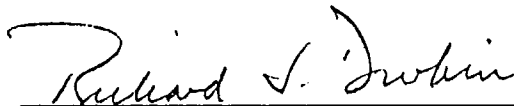
COGA-1 has competition for this new market. The Japanese have begun work on a similar project using imported Canadian coal. To lose this race in developing technology to foreign competition, in the face of our abundant coal reserves, would be a disaster.

A cut in the SFC budget which would jeopardize any new SFC projects would be penny-wise and pound-foolish. It could hurt this nation by derailing the substantial public and private efforts that have already been invested in the program.


We have expressed our opinion on this issue to the SFC regularly, but feel that the matter is of such vital importance to the nation's energy future that it should be called to your attention again at this time.

We urge you to reconsider the proposed cuts in the SFC budget and make timely appointments to the SFC Board. Thank you for your consideration.

Very truly yours,

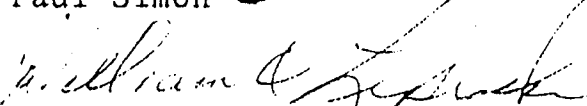

Richard J. Durbin


Alan J. Dixon


Paul Simon

Charles H. Percy


Edward R. Madigan


William O. Lipinski