



NEWS from U.S. Senator Bob Dole

(R.-Kans.)

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ADDITIONAL PILOT ENERGY PROJECTS WOULD FURTHER OPEN DOOR FOR GASOHOL PRODUCTION

WASHINGTON -- A bill introduced today by Sen. Bob Dole (R-Kan.) increasing the federal government's authorization of new energy projects would provide further incentive for production of gasohol, Dole said. The Dole bill, the Alternative Energy Source Pilot Project Act of 1979, authorizes 12 additional pilot projects, for a total of 16, for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products.

The Food and Agriculture Act of 1977 provided for research and pilot projects in the production and marketing of industrial hydrocarbons and alcohols. The bill provided for four pilot project loan guarantees from the Commodity Credit Corporation, not to exceed \$15 million each. The Dole bill would extend the number of projects to 16.

"With the increase in fuel costs since the farm bill was passed in 1977, and with the increased interest in liquid and solid fuels from agricultural products, I believe more pilot projects are needed," Dole said. "With the widespread interest in gasohol, I hope more projects in that area would be feasible.

"Proponents of gasohol will soon receive a shot in the arm from an upcoming Department of Energy report. According to the latest information circulating in the nation's capital, DOE's 18-month study cites gasohol fuels as an energy source which can 'play an important role in our national energy strategy.'

"Some researchers maintain that it takes more energy to grow corn, transport grain to the alcohol plant and distribute the gasohol than the energy produced from the crop. Others say it is difficult to find any research that shows a gasohol plant making money.

"I hope the research for the pilot projects and the projects themselves will help answer some of the questions surrounding gasohol."

Two of the original four pilot projects that received loan backing were developed by Kansas companies. One, Midwest Solvents, Inc. of Atchison, received a \$15-million guarantee to build a plant in Santa Rosa, Tex., to convert sorghum grain and sugar cane molasses to alcohol and to test sweet sorghum as an alternative feedstock. Approximately 80 percent of the total feedstock for the plant will be composed of sorghum grain. Midwest Solvents is one of the leaders in the field of gasohol development.

The other Kansas company, Guaranty Fuels, Inc. of Independence, was the recipient of a \$5.8-million loan guarantee for two North Carolina plants that will refine forest and agricultural residues into fuel pellets for direct burning in industrial boilers.

Together, the four original pilot projects involve a total of \$42.7 million in loans.

To increase the probability of qualified proposals, USDA has broadened the eligible products to include all forms of renewable biomass, including such diverse materials as the grain and stalks of corn, wheat and rice; cottonseed hulls; fruits and vegetables and their processing byproducts and residues; poultry and livestock manures and residues; wood products, including bark, pulp, chips, and residues from logging and paper manufacturing; aquatic plants; and specific energy-farm crops. USDA also broadened the definition of industrial hydrocarbon to chemically consist of carbon plus hydrogen as the major constituent.