



Department of Energy
Washington, D.C. 20585

May 10, 1982

Dear Senator:

The debate on acid rain and the associated control measures is a matter of significant concern to this country's energy consumers and producers. Secretary Edwards strongly believes that consideration of the matter must strike an appropriate balance between our desire for environmental protection and the cost of control measures to the Nation.

We should like to share with you some important information on the prospective costs for the most frequently suggested control measures. I am, therefore, enclosing a new Department report on "Costs to Reduce Sulfur Dioxide Emissions." This report examines the technical means to reduce sulfur dioxide emissions and estimates the costs necessary to achieve various control levels. Some important findings in the report are:

- o The Nation would incur an annual \$3.6 billion cost to achieve the suggested annual reduction of 10 million tons of sulfur dioxide emissions. Over a 30 year period, these expenditures would exceed \$100 billion, excluding the effects of inflation.
- o The Coal study estimates that the employment of at least 5,000 coal miners and the production of 20 million tons of coal would be lost for each one million tons of sulfur dioxide reduction achieved through fuel switching.
- o The use of flue gas desulfurization units would require electric utilities to invest \$1 to \$2 billion for each one million tons of sulfur dioxide reduction.

These are very imposing costs to be borne by energy consumers. We must be sure that the proposed emission controls will truly mitigate the effects of acid rainfall before subjecting our energy industries and energy consumers to such expenditures. Because our current scientific understanding does not explain how the effects of acid rainfall can be mitigated, we must act with caution until our knowledge is improved.

I hope that our study is useful to you and your constituents.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. Bayer", followed by a horizontal line.

Michael J. Bayer
Deputy Assistant Secretary
for Congressional Affairs

Enclosure