

NEWS

From GEORGIA TECH'S ENGINEERING EXPERIMENT STATION

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PRESIDENT'S GASOHOL PLAN
NEEDS TIME, SAYS ECONOMIST

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For Immediate Release

ATLANTA, GA....It is doubtful that the president's proposed gasohol program could be met in even two or three years, says an economist with the Georgia Tech Engineering Experiment Station.

Nick Gibson, an economist specializing in energy-related topics, says that the president's gasohol plan, based on the grain denied the Soviets, needs time. The biggest problem, says Gibson, is that the United States does not have adequate production facilities for converting large amounts of corn into ethanol, the alcohol component of gasohol.

Approximately 14 million metric tons of grain will be diverted from shipment to the Soviets. Of this amount, the equivalent of five million metric tons, or 200 million bushels, of corn has been earmarked by the president for gasohol production.

The economist says that the United States' present capacity for producing ethanol is approximately fifty million gallons per year. This is primarily from two large industrial alcohol plants, one in Illinois and one in Pennsylvania.

The embargoed corn could produce as much as 500 million gallons of ethanol, says Gibson. This is ten times the amount of ethanol we can now produce.

Gibson does feel, however, that with proper government incentives such as tax reductions and subsidy plans, the rate of ethanol production could double or triple within a year or two.

If this happens, the economist says that the five billion gallons of gasohol that could be made from the 500 million gallons of ethanol could provide about

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five percent of the nation's annual gasoline requirements.

The economist also feels that emphasis should be placed on constructing smaller, localized production facilities which would service communities. He says that building large production facilities like the ones in Illinois and Pennsylvania would mean additional transportation costs, and the facilities would be unresponsive to local needs.

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