

REPORT OF THE  
NATIONAL PETROLEUM COUNCIL'S COMMITTEE  
ON  
OIL AND GAS EMERGENCY DEFENSE ORGANIZATION  
July 15, 1954

CHAIRMAN OF THE COMMITTEE: Dr. Robert E. Wilson

601 Commonwealth Building  
1625 K. Street, N. W.  
Washington 6, D. C.

HEADQUARTERS OFFICE

TELEPHONE:

EXecutive 3-5167

Preliminary Report  
of the  
Committee on Oil and Gas Emergency Defense Organization

Under date of April 2, 1954, the undersigned Committee was appointed to make a study and present a recommendation as to the means of organization that might best be employed in reducing and overcoming the effects of attack damage on the Continental United States which might effect oil and gas facilities. The Committee was appointed in response to a request dated March 22, 1954, from Mr. H. A. Stewart, Acting Deputy Administrator of the Petroleum Administration for Defense.

The Acting Deputy Administrator, in asking for the study, said: "It is important that the Federal Government have realistic post-attack policies . . . . for petroleum gas. Therefore, a study including all levels, from the Federal Government down to and including the community level, is required in order to provide information and make recommendations to the Office of Defense Mobilization on plans for the reduction and overcoming of attack damage to petroleum and gas facilities. To be effective, these studies must be . . . . designed to assure necessary supplies of petroleum and gas to meet essential military, civilian, and industrial requirements under emergency conditions."

We understand that the MPAB has already been assigned the primary responsibility for advising the armed services on the availability of military petroleum needs in the event of war. The question that has been asked our committee might have been asked of the MPAB.

However, since the problem of civilian supply and the problem of military supply in wartime are both dependent on the same industry and the same transportation facilities, and the MPAB has no operating authority, the views of this committee as to the handling of emergency situations may be considered as covering military as well as civilian supply.

The Chairman asked the Committee members to give serious consideration in advance of the meeting to the various problems involved. He also interviewed several Washington officials to try to get some picture of Washington thinking on these problems, and contacted representatives of similar committees in the steel and chemical industries, to get the benefit of their views. A draft of a possible report was circulated to all members in advance.

At its meeting on July 14, 1954 the Committee, after thorough discussion, reached the following conclusions:

(1) In considering the type of organization necessary to handle the emergency situations resulting from a nuclear attack, it is necessary to keep in mind the integrated character of the oil and gas industry, with crude oil and natural gas sources averaging over a thousand miles from the point of consumption of the finished products, and a whole series of complicated transportation and distribution systems tying them together. To assure prompt and efficient action in a serious emergency it is necessary that the industry be guided and directed on a unified basis by men who are thoroughly familiar with its far-flung and varied operations and facilities.

To have individual refineries, terminals, or distribution systems of oil and gas subject to the orders of state or local officials unfamiliar with industry operations would result in chaos. Furthermore, every major refinery serves many different cities usually in several different states, and the same can be said for many gas transmission lines. However, we fully recognize that close cooperation with local officials in taking care of disaster situations would be essential.

(2) There are so many possible eventualities in so many different areas which might result from an atomic attack that it does not seem at all feasible to set up any detailed planning as to just what could or should be done under various hypotheses. However, consideration should be given to alternate sources of supply of petroleum products in case of complete loss of one of the five major refining areas: Jersey Area, Calumet Area, Houston-Port Arthur Area, Los Angeles Area, and San Francisco Area.

(3) The destructive power of the modern atomic or hydrogen bomb is so devastating that there are almost no precautions by way of design or construction that a refinery or other major petroleum installation could reasonable undertake in an effort to minimize damage in the event of a nearby atomic attack. Refineries can and probably should be shut down promptly and most of the personnel allowed to disperse if adequate early warning of threatened attack is available. Firefighting equipment and personnel would be of value only if a refinery happened to be in a fringe area.

(4) The greatest asset of the industry in the event of such attack would be its executives in various branches of the industry who could quickly draft emergency plans for utilizing whatever facilities remained after the bombing, and get them back into operation in minimum time. To accomplish this would require the working together of men from different companies and different branches of the industry. In our opinion, the key to prompt and effective action to get all possible facilities mobilized promptly after a bombing would be to set up emergency committees, one to deal with oil problems and one to deal with gas problems in each of the five PAD districts into which the country was divided during World War II. Men in these areas became accustomed to working together to solve all sorts of shortage and other problems during that period.

(5) In order to make possible prompt and effective action by these emergency committees in the event of a disaster, it is desirable that, without waiting for further international developments, they be appointed promptly, together with suitable alternates, and that their names and proposed functions be made known to the industry generally.

(6) Such emergency committees could get into operation much more quickly than could any centralized directing organization. However, a PAD type of organization should be set up in Washington as quickly as possible after an attack, along lines which have been previously recommended to the National Petroleum Council.

In the light of these conclusions, the Committee recommends that the following specific steps be taken, under the general direction and with the concurrence of the Oil and Gas Division of the Department of the Interior, possibly with the continuing advice of this committee until the proposed emergency committees have been set up.

(1) The National Petroleum Council should recommend to the Secretary of the Interior that he immediately name, for each of the five PAD districts, emergency committees, one to deal with oil problems and one to deal with gas problems, of capable industry men, each with one or more alternates, who would be able to guide emergency operations of the industry on a decentralized basis in the event of an atomic bomb attack. The emergency committees named would be similar in duties and general make-up to the district general committees which functioned in the PAW districts during World War II. They should have the right to appoint subcommittees as needed depending on the situation in each area. For the oil committees, subcommittees on supply and transportation, on refining, and on distribution, would appear needed in all cases. Subcommittees on production might not be needed in the first instance since producing activities are so widely dispersed, and refinery capacity likely to be the bottleneck in event of any serious attack. It is understood that steps were taken by PAD prior to its dissolution to set up a roster of key personnel in the industry. Such material should be reviewed and utilized, where possible, in naming the emergency committees.

(2) The composition of these emergency committees should be publicized so that the oil and gas industry is aware of the plans. Each of them should have one or more meetings soon after appointment to set up preliminary plans for their functioning and cooperating with local officials in the event of disaster. To insure good coordination, the chairman of the regional oil committee or his nominee should be invited to sit in on meetings of the regional gas committee and vice versa. Arrangements might well be made whereby the emergency committees either hold in remote storage, or could be sure of quickly getting from the various companies, the necessary detailed plans of the oil and gas industry facilities in their region. Also, the Oil and Gas Division should supply the emergency committees with regular, detailed, up-to-date statistical reports on industry operations, capacities, etc. as needed to carry out their assignment.

(3) A mechanism should be worked out now whereby the whole program could be set in action by a Presidential Proclamation immediately after an attack. Such a proclamation should give the emergency committee power, if necessary, to requisition materials, supplies, crude oil or products, and natural gas necessary to meet the situation. They should also have the power to set up special subcommittees and delegate limited authority to them. A list of priorities to be observed in allocating products should also be set up without delay by the Government acting with the advice of industry representatives.

(4) To provide intelligent central guidance and planning, a PAD type of organization should be reconstituted as promptly as possible after an attack, reporting directly to the Secretary of the Interior. The PAD organization would therefore guide the operations of the emergency committees, and would make proper provisions for a permanent district setup, including staff and quarters. If the Secretary of the Interior should so desire, the present or some other Council Committee might, pending the setting up of PAD, function as a temporary coordinating and advisory body.

(5) Since the industry can do so little to minimize damage in the event of attack in any one locality, oil companies are strongly urged to consider further decentralization when adding any new refining or storage facilities. Oil companies should also consider the interconnection of their refining facilities and terminals in different areas by product pipelines to the extent feasible. Consideration should be given by gas companies to expansion of underground storage facilities and interconnection of transportation and distribution systems. Such decentralizing and interconnecting facilities should be given the encouragement of rapid tax amortization.

(6) Since any major disruption of refining centers or oil distribution facilities will put a big extra load on transportation facilities at a time when military demands will also be burgeoning, and since pipelines are useful only if the facilities at each end are serviceable, encouragement should also be given to



building up of reserves of mobile transportation equipment, particularly tankers, but including tank cars, barges, and tank trucks as well. Only such mobile facilities could be relied upon to get crude and products from where they were available to where they were needed in case major refining or distribution facilities were destroyed.

This preliminary report does not cover two items of importance which some other industries - notable the steel and chemical industries have covered in their reports. These are (1) Recommendations as to methods of providing continuity of company operations in the event of a disaster, and (2) Recommendations as to advance preparations which might reasonably be made to reduce damage to, and facilitate the rehabilitation of refineries and terminals in the event of disaster. If the Council and the Oil and Gas Division wish such work to be undertaken it will be necessary to appoint two working subcommittees to study these problems and report thereon. If this is to be done, our committee should be continued, and the emergency district committees should also report to it their conclusions on the basis of their meetings and study of regional problems.

Respectfully submitted

/S/ Robert E. Wilson, Chairman

Committee on Oil and Gas  
Emergency Defense Organization

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
PETROLEUM ADMINISTRATION FOR DEFENSE  
WASHINGTON 25, D. C.

C  
O  
P  
Y

March 22, 1954

Mr. Walter S. Hallanan  
Chairman, National Petroleum Council  
1625 K. Street, N. W.  
Washington, D. C.

Dear Mr. Hallanan:

The Office of Defense Mobilization has established an Industrial Defense Committee, upon which the Department of the Interior is represented. It is designed to advise ODM on policies, plans, programs, problems, and activities related to reducing and overcoming the effects of attack damage on the Continental United States which might affect industrial facilities.

It is important that the Federal Government have realistic post attack policies, plans, and programs for petroleum and gas. Therefore, a study including all levels, from the Federal Government down to and including the community level, is required in order to provide information and make recommendations to the ODM on plans for the reduction and overcoming of attack damage to petroleum and gas facilities. To be effective, these studies must be properly coordinated with civil defense programs in disaster areas, and be designed to assure necessary supplies of petroleum and gas to meet essential military, civilian, and industrial requirements under emergency conditions.

We believe that the petroleum industry is in the best position to make this study and to advise the Federal Government on what the industry can do, how it should be done in event of such a disaster, and to what extent cooperation with Civil Defense administrators, and other interested agencies, would be necessary to assure supplies of petroleum and gas to meet such an emergency.

I request that the National Petroleum Council, as the representative of the various segments of the petroleum and gas industries, undertake a study and present a recommendation as to the means or organization that might best be employed to meet the situation, insofar as petroleum and gas is concerned.

Sincerely yours,

/S/ H. A. Stewart  
H. A. Stewart  
Acting Deputy Administrator

COMMITTEE ON OIL AND GAS EMERGENCY DEFENSE ORGANIZATION

CHAIRMAN: Robert E. Wilson  
Standard Oil Company (Indiana)  
Chicago, Illinois

Robert O. Anderson  
Malco Refineries, Inc.  
Roswell, New Mexico

Hines H. Baker  
Humble Oil & Refining Company  
Houston, Texas

Reid Brazell  
Leonard Refineries, Inc.  
Alma, Michigan

Bruce K. Brown  
Pan-Am Southern Corporation  
New Orleans, Louisiana

Stuart M. Crocker  
The Columbia Gas System, Inc.  
New York, New York

Paul Endacott  
Phillips Petroleum Company  
Bartlesville, Oklahoma

Clyde T. Foster  
The Standard Oil Company (Ohio)  
Cleveland, Ohio

B. C. Graves  
Union Tank Car Company  
Chicago, Illinois

B. Brewster Jennings  
Socony-Vacuum Oil Company, Inc.  
New York, New York

W. Alton Jones  
Cities Service Company  
New York, New York

Paul Kayser  
El Paso Natural Gas Company  
El Paso, Texas

J. Sayles Leach  
The Texas Company  
New York, New York

N. C. McGowen  
United Gas Corporation  
Shreveport, Louisiana

William G. Maguire  
Panhandle Eastern Pipe Line Co.  
New York, New York

Glenn E. Nielson  
Husky Oil Company  
Cody, Wyoming

J. French Robinson  
Consolidated Natural Gas Co.  
New York, New York

Roland V. Rodman  
Anderson-Prichard Oil Corp.  
Oklahoma City, Oklahoma

John Ruan  
National Tank Truck Carriers,  
Inc.  
Des Moines, Iowa

D. T. Staples  
Tide Water Assoc. Oil Co.  
San Francisco, California

Sidney A. Swensrud  
Gulf Oil Corporation  
Pittsburgh, Pennsylvania

Reese H. Taylor  
Union Oil Co. of California  
Los Angeles, California

Roy J. Thompson  
National Oil Jobbers Council  
Chicago, Illinois