

REPORT OF THE
NATIONAL PETROLEUM COUNCIL'S
COMMITTEE ON
MILITARY AND GOVERNMENT PETROLEUM REQUIREMENTS

October 14, 1948

REPORT OF
THE NATIONAL PETROLEUM COUNCIL'S
COMMITTEE ON MILITARY AND GOVERNMENT
PETROLEUM REQUIREMENTS

To the Members of the Military and
Government Petroleum Requirements Committee:

Gentlemen:

Attached are two statements on military petroleum requirements and offers:

- I - Bulk military requirements and commitments July-December 1948
- II - Bulk and Regional military requirements January-June 1949

The data in Statement I were furnished by ASPPA as of September 30, 1948 with a correction as of October 14th. The requirement figures include the Berlin air lift and amounts to maintain target stock levels of all products at present rates of consumption. They do not include any amounts for special stockpiling.

Requirements estimates are furnished by the various services and compiled by ASPPA. As in the past, in some cases, these estimates exceed actual lifting requirements. It will be noted that commitments for motor gasoline, kerosene and diesels are somewhat less than estimated requirements. However, ASPPA advise that present commitments for the period ending December 31, 1948 appear to be adequate to meet actual requirements including maintenance of target stock levels. No further requests for bulk products are expected during this period except, possibly, small amounts for special stockpiling purposes.

No report is made of commitments against regional requirements because of lack of uniformity in the periods involved in the various areas and lack of complete data. However, ASPPA advise that the first request for bids in each area failed to bring out offers of the full quantities of all products desired. There will be readvertisement for bids. It is suggested that all companies make every effort to offer in the areas where they are in a position to supply. The deficiency in commitments is principally in kerosene and heating oils.

Statement II represents a September 30th estimate of requirements for the January-June 1949 period. Regional requirements for this period are based on the nearest comparable 6 months period for which estimates are available.

The aviation gasoline requirements are less than the previous six months period. This is due to the completion of stock building to target levels in the July-December 1948 period. The figures include estimated requirements for a continuation of the Berlin air lift, if required. They do not include any special stockpiling requirements. The desirability of building aviation stocks above present target levels is under consideration. Such a step, which would involve additional tankage as well as product, would increase these requirements. In view of this possibility, it is suggested that aviation suppliers plan on offering at least the same amount of product as they are supplying during the July-December period.

The total estimated requirements from U. S. supply sources are about the same as the requirements and actual commitments for the July-December 1948 period. In view of this and of the overall improved supply situation, the ASPPA are requesting offers sufficient to cover the full bulk requirements well in advance of the lifting period. It is suggested that all suppliers send in their offers to ASPPA as promptly as possible for the January-June 1949 period. Such offers should be in by November 15th at the latest and preferably earlier. This will afford ASPPA and your committee time to take any steps required to obtain full coverage sufficiently in advance of required loading dates to avoid emergency rearrangements and resulting hardship on the part of individual companies cooperating with ASPPA.

The U. S. requirements for the January-June 1949 period represent the following percentages of refinery output based on recent average operations.

| | <u>Refinery Runs*</u> <u>1,000 B/D</u> | <u>% Military Requirements of</u> <u>Crude Runs</u> | | |
|----------------------------------|---|--|-----------------|--------------|
| | | <u>Bulk</u> | <u>Regional</u> | <u>Total</u> |
| West Coast (Dist. 5) | 875 | 10.2 | 2.5 | 12.7 |
| Inland (Dist 2 & 4) | 1,605 | 1.0 | 0.2 | 1.2 |
| Gulf/East Coast (Dist. 1 & 3) | <u>3,213</u> | <u>2.0</u> | <u>1.2</u> | <u>3.2</u> |
| Total U. S. | 5,693 | 3.0 | 1.1 | 4.1 |

* Actual average 4 weeks ending October 9th (West Coast, Sept. 4) from A. P. I. reports.

Very truly yours,

/s/

H. W. PAGE

Acting Chairman
Military and Government
Petroleum Requirements
Committee

October 14, 1948

STATEMENT I

BULK

MILITARY REQUIREMENTS AND FIRM COMMITMENTS

JULY-DECEMBER 1948

| | <u>Aviation</u> | <u>Motor Gasoline</u> | <u>Kerosene</u> | <u>Diesels</u> | <u>Navy Special</u> | <u>Total Products</u> |
|------------------------|----------------------|-----------------------|-----------------|----------------|---------------------|-----------------------|
| <u>WEST COAST</u> | | | | | | |
| Requirements | 4,634 | 2,100 | 340 | 2,048 | 6,082 | 15,204 |
| Commitments | 5,394 | 1,987 | 97 | 1,590 | 6,172** | 15,240 |
| <u>INLAND</u> | | | | | | |
| Requirements | 1,850 | - | - | - | - | 1,850 |
| Commitments | 549 | 68 | 25 | 50 | - | 692 |
| <u>GULF/EAST COAST</u> | | | | | | |
| Requirements | 7,754 | 2,646 | 310 | 1,567 | 1,120 | 13,397 |
| Commitments | 8,827 | 2,472 | 51 | 1,920 | 1,260** | 14,530 |
| <u>TOTAL U.S.A.</u> | | | | | | |
| Requirements | 14,238 ø | 4,746 | 650 | 3,615 | 7,202 | 30,451 |
| Commitments | 14,770 øø | 4,527 | 173 | 3,560 | 7,432 | 30,462 |
| Foreign | - | 1,665 | - | 4,154 | 11,728 | 17,547 |
| <u>TOTAL</u> | | | | | | |
| Requirements | 14,238 ø | 6,411 | 650 | 7,769 | 18,930 | 47,998 |
| Commitments | 14,770 øø | 6,192 | 173 | 7,714 | 19,160 | 48,009 |

** Includes 290 (W.C.) and 360 (G/E.C.) Heavy Residual

~~ø~~ Includes 1376 of Jet Fuel, 3000 of 115/145, 9115 of 100/130

~~øø~~ Includes 1396 of Jet Fuel, 3806 " " , 8658 " "

STATEMENT II
U. S. MILITARY PETROLEUM RE
 (As of September 30t
JANUARY-JUNE 1949

| | <u>Aviation*</u> | <u>Motor Gasoline</u> | <u>Kerosene</u> | <u>Di till</u> |
|------------------------------|------------------|---------------------------|-----------------|--------------------|
| <u>WEST COAST</u> | | | | |
| Bulk | 4,379 | 3,456 | 340 | 1, |
| Regional | 24 | 364 | 68 | 1, |
| Total | <u>4,403</u> | <u>3,820</u> | <u>408</u> | <u>3,</u> |
| <u>INLAND</u> | | | | |
| Bulk | 2,784 | - | - | |
| Regional | 45 | 458 | 35 | |
| Total | <u>2,829</u> | <u>458</u> | <u>35</u> | |
| <u>EAST COAST/GULF COAST</u> | | | | |
| Bulk | 6,293 | 3,007 | 310 | 1, |
| Regional | 127 | 638 | 134 | 1, |
| Total | <u>6,420</u> | <u>3,645</u> | <u>444</u> | <u>3,</u> |
| <u>TOTAL U. S. A.</u> | | | | |
| Bulk | 13,456 | 6,463 | 650 | 3, |
| Regional | 196 | 1,460 | 237 | 3, |
| Total | <u>13,652</u> | <u>7,923</u> | <u>887</u> | <u>7,</u> |

*Details by grades on Statement II-A

MEMO: FOREIGN:

(Based on commitments plus
offers as of Oct. 14)

Aviation
 Gasoline
 Distillates
 Navy Special
 Fuel Oil

HWP:ADC
 10/14/48

STATEMENT II-A

(Thous. of Bbls.)

Breakdown of Aviation - By Grades

| | <u>115/145</u> | <u>100/130</u> | <u>91/98</u> | <u>73/80</u> | <u>Jet</u> | <u>Total</u> |
|-----------------------------------|----------------|----------------|--------------|--------------|--------------|---------------|
| <u>WEST COAST</u> | | | | | | |
| Bulk | 1,110 | 2,430 | 108 | 11 | 720 | 4,379 |
| Regional | - | 10 | 13 | 1 | - | 24 |
| Total | <u>1,110</u> | <u>2,440</u> | <u>121</u> | <u>12</u> | <u>720</u> | <u>4,403</u> |
| <u>INLAND</u> | | | | | | |
| Bulk | 421 | 1,840 | 216 | 7 | 300 | 2,784 |
| Regional | 1 | 27 | 15 | 1 | 1 | 45 |
| Total | <u>422</u> | <u>1,867</u> | <u>231</u> | <u>8</u> | <u>301</u> | <u>2,829</u> |
| <u>EAST COAST/ GULF COAST</u> | | | | | | |
| Bulk | 1,560 | 3,696 | 555 | 46 | 436 | 6,293 |
| Regional | - | 80 | 45 | 2 | - | 127 |
| Total | <u>1,560</u> | <u>3,776</u> | <u>600</u> | <u>48</u> | <u>436</u> | <u>6,420</u> |
| <u>TOTAL U.S.A.</u> | | | | | | |
| Bulk | 3,091 | 7,966 | 879 | 64 | 1,456 | 13,456 |
| Regional | 1 | 117 | 73 | 4 | 1 | 196 |
| Total | <u>3,092</u> | <u>8,083</u> | <u>952</u> | <u>68</u> | <u>1,457</u> | <u>13,652</u> |

10/14/48