

February 25, 2011

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221, The Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-231, The Capitol
Washington, D.C. 20510

Dear Majority Leader Reid and Minority Leader McConnell:

On behalf of the Biotechnology Industry Organization (BIO), Advanced Biofuels Association (ABFA), Algal Biomass Organization (ABO) and our more than 100 advanced biofuels, renewable chemicals and biobased product member companies, we write to urge you to protect vital bioenergy program funding as you develop your spending proposal for the remainder of fiscal year 2011.

The advanced biofuels industry is making great strides towards achieving the national objective of widespread commercial deployment of next generation biofuels – and the job creation, energy security, and environmental benefits that result. Much of this progress is attributable to remarkable recent advances in biotechnology and chemical engineering. But programs established by Congress to accelerate advanced biofuels commercialization have also played a critical role – especially over the past year.

In particular, loan guarantee programs at the USDA and DOE have finally begun to unlock private investment in construction of first-of-a-kind next generation biorefineries. The **DOE Loan Guarantee Program (LGP)** and **USDA Biorefinery Assistance Program (BAP / Farm Bill Sec. 9003)** have issued a series of recent awards to promising commercial advanced biofuels projects, setting in motion the creation of hundreds of new jobs in construction and plant operation, and thousands more throughout the supply chain.

The recent release of final rules for the **Biomass Crop Assistance Program (BCAP / Farm Bill Sec. 9011)** is further accelerating investment in next generation biorefineries by opening much needed assistance to farmers to plant and establish next generation purpose-grown energy crops. These payments are vital to drive adoption of sustainable, high-yielding feedstocks, such as perennial grasses, short rotation woody crops and algae, which may take several years to take root before the first harvest is possible. These next generation crops are essential for the large volumes of advanced biofuels required to meet the targets of the Renewable Fuel Standard (RFS). The launch of this program has sparked a new optimism that critical feedstock supply challenges can be overcome. Farmers and advanced biofuels developers across the country are in intensive discussions to establish BCAP projects.

In parallel to these commercialization activities, **Biomass R&D programs** at DOE's Office of Energy Efficiency and Renewable Energy (**EERE**) and at **USDA** continue to drive new innovation in advanced biofuels, improving and expanding feedstock options, driving down production costs, enabling new fuel molecules and delivering a host of complimentary renewable

chemicals and biobased products to improve the profitability of next generation biorefineries and further reduce U.S. dependence on imported oil.

Together these programs have brought advanced biofuels to the brink of commercial reality. Cuts to these programs adopted by the House of Representatives, including drastic rescissions to the BCAP and DOE LGP and elimination of algae and other R&D funding under EERE, threaten to halt this progress just as the industry is poised to deliver its promise.

Therefore, we urge you to maintain full funding for these vital programs.

Sincerely,

Michael McAdams,



President,
Advanced Biofuels Association



Mary Rosenthal,



Executive Director,
Algal Biomass Organization



Jim Greenwood,



President & CEO,
Biotechnology Industry
Organization

