



Advanced
Biofuels
Association



ADVANCED ETHANOL COUNCIL



May 17, 2011

The Honorable Fred Upton
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Barbara Boxer
Chairman
Senate Committee on Environment and
Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Henry Waxman
Ranking Member
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable James Inhofe
Ranking Member
Senate Committee on Environment and
Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Upton, Chairman Boxer, Ranking Member Waxman, and Ranking Member Inhofe:

As the leading advocates of the U.S. biofuels industry, we are committed to policies that will ensure low carbon, domestically-produced biofuels continue to provide our nation a way forward to decreasing our dependence on foreign oil, reducing greenhouse gas emissions and creating new jobs, as well as real economic opportunity. We are equally committed to ensuring the U.S biofuels policy is implemented in a way that builds upon current technologies and fosters the development of new ones.

We commend Congress for its leadership in enacting the enhanced Renewable Fuels Standard (RFS) in the Energy Independence and Security Act of 2007 (EISA). Multiple companies are poised to make significant capital investments to commercialize new biofuels technologies in the near future that will help this country meet the appropriately aggressive targets in the RFS. The predictable market conditions facilitated by the RFS are critical to those investments. We urge Congress to stand firm in the face of calls to waive or repeal the groundbreaking biofuels provisions included in the EISA, including the RFS.

Today, the domestic biofuels industry is already creating jobs, helping to reduce U.S. dependence on foreign oil and providing downward pressure on gas prices at the pump. It is now contributing more than 400,000 jobs and \$53 billion in new activity to the nation's economy. A recent report found that additional job creation from advanced biofuels production under the RFS could reach 807,000 by 2022.

The more than 13 billion gallons of domestic ethanol produced and consumed last year alone reduced oil imports by more than 445 million barrels, a volume greater than the total annual oil imports from Saudi Arabia. Advanced biofuels production under the RFS could further reduce U.S. petroleum imports by nearly \$70 billion by 2022. Current use of ethanol as 10 percent of the nation's gasoline supply is also helping to dampen the devastating impacts of high gasoline prices.

By enabling the entire suite of biofuels as alternative sources of fuel, Congress is helping to significantly lower the cost of fuels for consumers in this country. Increased efforts for new technologies will only enhance these positive effects.

Such benefits are only the beginning. As the EISA and expanded RFS rightly recognize, new technologies and the continued evolution of America's biofuels industry will provide additional economic, environmental, and energy security benefits. By requiring that 21 billion gallons of the 36 billion gallons of required renewable fuel use in 2022 be advanced biofuels, Congress has given investors and technology developers alike confidence that a market for advanced biofuels will exist. It is important to continue to require that 21 billion of the 36 billion gallons of required renewable fuel use come from advanced biofuels, including cellulosic and algae-based biofuels. Calls to reduce, waive or eliminate the RFS would send a chilling signal to markets at time when dozens of new biofuels technologies are traversing the so-called "Valley of Death" to first commercialization.

We urge Congress to reject attempts to reduce, waive or eliminate the requirements of the RFS. This policy is essential to securing the capital investments needed to bring new biofuels technologies to commercialization.

By moving forward with the policies included in the EISA to increase the production and use of domestically produced biofuels, including advanced technologies such as cellulosic and algae-based biofuels, we as a nation can begin the challenging but necessary task of mitigating the impact of global climate change, reducing our dependence on foreign oil, and creating the kind of economic opportunities that cannot be outsourced.

Sincerely,

Michael J. McAdams



President
Advanced Biofuels Association

Brooke Coleman



Executive Director
Advanced Ethanol Council

Brian Jennings



Executive Vice President
American Coalition for Ethanol

James C. Greenwood



President and CEO
Biotechnology Industry Organization

Bob Dinneen



President and CEO
Renewable Fuels Association

cc: The Honorable John Boehner, The Honorable Harry Reid, The Honorable Mitch McConnell,
The Honorable Nancy Pelosi