

Letter in Support of the Senate Position on the Renewable Fuels Standard

July 18, 2005

Dear Energy Conferee:

As a member of the Conference Committee negotiating historic energy legislation, you will soon be considering the efficacy of a robust Renewable Fuels Standard (RFS). The undersigned organizations believe an 8-billion gallon RFS is a vital and necessary component of any meaningful energy policy and we urge you to vote in favor of the Senate position on this issue.

The Senate bill includes an 8-billion gallon national RFS to be phased-in by 2012, beginning with a 4 billion gallon standard in 2006. This provision was adopted by an overwhelming 70-26 vote. Moreover, it phases-out the use of MTBE, includes anti-backsliding provisions that will preserve the air quality benefits of reformulated gasoline, and provides significant new flexibility to refiners in the use of renewable fuels.

With record gas prices and soaring energy imports, this is a time when the nation should be maximizing, not minimizing, the use of ethanol and biodiesel. The U.S. renewable fuel industry is poised to respond. Already, the U.S. ethanol industry has the capacity to produce more than 4 billion gallons, and 17 production facilities and three major expansions under construction will add an additional 900 million gallons of capacity within the year. Importantly, the Senate position on the RFS will encourage the investment and technological innovations needed to make production of ethanol from cellulose a commercial reality.

Similar to the ethanol industry, the biodiesel industry is also undergoing rapid growth. The industry currently has the capacity to produce 30 million gallons and, with five plants under construction, will add an additional 100 million gallons of capacity.

The Senate position on the RFS represents a historic opportunity to put the nation on a path of greater energy independence and national security. Increasing the amount of domestically produced biofuels is supported by more than 25 national security leaders as a vital component of any strategy to reduce our foreign oil dependence. In a recent letter to the President, these leaders urged him to "launch a major new initiative to curtail U.S. consumption through improved efficiency and the rapid development and deployment of advanced biomass, alcohol and other available petroleum fuel alternatives." In April, a poll conducted by Moore Information concluded that more than 74% of Americans support the 8-billion gallon RFS.

Furthermore, today's record-high gasoline prices are hurting consumers, and record petroleum imports are aggravating our trade imbalance and slowing economic growth. Importantly, according to a recently released report by the Consumer Federation of America (CFA), the increased use of ethanol would help to reduce gasoline prices by as much as 8 cents a gallon. The Senate position on the RFS would maximize the production and use of domestic renewable fuels like ethanol and biodiesel to the benefit of consumers across the country.

Your support for the Senate RFS position will demonstrate your firm commitment to reducing our petroleum imports while encouraging economic growth through a domestic biofuels industry, helping lower consumer fuel prices and protecting the environment.

We urge you to support the Senate position on the RFS.

Sincerely,

Renewable Fuels Association
National Corn Growers Association
National Biodiesel Board
Environmental and Energy Study Institute
American Farm Bureau Federation
American Soybean Association
National Farmers Union
National Grain Sorghum Producers
Farm Credit Council
New Uses Council
CoBank
Biomass Coordinating Council
CenexHarvestStates
Chicago Board of Trade
U.S. Canola Association
National Barley Growers Association
National Sunflower Association
National Association of Wheat Growers
American Coalition for Ethanol
Ethanol Producers and Consumers
Energy Future Coalition
Alliance of Automobile Manufacturers
Consumer Federation of America