



Governors' Ethanol Coalition

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• **International alliances with Brazil, Canada, Mexico and Sweden** •

September 24, 2002

The Honorable W.J. "Billy" Tauzin
Chairman, House Energy and
Commerce Committee
2183 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jeff Bingaman
Chairman, Senate Energy and Natural
Resources Committee
703 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Tauzin and Vice Chairman Bingaman:

Thank you for your important work on H.R. 4, the *Energy Policy Act of 2002*. The Governors' Ethanol Coalition strongly supports the swift passage of a comprehensive energy bill this year. We are writing to urge the Energy conferees to approve without modification, the ethanol provisions contained in the Senate version of the bill.

The Governors' Ethanol Coalition believes that the fuels agreement reached in the Senate energy bill is essential to any comprehensive energy bill. The agreement eliminates the oxygen requirement from the reformulated gasoline program, phases out the use of MTBE from the nation's gasoline supplies within four years, and creates a renewable fuels standard that will nearly triple the use of domestically produced renewable fuels over the next ten years.

The benefits of the Senate's agreement are many. The agreement provides important environmental protections while ensuring increased flexibility in the gasoline supply system through a uniform solution to the MTBE issue and a national renewable fuels standard. It also stimulates rural economic development through increased production and use of domestic, renewable fuels.

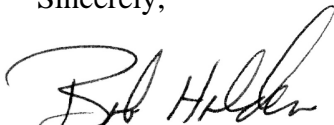
The Senate's fuels agreement has broad-based support and brought together an impressive partnership including: the White House, members of Congress, the nation's Governors, the American Petroleum Institute, the Clean Fuels Development Coalition, the Renewable Fuels Association, the National Corn Growers Association, the Northeast States for Coordinated Air Use Management, the American Lung Association, the American Farm Bureau Federation, the National Farmers Union, and the American Coalition for Ethanol.

In addition, it is important to note the dramatic impact the proposed ethanol provisions have already had on the nation's ethanol production capacity. Since June of 2002, two additional ethanol plants are now under construction, bringing the total number of plants under construction to eleven. Eight of these plants are farmer-owned, and the combined capacity of the eleven plants will be the production of more than 340 million gallons of ethanol annually.

Currently, 66 ethanol plants are operating around the country with a capacity of more than 2.55 billion gallons a year. Twenty-nine of these plants are farmer-owned. These numbers are extraordinary when considering the weakened economy and drought conditions in many areas of the nation. The expectation that Congress will approve the Senate bill's ethanol provisions has already created a solid commitment to ethanol production by the nation's agricultural community.

As Governors, we have seen the positive economic and environmental impact that ethanol facilities can have on our states and on our nation. We urge you to approve the ethanol provisions contained in the Senate energy bill to enable more Americans to benefit from the promise of a nation less dependent on imported petroleum, and more reliant on renewable energy sources.

Sincerely,



Bob Holden
Governor of Missouri
Chair



John Hoeven
Governor of North Dakota
Vice Chair



Mike Johanns
Governor of Nebraska
Past Chair



Thomas J. Vilsack
Governor of Iowa
Past Chair



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