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

August 22, 2002

The Honorable W.J. "Billy" Tauzin
Chairman, House-Senate Conference on H.R. 4
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Tauzin:

The Governors' Ethanol Coalition reaffirms its support for the fuel provisions of the Senate energy bill that modify the reformulated gasoline program and establish the Renewable Fuels Standard. An additional, complementary provision that the Coalition recommends is a fuel economy incentive for the production of dual fuel vehicles.

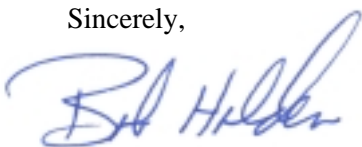
The Coalition believes it is important for the final bill to address fuel economy and this may best be accomplished by drawing from appropriate sections of the House and Senate versions. A critical link to the continued development of alternative fuels in the U.S. is the corporate average fuel economy (CAFE) credit available to manufacturers of dual fuel vehicles. The Coalition supports the provision in the energy bill that would extend the credit for four years with an option for an additional four years through the regulatory process.

Establishing this certainty will result in expansion of the dual fuel vehicle market, enabling greater use of E-85, natural gas, and other alternative fuels. The growth in refueling infrastructure can only be enhanced with the knowledge that the vehicles and fuel will be available. Furthermore, adoption of the Renewable Fuels Standard makes E-85 an attractive means of meeting this important renewable requirement.

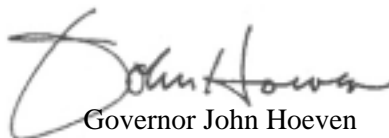
Many alternative fuel programs have by and large failed to meet expectations of previous legislation. However, when Congress established the CAFE incentive to produce alternative fuel vehicles, the manufacturers did respond. As you proceed in negotiating the provisions of the final energy bill, we urge you to include appropriate CAFE provisions and especially the CAFE credits of the dual fuel vehicle program.

We wish you success in your important task of completing comprehensive energy legislation.

Sincerely,



Governor Bob Holden
Governor of Missouri
Chair



Governor John Hoeven
Governor of North Dakota
Vice-Chair