

January 20, 2012

The President  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President:

While renewable energy discussions have been few and far between on Capitol Hill and in the election this year, the upcoming State of the Union address offers the unique opportunity to remind lawmakers and the American public of the value of a strong domestic renewable fuel industry.

The story of renewable fuels in America is a good one. Domestic production of ethanol, the largest and most viable biofuel available today, was nearly 14 billion gallons in 2011. That represents ten percent of the nation's gasoline supply. Even more impressively, ethanol represents one-quarter of all motor fuel used in gasoline engines that is produced from domestic sources.

Mr. President, ethanol is less expensive than gasoline today. Indeed, U.S. ethanol is the least expensive liquid transportation fuel in the world today, including other sources of ethanol. Consequently, the increasing supply of U.S. ethanol is helping reduce prices consumers pay at the pump. In 2010, for example, the use of nearly 13 billion gallons of ethanol helped lower gasoline prices by \$0.89 per gallon from where they otherwise would have been, according to research by the University of Wisconsin and Iowa State University. That is more than \$800 in fuel savings for every American family.

Domestic ethanol production has been an unparalleled job creator in the renewable fuel space and has had a large, demonstrable benefit to rural economies in particular. Job creation estimates for 2011 as a result of U.S. ethanol production suggest close to 100,000 direct jobs and an additional 350,000 indirect and induced jobs supported by America's ethanol producers.

The nation's growing reliance on domestic renewable fuels is reducing America's demand for imported oil. As you know, for the first time since 1997, net oil imports account for less than 50 percent of total U.S. demand for crude oil. That is down significantly from recent years when nearly two out of three barrels of oil used in the U.S. were sourced from other nations. Surely,

improved CAFE standards and increased domestic oil production have played a role. But, with ten percent of America's gasoline supply now comprised of a domestic renewable fuel, American ethanol is meaningfully and directly helping to make the dangerous threats of petrodictators to disrupt vital oil shipping lanes less impactful. This is not only saving Americans money, but it is also a way to help mitigate the need for U.S. military action to protect the flow of oil.

In both your time in the Senate, and now as President, you have demonstrated a clear understanding of the importance of domestic ethanol production from all sources. Now is not the time to rest on that record, but instead, it is an opportunity to press ever forward to break the stranglehold fossil fuels have on the nation's energy future.

That effort must begin with ensuring the integrity and the intent of the Renewable Fuel Standard (RFS) is maintained. This policy is the only nationwide domestic energy strategy that is directly reducing imports of oil while also creating permanent U.S. jobs and economic opportunities. Moreover, it serves as the policy foundation for investment in and commercialization of advanced and cellulosic ethanol technologies.

Toward that end, these promising new ethanol technologies need stable and long term tax policies that allow them to raise capital and begin production. Extensions of both the Production Tax Credit (PTC) for cellulosic ethanol and the Accelerated Depreciation Allowance for cellulosic biorefineries are two policies that are needed to spur continued investment and create some semblance of balance and parity within energy tax policy that is lacking today.

To wit, it is well past time that we eliminate duplicative and gratuitous taxpayer subsidies for very mature and very profitable fossil fuel industries. As you are aware, U.S. ethanol producers supported the expiration of a tax credit promoting its use at the end of 2011. The tax incentive had succeeded in building an important domestic energy industry. Such subsidies, including those permanently in place for the oil industry, should have an end. Now is the time to end taxpayer handouts to all oil companies, not just the largest or most profitable, and begin to create the level playing field and free market for which so many anti-ethanol and renewable energy critics claim to desire.

Through initiatives spearheaded by Agriculture Secretary Tom Vilsack, the Department of Agriculture has made wise and fruitful investments in next generation ethanol technologies, farming practices and technologies to supply a growing array of biofuel feedstocks, and ethanol fueling infrastructure that is needed to expand the market opportunity for domestically-sourced ethanol and other biofuels. These initiatives, and more like them, are vital investments in modernizing America's fueling infrastructure to create opportunities for fuels of the future and ensure the technologies to produce these fuels are given every chance to succeed.

Mr. President, your record on domestic ethanol and other biofuels is strong. As a representative of the nation's more than 200 ethanol biorefineries and the hundreds of thousands of Americans working as a result, I strongly encourage you to recognize the importance of

domestic ethanol in the nation's energy strategy. And, in so doing, recommit the tools at your disposal to ensure America remains on the cutting edge of renewable fuel production and continues to lead the world toward more sustainable energy options.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Dinneen", with a long horizontal flourish extending to the right.

Robert M. Dinneen  
President and CEO