

Governors Ethanol Coalition

January 20, 2000

Graham Messick
60 Minutes
524 West 57th Street
New York, NY 10019

Dear Mr. Messick:

On behalf of the 23 members of the Governors. Ethanol Coalition, we would like to take this opportunity to thank you for producing a story aired on January 16, 2000, on the impacts of MTBE in motor fuel and groundwater. For many years the Coalition has invited informed discussion on gasoline and oxygenates and their impact on the environment. We believe that only with informed discussion can we arrive at fuel programs that meet the needs of the nation.

Your report clearly demonstrated the need to remove MTBE from the nation's motor fuel supply. The Coalition believes that a transition from MTBE to other oxygenates is both feasible and practical. This transition maintains the air quality benefits of oxygenated fuel while simultaneously eliminating the water quality problems of MTBE, a win-win solution. The oxygenated fuels program, using ethanol as the oxygenate, has been hailed an unqualified success in Alaska, Maine, Illinois, Minnesota, Wisconsin, Oregon and numerous other states. In fact, because of the air quality benefits of ethanol in gasoline, the American Lung Association of Chicago recently released a report praising the ethanol reformulated gasoline program.

Your story suggested that the oxygen requirement of reformulated gasoline should be eliminated because the ethanol industry could not meet the demand currently satisfied by MTBE. However, current U.S. ethanol capacity is more than double the amount needed to fulfil California's oxygenate demand. In fact, given a market, ethanol can be produced using a variety of feedstocks in not only the Midwest but also many other states, including California. In a recent study, the California Energy Commission concluded that as

an alternative to MTBE-blended fuels, ethanol blends can be available at prices lower than non-oxygenated gasoline.

Thank you for your story on MTBE and its air and water quality impacts. In the future, please do not hesitate to contact us for information about ethanol's cost effectiveness, transportation or environmental impacts.

Sincerely,

Thomas J. Vilsack, Chair
Governor of Iowa

Mike Johanns, Vice Chair
Governor of Nebraska