

## Governors' Ethanol Coalition

July 31, 2001

Rep. Dennis Hastert.

Rep. Richard Gephardt.

The members of the Governors' Ethanol Coalition thank you for your strong leadership in promoting the development of the nation's ethanol industry. Because of our confidence in your continued support, we express our deepest concern over the potential for an amendment that would eliminate the oxygenate requirement in California's reformulated gasoline program. We feel that such an amendment would reverse last month's action by EPA to deny California's oxygenate waiver request. This reversal would promote backsliding on previous environmental gains, possibly reduce the supply and increase the price of gasoline, worsen our dependence on imported oil and deal a heavy blow to the emerging ethanol industry. We ask that you oppose any proposal to remove the oxygenate standard for reformulated gasoline in California or elsewhere.

The reformulated gasoline program with oxygenates has been an unqualified success in improving the nation's air quality in our most polluted areas while also reducing our dependence on imported oil. The success of this program was reaffirmed on a scientific basis in the latest decision by USEPA to deny California's waiver request. Ethanol used in reformulated gasoline will improve California's air quality, can be shipped to California economically and can eventually be produced in California. There is no scientific or economic reason to take a step backward in this nation's clean air program and our efforts to reduce imports of foreign oil.

Communities in many GEC states are now engaged in the development and expansion of their ethanol production capacity. The oxygen standard is crucial to safeguard investments and to continue the momentum of our growing ethanol industry. Again, we thank you for your leadership, and request that you work to ensure that the new promised markets for ethanol are not eliminated.

Sincerely,

Mike Johanns  
Governor of Nebraska and Chair