

Governors' Ethanol Coalition

November 13,

2001

The Honorable Spencer Abraham  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, NW  
Washington, D. C. 20585

Dear Secretary Abraham:

It has come to our attention that more than half the funds for the Office of Fuels Development and the Office of Biopower and Hydropower Technologies have been earmarked for special projects. As a result, it appears that the Regional Biomass Energy Program may receive little or no funding. On behalf of the Governors' Ethanol Coalition, I encourage you to protect funding for this small but important program.

The Regional Biomass Program is unique in that it establishes priorities in cooperation with the states and delivers funding directly to the states or to specific biomass development projects supported by the states. States have used the grants to foster rural economic development projects, including biomass-to-energy, using switchgrass, wood, and other biofuels, such as ethanol and biodiesel.

The Coalition is a group of 26 governors who support the increased production and use of ethanol. The recent record high-energy prices and record low commodity prices underscore the need for expanded production and use of biomass resources. As a domestically produced renewable source of fuel, biomass can play a pivotal role in stimulating the economy of rural America by providing value-added grain processing options and new jobs for rural parts of the nation. Domestic energy production also helps to reduce our dependence on imported oil, and lowers our vulnerability to future price hikes. Just as importantly, bioenergy

and biofuels can be a solution to many of the environmental concerns currently facing our nation.

I respectfully urge you to enhance our energy security and help our agricultural community by funding the Regional Biomass Energy Program in the final fiscal year 2002 budget at a level at least equal to fiscal year 2001. On behalf of the coalition, I appreciate your support for this important program.

Sincerely,

Mike Johanns  
Governor of Nebraska and Chair

c. David K. Garman  
John Ferrell