



GOVERNORS' BIOFUELS COALITION

Illinois Gov. Pat Quinn, Chairman Iowa Gov. Terry Branstad, Vice Chairman

October 1, 2014

The Honorable Shaun Donovan
Director, Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Dear Director Donovan:

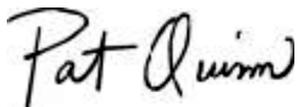
In the next few months, the nation will achieve a key goal outlined in the *Energy Independence and Security Act of 2007*: using advanced technologies to convert agricultural or municipal waste into transportation fuel. The continued expansion of the biofuels industry is essential for our nation's energy and economic future. Through continued expansion of biofuels plants, it will be possible to deliver millions of gallons of clean, renewable fuel, create thousands of jobs, lower imported oil expenditures, and reduce greenhouse gas emissions by more than 80 percent, compared to gasoline.

However, the adoption of EPA's proposed 2014 RFS volume requirements threatens to have a negative economic impact on the rural economy and on the biofuels industry, specifically on biodiesel and cellulosic ethanol. The EPA's proposed volume cuts for biodiesel are creating turmoil, resulting in production cutbacks and layoffs. More than halfway through the year, many jobs are in jeopardy and many biodiesel plants have been negatively impacted. This comes at a time when corn yields are expected to be very high. The USDA recently reported it is expecting the nation's largest corn harvest ever with record yields expected in 18 states, including our respective home states of Illinois and Iowa. Farmers are more than able to meet the demand that Congress envisioned when it passed the *Energy Independence and Security Act of 2007*.

Additionally, the proposed RFS rule has discouraged new investment in the newly emerging cellulosic ethanol industry and now threatens the many new plants about to go into commercial production. The dramatic expansion of biofuels and domestic shale oil production over the past five years, combined with increased auto efficiency, means that

the United States is within reach of an energy secure future for the first time in over 40 years. Amending the proposed rule to one that will build and restore America's robust leadership in the development and production of domestically produced renewable fuels is crucial in ensuring a successful future in rural America.

Sincerely,



Pat Quinn
Governor of Illinois
Chairman



Terry E. Branstad
Governor of Iowa
Vice Chairman

cc:

Member Governors
Honorable Gina McCarthy, Administrator, U.S. Environmental Protection Agency
Honorable Thomas Vilsack, Secretary, U.S. Department of Agriculture
Honorable John Podesta, Counselor to the President