

United States Senate

COPY

April 30, 2009

The Honorable Lisa Jackson, Administrator
U. S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460-0001

Dear Administrator Jackson:

I write to encourage the U.S. Environmental Protection Agency (EPA) to waive the prohibition on the introduction into commerce of gasoline with an ethanol content in excess of 10 percent (known as "E10") as set forth in Section 211(f) of the Clean Air Act. Additionally, I am enclosing a letter I received from Senator João Tenório of the Federal Senate of Brazil; I encourage the EPA to consider the knowledge gained and lessons learned by Brazil as that country has moved to gasoline-ethanol blends as high as 25 percent.

The Energy Independence and Security Act (EISA), P.L. 110-140, set forth a bold, but achievable increase in the Renewable Fuels Standard (RFS) to 36 billion gallons by 2022. The Clean Air Act's limitation on gasoline-ethanol blends, however, has created a "blend wall" – or the point where the RFS requirement exceeds the ability to blend E10, which currently accounts for 98 percent of ethanol usage. Estimates indicate the market will hit the blend wall in 2012, when the E10 market reaches saturation at approximately 12.5 to 14 billion gallons of ethanol, causing substantial harm to our biofuels industry while also putting the RFS at risk. This blend wall will not only damage existing ethanol producers, it will jeopardize the development of cellulosic ethanol and advanced biofuels, thereby putting at risk the important goals of reducing America's dependence on fossil fuels and increasing our national energy security.

Section 251 of EISA permits the Administrator of the EPA to waive the Clean Air Act limitation on ethanol content in gasoline, provided such a waiver does not affect the emission control systems in vehicles. On March 6, 2009, Growth Energy, together with 54 ethanol manufacturers, submitted an application seeking this waiver so as to permit the sale of ethanol-gasoline blends with up to 15 percent ethanol ("E15"). It is my understanding studies have demonstrated that E15 will not cause or contribute to the failure of any emission control devices or systems in vehicles; this includes legacy vehicles and small non-road engines. For example, an October 2008 report by the Oak Ridge National Laboratory for the U.S. Department of Energy found no significant changes in vehicle tailpipe emissions, vehicle drivability, or small non-road engine emissions as ethanol content increased to 15-percent blends. I also encourage you to look outside the United States to countries such as Brazil, which have successfully integrated higher blend levels into their national transportation fuel markets.

440 NORTH 8TH STREET
SUITE 120
LINCOLN, NE 68508
(402) 441-4600
FAX: (402) 476-8753

FIELD REPRESENTATIVE
POST OFFICE BOX 2105
KEARNEY, NE 68848
(308) 293-5818

FIELD REPRESENTATIVE
POST OFFICE BOX 1472
SCOTTSBLUFF, NE 69363
(308) 631-7614

FIELD REPRESENTATIVE
POST OFFICE BOX 791
SOUTH SIOUX CITY, NE 68776
(402) 209-3595

7602 PACIFIC STREET
SUITE 205
OMAHA, NE 68114
(402) 391-3411
FAX: (402) 391-4725

My home state of Nebraska has learned firsthand the incredible value and potential of the biofuels industry. Moreover, we as a nation have lived too long under the insecurity caused by an over-reliance on a single source of fuel for our vital transportation sector, a source we mostly import, often from hostile nations. A successful biofuels industry will bolster our economy by creating jobs and investing billions of dollars in our own country rather than sending it overseas; it will improve the environment by reducing greenhouse gases and our reliance on extractive processes; and it will strengthen our national security by reducing our dependence on foreign oil. However, the biofuels industry cannot meet this potential if it is threatened by a "blend wall" caused by an outdated limitation on the levels of ethanol which can be blended into gasoline.

As such, I respectfully encourage you to grant the waiver and permit ethanol-gasoline blends of up to 15 percent. Understanding that the EPA will need to deliberately work through the science, comments and information involved in such a decision, I would urge you to at least consider an interim step of permitting gasoline blends of up to 12 or 13 percent in order to ensure that the biofuels industry is not harmed by the fast-approaching blend wall.

Thank you for your consideration of this request. I look forward to your response. If you have any questions or need additional information, please do not hesitate to contact me directly or Erick Lutt of my staff at 202-224-6551.

Sincerely,



E. Benjamin Nelson
United States Senator

EBN:jwc

Enclosure



FEDERAL SENATE OF BRAZIL
THE OFFICE OF SENATOR JOÃO TENÓRIO

Brasília-DF, April 16, 2009

Dear Senator Ben Nelson,

I wanted to let you know that I was delighted with the positive results of the talks between President Lula and President Barack Obama.

Our two presidents exchanged ideas on issues of great importance to both our countries. They agreed that they both find themselves in a crossroad and that we should work together towards mutual progress, in areas such as trade, energy, the environment, and economic growth.

An issue of special interest to both countries was fomenting the growth of a robust and yet responsible biofuel industry in our hemisphere. This is due to the fact that we share common goals in terms of a search for sustainable ways to increase drastically the production and use of renewable fuels and its derivatives. The idea is to reduce the dependence on imported oil as well as to diminish carbon emissions in the transportation sector. This would create, as a result, the basis for sustainable economic growth and quality jobs for our citizens.

It has come to my attention that environmental agencies in the US are considering an increase of the ethanol contents in the gasoline mix of 13-15%. Furthermore, that critics of the idea allege that such decision would be harmful to small motors. In this regard, I thought helpful to inform you that Brazil has, for many years, been using 20% of ethanol in its gasoline. Currently, that rate has gone up to approximately 25%, without any harm to small motors. Such rates were arrived at after extensive scientific research, conducted by highly reputed government agencies.

As such, I would be honored to send you that information for assessment, should you deem it necessary.

With kindest regards,



Senator JOÃO TENÓRIO

His Excellency
Senator BEN NELSON
Room 720 Hart Senate Office Building
Washington, DC 20510 USA