United States Senate
WASHINGTON, DC 20510

October 31, 2007

President George W. Bush
The White House
Washington, DC 20500

Dear Mr. President:

We write to you regarding the future of our nation's renewable energy sector. In particular, we want to bring your attention to the very real barriers that exist to greater use of alternative fuels by the general motoring public. Without your assistance, we feel that a great opportunity will be missed to reduce our nation's dependence on foreign sources of energy.

We recognize and thank you for your strong leadership in promoting renewable fuels as a key component of our nation's energy policy. Your leadership, coupled with significant legislative accomplishments in Congress and historic private sector innovation and investment, has created a strong and growing renewable fuels industry that is creating jobs throughout America and strengthening our nation's energy security.

Current U.S. ethanol production capacity totals approximately 6.8 billion gallons per year. Ethanol plants currently under construction or expansion will double this figure by adding almost 6.7 billion gallons of capacity in the next 18 to 24 months, for a total of roughly 13.5 billion gallons. Additionally, you have called for and the Senate has acted upon a higher Renewable Fuels Standard in the recently passed Energy bill that would require 36 billion gallons of renewable fuel in the coming years.

As additional production comes on-line, the U.S. ethanol industry is increasingly mindful about the short-term market demand for ethanol. Domestic ethanol production is quickly approaching the maximum market demand for E10 (10 percent ethanol and 90 percent gasoline), which is projected to be 12 to 14 billion gallons of ethanol per year. At this production level, the blend market for ethanol will become fully supplied. While it is difficult to predict precisely when the ethanol industry will saturate the blend market and hit the "E10 Blend Wall," the federal government must now begin the testing process to approve higher ethanol blends and ensure that demand for ethanol keeps pace with industry expansion. If we fail to act now, excess production capacity could have harmful effects on the overall ethanol industry – not to mention a missed opportunity to further reduce our current dependence on foreign sources of energy.

In addition to an increased Renewable Fuels Standard, Congress and the Administration must work together with the ethanol, automotive, and small engine industries to begin the process of approving intermediate blends of ethanol blended gasoline for non-flex fuel vehicles. Upon the successful completion of the appropriate emissions, drivability, and compatibility tests in

variable climate conditions, we ask that you direct the Environmental Protection Agency to approve appropriate higher blends of ethanol (such as E15, E20, and E30) in a safe and timely manner following all required scientifically-based testing, and in conjunction and coordination with other relevant federal agencies and private sector industries.

We thank you for your time and consideration of this request and for your continued support for America's renewable fuels industry.

Sincerely,

Chuck Grassley

Tim Johnson

George V. Voinovich

Bob Corker

Norm Coleman