



National
Corn Growers
Association
www.ncga.com

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U.S. Environmental Protection Agency
Air and Radiation Docket ID No. EPA-HQ-OAR-2009-2011
Mailcode: 6102T
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Administrator Jackson:

On behalf of the National Corn Growers Association (NCGA), representing over 35,000 growers from across the country, I thank you for the opportunity to comment on the recent "Clean Air Act Waiver Application to Increase the Allowable Ethanol Content of Gasoline to 15 percent."

Through our groundbreaking efforts, corn growers and the ethanol industry are uniquely positioned to help America move one step closer to energy independence. Our industry is a major force in the revitalization of rural America by helping to create green jobs and by stimulating economic activity in rural communities. However, the corn ethanol industry is feeling pressure from the economic downturn in the U.S. and world economies. It is our hope that although we face challenges, we can work together to lay the foundation for a stronger, greener economy.

For that reason we are writing today to encourage consideration of an increase in ethanol blend levels in the U.S. transportation fuel market. We believe that comprehensive testing and a thorough review of sound science will demonstrate that increasing ethanol blends above 10 percent can be achieved with little, if any, impact on existing vehicle technologies.

NCGA strongly supports efforts to expand ethanol usage that can be achieved expeditiously within existing regulations in order to provide some degree of increased stability and opportunities in the marketplace. Allowing for an increase in the blend rate on an expedited basis will help the existing grain-based ethanol industry continue to grow and prosper during these tough economic times, in addition to serving as the bridge for next generation biofuels.

At a time when our country is facing a worsening economic crisis, it is critical that we recognize the significant role of the ethanol industry in promoting, not only energy independence, but a more stable and prosperous U.S. economy. NCGA sees the ethanol industry as a critical part of our nation's domestic energy security.

Moving to higher blends of ethanol is critical to the sustained health and expansion of corn and cellulosic ethanol production in the U.S. In addition, we feel strongly that an incremental move to higher blends of ethanol would send a strong signal that the ethanol industry remains a major component of the nation's energy policy, at a time when the U.S. is working to replace foreign oil with domestically produced renewable energy.

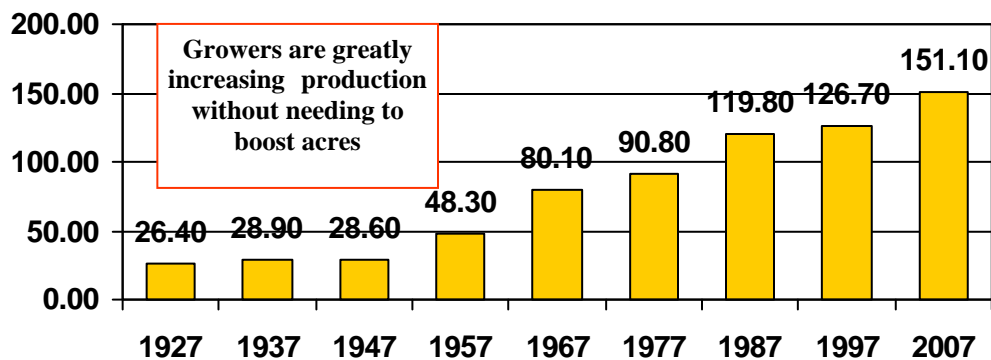
Ethanol Industry a Success Story

The expansion of the U.S. ethanol industry has created significant economic activity across rural America. A recently released study by LECG found that in 2008, the ethanol industry added \$65.6 billion to the nation's Gross Domestic Product, and created nearly 494,000 new jobs in all sectors of the economy.¹

In addition, corn production is becoming increasingly more efficient. Biotechnology enables farmers to apply fewer inputs to produce larger crops on the same land. Currently it takes about 40 percent less land to grow a bushel of corn than in 1987, and energy used to produce a bushel of corn has fallen by an average of 50 percent. According to Keystone Center "Field to Market" Report released in January 2009, the production of corn in the U.S. has made significant measurable improvements in reducing energy, water, land use and carbon emissions. In order to maintain our sustainability improvements at the production level, it is imperative that the corn ethanol industry continue to grow and prosper.

Sufficient Corn Supply to Meet RFS Mandate

According to its Agricultural Projections to 2018 report, the USDA estimates ethanol producers will use 4 billion bushels of corn in 2009 with that figure rising gradually to 4.825 billion bushels by 2015 when the RFS mandates 15 billion gallons of ethanol in the fuel supply. Even with higher levels of corn use for ethanol, the U.S. corn supply will be able to meet the needs of food, fuel and exports, while continuing to allow a carry over of more than 1 billion bushels of corn each year. This is largely due to improved corn productivity. The USDA estimates that corn production will improve 2 percent annually, going from 151 bushels per acres in 2008 to 169 bushels per acre in 2015.



¹ *Contribution of the Ethanol Industry to the Economy of the United States*, Dr. John Urbanchuk, Director, LECG, LLC, February 23, 2009.

The Future of the Industry Requires Increasing Blend Levels

With the expansion of the ethanol industry, we are quickly approaching the maximum amount of ethanol that can be blended into conventional vehicles (commonly referred to as the “blend wall”). The U.S. currently uses roughly 138 billion gallons of gasoline each year. Given the 10 percent blend wall, this means that it will take approximately 13.8 billion gallons of ethanol to saturate the existing E10 market. To date, the U.S. ethanol industry has more than 12 billion gallons of ethanol production capacity online, with an additional 2 billion gallons under construction. Given the downturn in the economy, ethanol production capacity is quickly reaching the 10 percent (artificial) blend wall. For the first time in years, Americans are driving less than the previous year. U.S. gasoline consumption in 2009 and 2010 is projected to be 6 percent below 2007 levels. This decrease in gasoline consumption will accelerate when we reach the blend wall. It is critical that all public and private stakeholders work together to quickly solve this issue. Moving to higher blends of ethanol is critical to the sustained health and expansion of corn and cellulosic ethanol production in the U.S.

Considerable scientific study has already been completed at the Federal and State level, in addition to work in the private sector regarding the use of higher ethanol blends in existing automobiles. Given the results of this testing, we believe that increasing ethanol blends based upon sound science is achievable, and we encourage EPA to use the recent waiver application as a means to increase ethanol blends above 10 percent.

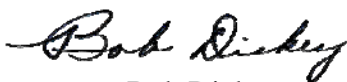
Conclusion

NCGA fully understands and appreciates that with sound science and a transparent process, the U.S. Environmental Protection Agency, together with the U.S. Department of Energy and the U.S. Department of Agriculture, will work with stakeholders in the renewable fuels industry to move toward higher blends of ethanol in our nation’s gasoline supply.

NCGA sees the grain based ethanol industry as a critical part of domestic energy security. Its inclusion as part of the nation’s energy policy has strengthened and further diversified our nation’s fuel supply in a time of global volatility and increasing demand for energy. Despite these trying times, corn growers will continue to meet the growing demands of food, feed and fuel in an economical and environmentally responsible manner.

Thank you for your time and consideration in this matter of mutual interest. NCGA appreciates the opportunity to comment on this vitally important issue.

Regards,



Bob Dickey
President