December 18, 2013

The Honorable Barack Obama
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

Starting January 1, 2014, I will begin my tenure as chairman of the Governors’ Biofuels Coalition. As incoming chairman and Governor of one of the largest ethanol producing states, I am writing to ask that the U.S. Environmental Protection Agency’s (USEPA) proposed Renewable Fuel Standard (RFS) rule be reconsidered.

In Illinois, biofuels play a critical role in the state’s economy, with a total economic impact of $5.3 billion. In 2012, the Illinois ethanol industry ranked third in the United States for ethanol production capacity. Illinois currently has 14 producing ethanol plants providing 4,000 direct jobs. Additionally, Illinois produced enough ethanol to displace 35% of the state’s petroleum usage.

The rule in its current form would disproportionately impact rural parts of our economy. In Illinois, it is critically important to keep the agriculture sector strong and growing. Illinois is home to 14 individual renewable fuels facilities with a nameplate capacity of 160 million gallon per year (MGY) and an average annual operational capacity of 1.5 billion gallons. It is estimated that the average renewable fuels plant increases commodities feedstock prices by $0.15 - $0.20 per bushel within a 50 mile radius. Furthermore, a low Required Volume Obligations target will limit a valuable market for Illinois soybean farmers and reduce the availability of a more cost-effective food and feed source.

If Illinois loses millions of bushels of potential corn demand based on USEPA’s proposed ruling, the farm economy will be adversely impacted.

For 2014, the USEPA has proposed a 1.4 billion gallon reduction in how much corn ethanol will be required under the RFS, the federal law that requires the blending of domestic, renewable, cleaner-burning corn ethanol in the nation’s fuel supply. Because of the record crop, farmers are already seeing corn prices falling below the cost of production.
The USEPA’s recent proposal would roll back the original target for 2014 and cap the mandated volume of biofuels at 15.52 billion gallons, about 1 billion gallons below the 2013 biofuels mandate. As the country recovers from the worst economic recession since the Great Depression, innovations in the agricultural industry can help protect critical jobs and contribute to economic growth.

Your Climate Action Plan calls for the increased use of biofuels to build a 21st-century transportation sector and reduce carbon pollution. The RFS serves a critical role in this effort by providing market certainty for the advancement of biofuels and enabling companies to invest in the development and commercialization of cellulosic and advanced biofuels. In the last few years, the country has become all too familiar with increasing forest fires, drought and historically strong storms. The RFS serves as an important tool in not only protecting valuable jobs, but also in working toward a greener future.

My priority as Governor of Illinois is to protect these crucially important jobs and support a diversification of our energy portfolio. Here in Illinois, I am convening an RFS advisory group to help move these issues forward. I look forward to working together to achieve these goals of mutual importance. In the meantime, I ask that your Administration reconsider the 2014 volume number for corn starch ethanol.

Sincerely,

Pat Quinn

Governor Pat Quinn

cc: Gina McCarthy, Administrator, Environmental Protection Agency
Tom Vilsack, Secretary, United States Department of Agriculture