

OFFICE OF THE LT. GOVERNOR
STATE HOUSE
INDIANAPOLIS, INDIANA 46204-2797

Sue Ellspermann
LT. GOVERNOR

For Immediate Release
January 23, 2014

Lt. Governor Ellspermann to Present at Biofuels Hearing
ISDA Director Ted McKinney and Indiana delegation join Lt. Governor at Midwest meeting

INDIANAPOLIS – Lt. Governor Sue Ellspermann and Indiana State Department of Agriculture Director Ted McKinney today led an Indiana delegation to address the importance of renewable fuels as part of a comprehensive energy plan at the “Hearing in the Heartland: Supporting the Renewable Fuels Standard” hosted by Iowa Governor Terry Branstad. A number of senior state officials from the Midwest are meeting in Des Moines to testify about the changes in the Renewable Fuel Standard (RFS) proposed by the Obama Administration.

Indiana Governor Mike Pence also sent a letter to the US Environmental Protection Agency (EPA) Administrator Gina McCarthy today requesting Federal officials to reject the proposed action (*letter attached*).

“Since 2007, the RFS and biofuels have been critically important to the success of Hoosier farmers and have been an economic lifeline to rural communities who need this investment and the jobs more than ever,” Ellspermann said. “Indiana is producing more corn and soy than ever in the State’s history – and we will continue to be among the nation’s leaders in production. It is our hope that the EPA will implement a sound RFS that puts our nation’s grain to good work.”

Members of the Indiana delegation are

- Lt. Governor Sue Ellspermann
- Ted McKinney, Director, Indiana State Department of Agriculture
- Kyle Cline, Indiana Farm Bureau, Inc.
- Mike Shuter, Farmer and representative of the Indiana Corn Growers Association
- Dave Lyons, Louis Dreyfus Commodities LLC
- Tim Phelps, Ethanol Producers Association
- Bruce Hosier, Randolph Economic Development Corporation and former Mayor of Portland, IN

“The recent proposal from the EPA lowering the minimum requirements for the RFS will undermine our nation’s efforts to develop energy independence and strengthen our economy,” McKinney said. “Along with Lt. Gov. Ellspermann, I am urging the USDA and EPA to exercise

their authority and halt the enactment of the RFS proposal until it can be more thoroughly analyzed. The production of biofuels throughout the United States is a crucial issue not only to those in agriculture, but to all concerned with building a renewable energy portfolio and a stronger economy.”

The Renewable Fuel Standard, or RFS, was established in 2005 and later updated in 2007 to ensure a minimum level of renewable energy was produced and mixed with the US fuel supply. In November 2013, the Environment Protection Agency announced a proposal which would reduce the level the RFS for 2014 to 13.01 billion gallons of ethanol and 2.2 billion gallons of advanced biofuels – a 16% decrease of what was originally mandated under the Renewable Fuels Law that passed Congress in 2007.

The event will be held at the World Food Prize Hall of Laureates (100 Locust Street, Des Moines, Iowa 50309) and begin at 8:30 AM, Central Standard Time.

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STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
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Michael R. Pence
Governor

January 21, 2014

Administrator Regina A. McCarthy
Environmental Protection Agency
1200 Pennsylvania Ave., NW
Room 3000
Washington, DC 20460
Email: Mccarthy.gina@epa.gov

Dear Administrator McCarthy:

As Governor of the State of Indiana, I am concerned about the U.S. Environmental Protection Agency's (EPA) proposed rule announcement that would significantly reduce the volumes of corn-based ethanol and biodiesel produced in the U.S., specifically in Indiana.

This announcement, if implemented, will hinder Indiana's development efforts to sustain and grow jobs in rural communities across the state. The growth of our state's ethanol and biodiesel industry in the last nine years has reinvigorated 13 communities, directly and indirectly, and created more than 3,000 jobs.

The proposed reduction in ethanol volume is almost equivalent to the total ethanol production by Indiana's 13 plants. The potential damage to soy-based biofuels is even more significant and threatens the nation's largest biodiesel plant, which is located here in Indiana. Hoosier farmers report that this proposed change comes after they have harvested their 2013 crop and made plans for delivery to our ethanol and soy biodiesel plants. This leaves them trying to figure out how to adjust to this unanticipated market reduction.

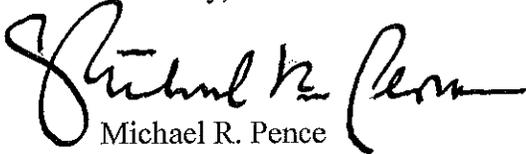
Because ethanol represents the second largest market for Indiana corn farmers, the EPA's proposal represents a severe shift in rural economic policy in our state. It has already had a chilling effect on those companies who are pursuing second generation biofuels from biomass, and if implemented, it would halt investment in additional infrastructure that would lead to more jobs in America's heartland. In addition, corn prices have been dropping steadily in recent months and are now approaching the farmers' cost of production, which is further evidence that now is a bad time to abruptly alter the market for corn.

.My concerns about the EPA's proposal are sincere and heartfelt, and so is my interest in working with you on a sensible resolution. We share the goal of offering consumers more fuel choices, and renewable fuels are on the cusp of solidifying their role in

achieving that goal. Blender pump installations are increasing, as is the number of flex-fuel vehicles available to consumer. Just as we have seen in many other industries, the biofuels industry continues its steady advancements with new technologies that make such production ever more efficient and valuable to many markets and customers. I encourage the ethanol industry to continue making technological strides in process, development, and use, and I ask that the EPA work together with industry leaders on a solution that advances both parties' long-term objectives. The long term future is bright for these fuels and the technology behind them, and I believe we can work together to make that future a reality.

Administrator McCarthy, I urge the EPA to halt this proposed action and work with us and other interested stakeholders in rural America to find ways to continue growing America's biofuels industry and increasing our nation's energy security.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Pence". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Michael R. Pence
Governor of Indiana

cc: Tom Vilsack, Secretary, United States Department of Agriculture