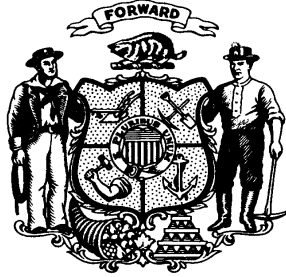


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March 4, 2009

The Honorable Herb Kohl  
U.S. Senate  
330 Hart Senate Office Building  
Washington, D.C. 20510

Re: Federal Programs Related to Biofuels

Dear Senator Kohl:

The Special Committee on Domestic Biofuels was created by the Wisconsin Joint Legislative Council to evaluate the economic and environmental impacts of biofuels, to recommend state policies to address any deficiencies in existing policies, and to create new state policies to encourage minimum targets for biofuels sales in this state. The committee has proposed a broad-based set of recommendations which can be reviewed at:  
<http://www.legis.state.wi.us/lc>.

The committee also conducted a review of various federal policies that impact the development of the biofuels industry and infrastructure for the production and distribution of biofuels. As a result of that review, the committee is seeking your help to affect positive changes in federal policies and programs that will help the State of Wisconsin to position its agricultural, silvicultural, and biofuels production sectors at the forefront of this emerging industry. Accordingly, we ask that you consider action on each of the following:

**Conservation Reserve Program** – Change the Conservation Reserve Program (CRP) to allow the annual harvest of bioenergy crops on newly enrolled CRP lands. This will enable agricultural landowners to plant bioenergy crops, such as switchgrass, on their CRP lands and harvest the crops in a sustainable manner.

**Intermediate Gasoline-Ethanol Blends** – Support federal efforts to address restrictions under the Clean Air Act on the use of intermediate blends of ethanol and gasoline in non-flex fueled vehicles, including the Biomass Research and Development Board's efforts on blending. These efforts are summarized in the Board's *National Biofuels Action Plan*, Action Area 6 (see <http://www.brdisolutions.com/default.aspx> ).

**Federal Biofuels Studies** – Fully fund the various biofuels-related studies and information management provisions in recent federal laws, including the Energy Independence and Security Act of 2007 and the Food Conservation and Energy Act of 2008 (the 2008 Farm Bill). These studies and provisions will provide much needed guidance both to the biofuels industry and to state and federal policy makers.

Examples of these studies and programs that are particularly meritorious include the EPA's Biofuels and Biorefinery Information Center; the ethanol pipeline feasibility study by DOE and DOT, the biofuels infrastructure study by USDA, DOE, EPA, and DOT; the biodiesel engine study by DOE and EPA; the flex-fuel vehicle optimization study by DOE, DOT, and EPA; and the E-85 pump study by DOE and DOT.

**Exempt Facility Bonds** – Expand the definition of “solid waste disposal facilities” for purposes of exempt facility bonds under 26 USC 142 to enable an entity, such as a paper mill, creating a biorefinery that uses waste wood as a feedstock, to qualify for these bonds. The Internal Revenue Service issued a notice of proposed rulemaking in 2004 to pursue changes in this definition (see 69 Fed. Reg. 25856), but this rulemaking effort appears to have stalled.

We appreciate your consideration of these requests, and applaud the efforts that have already been made by the federal government in support of biofuels. Please feel free to contact us with any questions, comments, or other ways that we might work together in support of this industry.

Sincerely,

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Senator Pat Kreitlow, Chair  
Special Committee on Domestic Biofuels

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Representative Scott Suder, Vice Chair  
Special Committee on Domestic Biofuels

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