

January 26, 2016

Dear Ethanol Industry Advocate:

Based on feedback from others in our industry, I realize I have been allowing the rumor mill to define my purpose for educating Senator Cruz rather than sharing with each of you where I am coming from.

I believe that educating presidential candidates is an extremely important initiative that those of us in the ethanol industry need to take on to ensure that the individual in the White House is not our adversary, but rather a proponent of renewable fuels.

I am proud to have been involved in starting and growing our ethanol industry. I have been, and continue to be, a tireless advocate for ethanol and the RFS as part of industry associations and by creating the Urban Air Initiative. I continue to believe in the RFS as a successful policy instrument and also believe we need to continue to challenge the EPA and the Federal Government to implement it as it was conceived by Congress. To think otherwise, is to not understand my intentions in speaking with Senator Cruz.

Last fall I took a look at all of the potential presidential candidates that were going to be visiting Iowa prior to the caucus. Since most of the candidates (other than Rand Paul and Ted Cruz) pledge their allegiance to RFS, there was no need to have extended discussions with those other candidates. Nonetheless, I requested meetings with more than half a dozen of the candidates. Senator Cruz and one other candidate agreed to meet with me last fall. After agreeing to meet, I spent about two hours with Senator Cruz in late October. During this time I shared with him: the history around the fuel ethanol industry, the benefits that this industry has delivered to agriculture, the opportunities that ethanol has to improve air quality and domestic supply. Senator Cruz demonstrated a keen interest in what I had to say. Within a few weeks after this meeting I was contacted by his staff requesting more information and additional background regarding some of the roadblocks to our industry's future that I had shared with him during our first meeting. We sent reams of information to Senator Cruz's office where several individuals spent significant time reviewing the information and advising Senator Cruz of their findings.

These discussions continued into early January. Senator Cruz then agreed that these roadblocks would need to be removed if the RFS was ever going to be sunsetted. I felt that this was a very good first step; bringing an adversary of the RFS to a better understanding of the significance of the RFS and the need for it to remain in place, until we could remove the roadblocks. These various roadblocks are described in a white paper (bit.ly/DVGWhitePaper) that I wrote in early January to be part of discussions at the Iowa RFA Summit, RFA's National Ethanol Conference, and Growth Energy's Executive Leadership Conference.

Based on my discussions with Senator Cruz, I do not believe that he is anti-ethanol or against renewable fuels. However, he is a constitutional conservative that wants a level playing field where all energy producers can compete fairly. He understands that we do not have a level playing field today and in order for the RFS to ever sunset we have to obtain that level playing field, with some allowable time to build a consumer market, before the RFS could ever go away.

I am certain that our ability to inform and educate Senator Cruz about our industry's issues puts us in a much better position if in fact he does end up in the White House. If he does not, he is still a Senator and given his new understanding of the relevant issues I do not believe that he will introduce any legislation to sunset the RFS without addressing the roadblocks of the EPA.

My past experience over the years with the EPA is that they are not a fan of E10 made from corn ethanol and the EPA has clamped down on fuel ethanol growth opportunities. My view is that if we do not address the roadblocks with the EPA, the RFS will no longer be an effective tool for expanding our industry past 2022. There are those within the ethanol industry that believe the EPA is our friend when in fact my response to that is "Let's evaluate what they have done, rather than what they say". What they have done clearly demonstrates that the EPA is not supportive of renewable fuels produced from corn.

I have invested 35 years of my life to this industry and I strongly believe that this is the best industry for adding value to agriculture, for opening up opportunities in rural America, and for bringing economic activity to the communities in which ethanol producers operate. It is my sincere desire that this is helpful for everyone to understand the importance of educating those that do not share our views about fuel ethanol, putting them in a position to better understand the true value of our industry as a key driver of agriculture.

Respectfully,



Dave VanderGriend
316.977.6117