

Ethanol Policy Makers & Producers Getting Frustrated Over Delays

HOUSTON--March 05, 2002--*The following is an advisory by Industrialinfo.com (Industrial Information Resources Inc.; Houston, Texas).*

Ethanol industry policy makers, lobbyist, producers, and supporters met late last week at the industry's seventh annual National Ethanol Conference in San Diego to discuss many issues surrounding the industry.

Over 600 people gathered to hear discussions regarding the role for renewable fuels and ethanol in today's fuel market and to vent frustrations about delays pertaining to the ban of MTBE in California. Governor Gray Davis of California was not in attendance and he has recently delayed the ruling for the MTBE ban for 40 days and possibly until 2005. Meanwhile, an entire industry remains on hold.

If the MTBE ban in California goes into effect and the other 13 states with pending legislation follow, the industry will have to increase capacity to 5 billion gallons by 2012 to support the gasoline market.

If the ruling is postponed or delayed even further or if other states follow suit, we could see excess capacity in the market and a number of planned grassroots construction and expansion projects put on hold until a clearer picture is painted on the role for renewable fuels.

The ethanol industry already has the capacity to support California's 900 million gallon per year requirement for ethanol when MTBE is discontinued and the industry is projecting a record year in 2002 with 2.7 billion gallons. The industry is growing now in hopes of supporting the entire domestic market.

However, the California Energy Commission fears that the removal of MTBE would cause supply disruptions and gasoline prices could jump to as much as \$4 a gallon. Ethanol producers and marketers say the supply and distribution networks are in place and ready to go.

Renewable Fuels like ethanol and biodiesel are good for America. They could reduce our dependence on foreign oil by 1.6 billion gallons per year, increase homeland security, clean our environment, create jobs, and add value for our farmers. The oil patch will never run dry.

Industrial Information Resources has developed an exclusive dynamic database for the synthetic fuels industry. The Ethanol Production Package (<http://www.industrialinfo.com/esemdethanolpp.htm>) provides a comprehensive outline of all current development activities in the emerging synthetic fuels market. This database covers 60 ethanol plants currently in operation and 75 plants under development. It also covers 9 biodiesel plants and 7 plants underdevelopment.

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