

## **Delay of MTBE Ban Stuns All Industries with Ethanol Ties**

HOUSTON--March 19, 2002--*The following is an advisory by Industrialinfo.com (Industrial Information Resources Inc.; Houston, Texas).*

The news coming from Governor Gray Davis on Friday to delay banning the use of MTBE in California gasoline till January 1, 2004 yesterday ripped across many industries with direct ties to the ethanol market.

Industries and organizations from ethanol producers, supporters and corn growers to public water works departments and environmental groups expressed extreme disappointment with the Governor's decision.

Davis based his decision on protecting Californians from possible \$3 a gallon prices at the pump next year, fearing refinery shortfalls in excess of 100,000 barrels would drive up prices.

Many corn farmers and ethanol producers, especially cooperative owned ethanol plants rose to the challenge when the governor announced the state's self-imposed ban on MTBE in March of 1999 and began expanding ethanol production to support California.

Since that time, the ethanol industry has invested over \$900 million to build new plants and expand existing facilities to increase ethanol capacity to 2.7 billion gallons per year by 2003 to provide for the MTBE ban.

Jay Brunson, Synthetic Fuels Manager for Industrialinfo.com, added, "Farmers and farmer owned cooperatives were already struggling to begin with. This news is devastating to an industry that has been working hard and spending money to grow."

Even the big ethanol players like Archer Daniels Midland were affected by the news. ADM shares fell \$1.25 on Monday in the first day of trading following the announcement.

Tune into Williams Energy's [www.energynewslive.com](http://www.energynewslive.com) today at 2:00pm eastern time to see an interview with Jay Brunson on this topic.

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