



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

1155 15th Street, NW, Suite 500 • Washington, D.C. 20005
Telephone 202-223-1661 • Fax 202-223-1420 • www.ieca-us.org

December 18, 2007

Dear Members of Congress:

Expanding production of both corn-based and cellulosic ethanol increases demand for natural gas in their production. If only one-half of the Energy Bill renewable fuels standard (RFS) mandate was met by using ethanol, it would consume an additional 0.9 trillion cubic feet of natural gas. This is the equivalent of 4.4 percent of the nations' 2006 natural gas supply. This is natural gas supply that today does not exist. Higher demand without increased supply will raise the price of natural gas and electricity for every homeowner, farmer and manufacturer. High natural gas prices directly impact manufacturing competitiveness and have been a significant contributor to the loss of 18 percent of all manufacturing jobs since 2000.

According to the Energy Information Administration, U.S. production of natural gas is down 4% since 2000. Imports from Canada are declining and last year fell 3%. LNG imports decreased 7.5% in 2006. We urge Congress not to pass legislation that increases natural gas demand without increasing supply.

The above calculations are based on the December 3, 2007 Congressional Research Service report entitled "Selected Issues Related to an Expansion of the Renewable Fuel Standard (RFS)". The Energy Bill and its' RFS will require 36 billion gallons of renewable fuels by 2022. Since cost effective technology to produce non-ethanol renewable fuels is years away from commercialization, essentially all near term demand will be satisfied by ethanol.

We look forward to working with Congress to increase our domestic supply of natural gas.

Sincerely,

Paul N. Cicio
President

IECA is a 501 (C) (6) national non-profit non-partisan cross-industry trade association whose membership is exclusively from the manufacturing sector.