



JAN 02 2014

The Honorable Barbara Mikulski
Chairwoman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

We are writing in support of the Defense Production Act biofuels efforts, an important element of a comprehensive U.S. Government investment in national energy security. This project, co-sponsored by the Department of Energy (DOE), Department of Agriculture (USDA), and the Department of Defense (DoD), works with the private sector to accelerate the development of cost-competitive advanced alternative fuels for both the military and commercial transportation sectors. Specifically, we urge you to continue your commitment to these efforts by supporting the FY 2014 President's Budget Request to provide transfer authority for the Secretary of Energy for activities pursuant to Title III of the Defense Production Act (DPA), and to provide the requested funding.

America needs a diversified, balanced portfolio of energy options. This is particularly true for the Nation's transportation sector, which relies almost exclusively on liquid, petroleum-based fuels. Even as we have experienced very promising developments in the domestic oil and natural gas markets during this decade, oil prices remain tied to the global petroleum fuels market. As long as that is the case, America will be tethered to the persistent economic and security challenges associated with global oil markets. That is why an enduring strategy to increase energy efficiency and develop a competitive domestic renewable fuels industry will help strengthen our national security, lower costs for consumers, and reduce environmental impacts.

The focus of this effort reflects two Determinations made pursuant to the authorities of Title III of the DPA, which advanced that biofuels are essential to national defense. In March 2011, President Obama directed DOE, USDA, and the Department of the Navy (DON) to work together in partnership with private industry to spur development of an advanced drop-in biofuels industry to power our military, commercial aviation, and the shipping sector.

Each of our agencies has a unique, important role to play, and in order to make this effort successful, each agency requires the investment of its core competencies as well as funds. DOE's mission is to catalyze the timely and efficient transformation of the Nation's energy system and secure U.S. leadership in clean energy technologies. USDA is authorized to engage in activities to increase production, stabilize prices, ensure adequate supplies, and facilitate the efficient marketing of agricultural commodities that serve as feedstocks.

DoD has a long history of contributing to national innovations to meet its defense mission. As the Nation's single largest consumer of energy, DoD is pursuing these efforts with an eye to its future, with DON taking a leadership role in this initiative. The military will need alternatives to petroleum to keep our supplies diverse, especially for the current fleet of ships, airplanes, and combat vehicles that will be with us for decades to come. It therefore makes sense for DoD, for its own interests and as a party of the overall national energy strategy, to play a role in these projects.

In May 2013, DoD, on behalf of our three agencies, took the first step in this effort by competitively selecting four companies for Phase I of the DPA Advanced Biofuels Production Project. These companies, if successful in Phases I and II, would deliver up to 170 million gallons of military-compatible fuel per year, with production beginning in 2016 and with at least 50 percent lower lifecycle greenhouse gas emissions than that of conventional fuel. This fuel is expected to be delivered at less than \$4 per gallon, which is cost-competitive with DoD's standard fuel prices. In addition, the government investment for this effort will be exceeded by a private sector cost-share.

By supporting these efforts, Congress is poised to advance a commercial industry with the potential to strengthen our national security and build a domestic industry that will help diversify the Nation's fuel supplies.

Catalyzing a domestic capability to produce cost-competitive, commercial-scale renewable fuels is an investment in the Nation's energy, economic, and environmental security. We appreciate your support to date, and strongly urge you to support the FY 2014 President's Budget Request for the Department of Energy for authority and funding for this project.

Sincerely,



Chuck Hagel
Secretary of Defense



Ernest J. Moniz
Secretary of Energy



Thomas J. Vilsack
Secretary of Agriculture

cc:

The Honorable John A. Boehner
Speaker of the House
The Honorable Harry Reid
Senate Majority Leader
The Honorable Richard C. Shelby
Ranking Member



JAN 02 2014

The Honorable Harold Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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Chuck Hagel
Secretary of Defense



Ernest J. Moniz
Secretary of Energy



Thomas J. Vilsack
Secretary of Agriculture

cc:

The Honorable John A. Boehner
Speaker of the House
The Honorable Harry Reid
Senate Majority Leader
The Honorable Nita M. Lowey
Ranking Member



JAN 02 2014

The Honorable Dianne Feinstein
Chairman
Subcommittee on Energy and
Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairman:

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Thomas J. Vilsack
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The Honorable John A. Boehner
Speaker of the House
The Honorable Harry Reid
Senate Majority Leader
The Honorable Lamar Alexander
Ranking Member



JAN 02 2014

The Honorable Mike Simpson
Chairman
Subcommittee on Energy and
Water Development
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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The Honorable Marcy Kaptur
Ranking Member