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House Committee on Natural Resources, Subcommittee On Energy and Mineral Resources
1324 Longworth House Office Building
Friday, November 18, 2011
9:30 a.m.

Chairman Lamborn, Ranking Member Holt and Members of the Subcommittee,

On behalf of Novozymes and its 829 employees across America – from California and North Carolina to Virginia and Maryland – we thank you for the opportunity to submit testimony for the record.

Novozymes is a technology and science company; we respect and encourage both. We have more than 5,000 patents and 700 products at work in 130 countries: enzymes that remove trans-fats in food, lower the temperature needed to wash a consumer's clothes – and convert biomass, from switch grass or corn stover, into biofuels. Our technology saves consumers money and, sharing the Committee's interests, makes wise use of our natural resources.

As a demonstration of that commitment, we are nearing completion of a new state-of-the-art biotechnology innovation plant in the Midwest, a \$200 million investment in America's future using American natural resources to create fuel. Our Blair, Nebraska enzyme facility has already created 140 construction jobs and will bring 100 permanent jobs when it opens in 2012. In fact, 45 full-time employees are already at work.

We appreciate the Committee's inquiry into and its interest in creating jobs and economic activity through our fuel supply, areas where it has historically taken an active role in our country's development. Like you, we believe the more fuel we can create in America, the greater our energy and domestic security, job production and economic activity.

We know the committee plans to discuss several bills today related to energy production, part of its American Energy Initiative. Congressman Steve Stivers, an author of one bill, said "Americans in Ohio and across the country are worried about rising energy costs, high unemployment and our aging infrastructure."

As part of its discussion, we would also encourage the Committee to explore renewable fuels: new technology and innovation already making an impact on our energy supply and economy. American biofuels are reducing energy costs and creating jobs. They can also help realize savings that can be directed to our infrastructure needs.

Today the American biofuels industry provides more transportation fuel to the U.S. market than we import from Saudi Arabia. In 2010, ethanol production contributed \$53.6 billion to the nation's Gross Domestic Product and generated \$8.6 billion in federal tax revenues. Also last year, taxpayers were saved \$39 billion that would have otherwise been sent to foreign countries by replacing 445 million barrels of oil with biofuels.

These savings can be directed towards America's other pressing problems – in this case, the Committee's concern about our roads, bridges, tunnels and other aging infrastructure.


In terms of job creation, biofuels are being made in American cities and rural communities – and by American workers, offering them good-paying, stable jobs in a growing industry. In fact, American ethanol helped create 70,000 jobs in 2010, according to the Renewable Fuels Association. Advanced biofuels offer the ability to expand these benefits with feedstock and fuel production in all 50 states while also helping free us from costly foreign oil – and you from paying for it.

We realize biofuels alone cannot solve all of America's energy and economic challenges – but can be viewed as an integral part of America's fuel supply. Working in concert with other fuels, they can increase the choices available to consumers and the saving available to address the country's other pressing needs.

Blender pumps are critical to achieving this goal. These pumps allow consumers to either dial up ethanol content if their cars accept and the market's price justifies a higher ethanol content. At the same time, consumers concerned about the impact ethanol might have on small or older engines could dial the ethanol content down.

We see evidence that these types of choices are attractive to consumers and would pay dividends for our economy. Across America, consumers who can choose higher blends than E10 to fuel their vehicles are making that choice. The EPA recently approved E15 for cars and trucks manufactured in years 2001 or newer model years. In South Dakota, E30 is available and one of its users, Neil Stratman, said it is “cheaper, I support the South Dakota farm producers [and] it just makes more sense. We need to support the local farmers.”

Much of this progress is thanks to a partnership with the federal government, where the private sector provides the innovation and lion's share of capital to develop it – and the public sector provides consistent policy support to grow it. That partnership led to the Renewable Fuel Standard, or RFS. Created by the *Energy Policy Act*, the RFS established the first renewable fuel volume mandate in the United States and helped give rise to an entire industry devoted to saving Americans money at the pump. We thank the members who have continued to support the RFS.



As a direct result of the RFS, our industry is quickly commercializing and bringing cellulosic and other advanced biofuels to market. Consumers can experience this now with blender pump technology, giving them the ability to choose fuel that fits their needs. We will see more progress in 2012 as commercial scale plants break ground – helping keep fuel affordable and driving the need for more technology like blender pumps.

While the Committee will focus on the options outlined in today's bills, one additional way to create more resources for bridges, roads and tunnels is to expand our existing transportation fuel infrastructure – like blender pumps – for alternative fuel use. By doing so, we can make better use of a vital domestic energy source, create jobs, and generate tax revenues that can then be invested in our critical transportation infrastructure needs.

As you know, Americans are looking for less expensive, domestically-produced and cleaner ways to fuel their cars and trucks. In a new University of Texas poll focused on energy issues, Americans say their top two concerns are U.S. consumption of foreign oil and the country's progress in developing renewable energy.

For America to meet its energy challenges, we believe it is critical to view renewable fuels for cars, trucks and other vehicles as integral links in the country's fuel supply. The technology and cost-savings they create are here – all we need now is continued public support.

Thank you for the opportunity to submit testimony. We are happy to provide answers to any questions the Committee may have.

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