

Mahoney Speaks at Farm to Fuel Summit

(July 20, 2007)

Congressman Mahoney delivered the following remarks at the Farm to Fuel Summit today:

Farm to Fuel Speech

Congressman Tim Mahoney

Friday, July 20, 2007

It is an honor to be here for the second Farm to Fuel Summit. I would like to thank Commissioner Bronson for having the vision to create the Farm to Fuel Initiative. His leadership for Florida Agriculture has helped Florida prosper and put Florida at the epicenter of a cutting-edge renewable energy industry.

For those who don't know me, I am a freshman congressman sworn in this past January. Prior to coming to Congress, I spent over twenty years as an entrepreneur in the technology and most recently the financial services industry, working with growth companies and investors committed to innovation.

I decided to run for Congress because I believe that every American deserves to live their American dream and that every generation has the responsibility to turn over to the next generation, an America that is more moral, more secure and offers our children the ability to live their American Dreams.

As someone who has dedicated his adult life to innovation and entrepreneurship, I became concerned about the direction our nation was going. When we entered the 21st century, we found ourselves in a global economy. An economy where there are no barriers to market entry. Where everyone from the production line worker to the accounting manager are competing for their livelihood from competitors across the globe.

On 9-11, another reality hit the American people. That being America's engagement in a global war on terror. A new

enemy using new weapons. We woke up this century to find that our economic security is dependent on the supply of fossil energy from nations in parts of the world that do not support America. Our economic security will require America for the first time in over thirty years to quit "talking the talk" of energy independence and start "walking the walk".

Part of national security is ensuring that America has the ability to feed itself. America cannot afford to find itself as a net importer of food. We have seen first hand at how fragile our food supply is with melamine poisoning that happened as a result of a couple of clever Chinese entrepreneurs. Could you imagine what could happen with the intelligence and resources of Al Qaeda?

At the vortex of this perfect storm of energy independence, safe domestic supply of food and national security is Florida Agriculture.

When I got to Congress, I immediately sought a seat on the Agriculture Committee, because as an entrepreneur I believe that Agriculture presents rural Floridians the opportunity to have not only good jobs but also careers. As Florida is the 10th largest Ag producing state in the nation and unquestionably having the greatest ability for producing biomass, it is imperative that Florida be a leader in the production of renewable energy: especially in the area of cellulosic ethanol production. We all know that ethanol produced from corn is the wrong strategy. We all understand that the key to ethanol is its production from the byproducts of food stocks and not the food themselves. So we don't see the market distorting effects like high corn prices has had on our livestock businesses.

Late last night the Ag Committee completed its work on the 2007 Farm Bill. This important piece of legislation is produced every five years. The Farm Bill is a national road map for American agriculture.

As Florida's lone representative on the Committee, I am extremely proud of the teamwork that my office, a Democrat, working with Republican Charlie Bronson and the entire spectrum of Florida agriculture was able to achieve in this year's Farm Bill. A Bill that supports our ranchers and growers and ensures that they will have the money they need to fight pest and disease, to help defray the costs to conserve our lands and clean our water, money required for research and marketing programs that help our producers sell their products globally. Ladies and gentlemen, let us never forget that the foundation for a bioenergy industry is a healthy grower and rancher and a clean environment.

The 2007 Farm Bill provides the tools to make Florida the largest producer of cellulosic ethanol in the world and in doing so ensures that our country moves toward energy independence.

The first significant change is the definition of cellulosic ethanol. The definition in the 2002 Farm Bill was so restrictive that ethanol produced from citrus pulp and peel would not have qualified. We fixed that by developing a new definition that encompasses all of the potential fuel sources.

The Bill provides 2.1 billion dollars for research and development in the production of cellulosic ethanol technologies. This money is critical due to the diversity of fuel stocks and the unique processes that need to be developed for each source.

Once we develop the technology, we need to commercialize its production. The 2007 Farm Bill supports cellulosic production through a federal loan guarantee program that mitigates the risk by providing loan guarantees of 90%. This will provide the financial security investors will need to get involved.

Finally, I am working with the Commerce and Energy Committee to bring the last element in place. As you may recall, the President in his State of the Union address indicated his desire to achieve energy independence. In his speech, he outlined a plan whereby the gasoline processors would be required to blend 35 billion gallons of ethanol over the next ten years. In order to move cellulosic ethanol industry forward, we are discussing a requirement that a minimum of ten per cent of the total or 3.5 billion gallons of cellulosic ethanol must be purchased. By the Federal Government taking the lead in ensuring demand, plus providing financial incentives for gasoline processors to purchase cellulosic ethanol; we create the market forces necessary to spur private investment to accelerate the growth of the industry.

When you take the work at the Federal level and combine that with the initiatives of Commissioner Bronson and the support of the Florida Legislature which recently passed resolutions in support of the National 25 by 25 initiative and established the "Farm-to-Fuel" Grants Program; you can see that we have government that gets it.

Florida is on the move thanks to the work of the Department of Agriculture, the University of Florida, the state and the federal government. We have already begun to see the fruit of our labor with significant projects based on a public private partnerships begin to take shape. In LaBelle we have Alico that has received a grant from the Dept of Energy to build the state's first gasification cellulosic ethanol plant. And later today, we will be formally announcing the formation of the first cellulosic ethanol facility based on citrus pulp and peel. The potential for this enterprise could be upwards of 60 million gallons of fuel per year.

The stakes are high for Florida and as you can see from this conference we have the leaders with the vision to transform Florida's rural economy into a bio-energy "silicon valley." For those of you attending the conference and are evaluating the prospects of Florida, you can see that we have the political will and the teamwork to make sure that your business will be at the epicenter of renewable energy industry.

Again I want to thank Commissioner Bronson, the Governor and all of you that are making this transformation possible. I look forward to working for all of you in Washington

Thank you.

