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Opening Statement of Senator Chuck Grassley
Senate Committee on Finance Hearing
“Airfields and Alternative Fuels: Exploring Rural America’s Transportation Infrastructure”
Monday, August 27, 2007

I am very happy to be in Dubuque today, and would like to extend my gratitude to the City of Dubuque and Dubuque Regional Airport for hosting this hearing. I am always excited to highlight the great things that are happening in Iowa. In that spirit I would like to thank the Rentech Energy Midwest Corporation for the tour of their facility in East Dubuque given to members of the Finance Committee staff and others yesterday. Rentech is in the process of converting their 830-ton per day fertilizer plant from a natural gas facility into a coal and biomass gasification facility which will allow them to produce alternative fuels, nitrogen fertilizers, and electricity. This is very important for many reasons. As the U.S. becomes more dependent on biofuels, we will become more dependent on the fertilizer farmers use to grow crops. Additionally, the fuel produced at this facility will be able to be used in any current engine that runs on conventional diesel fuel and as our witnesses will explain, it could be used for any plane that flies on jet fuel.

Today’s hearing will be building on previous hearings we have had at the Finance Committee in Washington, D.C., this year. Appearing earlier as a witness was Rentech Energy Midwest Corporation president John Diesch who spoke in greater detail about Rentech’s alternative fuel goals during a Senate Finance Committee subcommittee hearing in April of this year, and I ask unanimous consent that his testimony from that hearing be printed in the record.

In addition to focusing on the infrastructure required to produce alternative fuels, this hearing’s other purpose is to draw attention to the unique issues faced by rural airports as they work to provide service to people and businesses in their regions. Access to air transportation is a very important variable in the calculation of any area’s economic health. Rural areas in particular tend to be underserved in this regard. Sometime I wonder if the so-called elite back in Washington realize that most of America is rural, and that is why I wanted to transplant a piece of official Washington to real America by holding a hearing in this hangar. And, I might add, on airport grounds surrounded by a cornfield – the makings of yet another alternative fuel of the future.

We may be talking about rural issues, but access to renewable fuels and reliable transportation are ultimately important for all Americans regardless of where they live. The Finance Committee is at a cross roads. Within the next two months, the committee will be responsible for the re-authorization of the Airport and Airway Trust Fund, the tax provisions of the farm bill, and the alternative fuels

provisions in the energy bill. The committee will have the chance to influence the future of aviation policy, and much of that future will be discussed today at this hearing.

America needs energy security, and rural America is willing to take on that responsibility. It will be our fields that grow the crops and our businesses that invest in technology for the next generation. The importance of these issues is matched by the quality of the panel we have before us today. And I know the interest in these issues is shared by Senator Max Baucus, the chairman of the Finance committee, and though he's unable to join us today, his written statement for the record will be available. Leighton Quon from his staff will be working with us today in this hearing.

First we will hear from Mr. Kevin Billings, Deputy Assistant Secretary of the Air Force for Environment, Safety and Occupational Health. Mr. Billings will discuss the Air Force's commitment to alternative fuels and its current plans to fully certify all of its fleet -- both ground and air -- for alternative fuels to include synthetic jet fuel. Where others have talked, the Air Force has taken incredible action in working to develop a fleet that will be able to fly on alternative jet fuel and drive on renewable fuels. The Air Force leadership is helping to drive an entire movement toward the use of alternative jet fuel throughout aviation.

Next we will hear from Mr. Carl O. Bauer, Director of the U.S. Energy Department's National Energy Technology Laboratory. Mr. Bauer will discuss the important work being done by his laboratory on coal and biomass gasification. If we are going to reduce reliance on foreign sources of fuel, we will need to utilize our domestic sources of fuel. One source of fuel we have in great abundance is coal. Despite a reputation of being dirty and a source of pollution, the work being done by Mr. Bauer and others to combine biomass like Iowa switchgrass with coal in gasification technology will help turn coal into a clean energy source for the future.

Next we will hear from USDA Under Secretary for Rural Development Thomas Dorr. I also want to mention that Mr. Dorr is from Marcus, Iowa, so we know he understands the issues that impact rural areas. Mr. Dorr will discuss infrastructure issues in producing and transporting alternative fuels, the infrastructure requirements of the industries that develop and produce alternative fuels, and USDA Rural Development's commitment to community facilities to complement that growth, such as airports and industrial parks.

Mr. Bruce Heine of Magellan Midstream Partners will discuss issues involved in transporting alternative fuels. Magellan specializes in the transportation, storage, and distribution of refined petroleum products, and distributes most of the fuel in this area. It will not matter how much alternative fuel we produce if we are not able to deliver it to consumers on both the East and the West coasts in an efficient and reliable way. Magellan continues to be a trail blazer in the incorporation of renewable fuels into the national fuel delivery system.

Mr. Steven Accinelli is the Chairperson of the Dubuque Regional Airport Commission, as well as the Director of Aviation Programs for the University of Dubuque. Mr. Accinelli will talk about the issues facing aviation in rural America and the continuing challenges to develop and enhance service to rural or underserved areas by building access to both commercial flight and general aviation. In addition, he has the unique responsibility for the academic bachelor degrees and flight training of over 200 students and has the opportunity to influence our young pilots of the future.

Our final witness is Dr. Bruce Holmes, Director of Aeronautics Research for the DayJet Corporation. Formerly NASA's chief strategist, Dr. Holmes is helping DayJet enact an innovative business plan that will hopefully bring jet service transportation options to almost anyone's front door. In addition, Dr. Holmes is helping his company lead the way to the sweeping changes planned for air traffic control and the implementation of the NextGen technologies, and their interest in helping the nation's airspace to become cleaner with fuel efficient fleets and investments in alternative fuel technologies.

Thank you all for being here to help us with these vitally important issues. Rural America has the ability to reduce our dependence on foreign sources of fuel, but we have to provide the necessary infrastructure while ensuring that businesses have the transportation options necessary to access rural areas. Anyone who is truly concerned about the environment or our reliance on foreign sources of fuel must pay attention to these issues.