



April 11, 2008

The Honorable Ali bin Ibrahim Al-Naimi  
Minister of Petroleum and Mineral Resources  
Saudi Arabia

Dear Minister Al-Naimi:

In your speech yesterday to the International Oil Summit, you addressed the increasing use of biofuels throughout the world. As the head of the Renewable Fuels Association, I take strong exception to your unfounded claims that biofuels do not decrease dependence on petroleum, do not increase energy security and do not reduce pollution.

For the Saudi Oil Minister to assert that biofuels are not an effective energy alternative is no different from the wolf complaining that Little Red Riding Hood was interrupting his dinner plans. As a leader of a country that opposes strict limits on carbon emissions and favors continued expansion of petroleum production, it is not surprising that you express opposition to the development of biofuels.

After all, countries like Brazil and the United States together are producing nearly 14 billion gallons of ethanol which is less expensive than \$110 per barrel oil and displaces such costly fuel in the marketplace. Ethanol is a clear and present threat to oil precisely because it provides strong competition to the marginal oil barrel and can help consumers save money. Here in the United States, the increase in biofuels is backing out imported gasoline (reducing US balance of payments), is increasing domestic supplies such that refiners are now re-examining their expansion plans, and helping to keep prices from going up even more than they have.

Furthermore, we in the biofuels industry have never stated, as you implied in your speech, that we are "the solution." We are, however, an important part of the solution, which I am sure you and your OPEC and oil industry allies now realize provides an alternative – what we call competition.

What is also galling about your statement is the claim that biofuels negatively impact the “food market.” The evidence demonstrates that the number one negative impact on the food market is the high price of your primary export – oil. One hundred dollar per barrel oil has driven up the cost of everything from fertilizer to diesel oil used to transport food, to plastics used in food packaging. You must also be aware that growing demand for food in rapidly industrializing countries like China and India are putting additional pressure on food prices as are adverse weather conditions in growing regions, like Australia. Blaming high food prices on ethanol is deliberately misleading.

Finally, there are an increasing number of petroleum analysts and economists who recognize that world oil production is nearing its limits and that the world’s nations must move away from petroleum consumption. It is understandable that under these circumstances the world’s largest oil exporter prefers to keep the world hooked on oil as long as possible. But we agree with President Bush that we have to reduce our oil addiction. And one of the ways to do that is through biofuels.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Dinneen", written in a cursive style. The signature is positioned to the left of a vertical line that extends downwards from the top of the signature area.

Robert Dinneen  
President