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Cc: [Darryl Farber](#); joann.gillette@yahoo.com; rbjacobs@co.centre.pa.us
Subject: Corman _ Ethanol plant economic viability
Date: 07/25/2011 04:00 PM
Attachments: [False Promise Biofuels_Sci Am 8_2011.pdf](#)

Dear Ms. Gosselin,

The August 2011 issue of *Scientific American* has an article, The False Promise of Biofuels by David Biello, that explains clearly why waste-to-ethanol plants, resource recovery facilities, are not economically viable, which is relevant to the SDEIS for FD_35116_0, R. J. Corman Railroad Company/Pennsylvania Lines Inc. construction and operation exemption in Clearfield County, PA. According to the SDEIS,

“The purpose of the Proposed Action is to provide rail transportation service to a new waste-to-ethanol facility, quarry, and industrial park being developed by RRLLC near Gorton in Rush Township, Centre County, as well as to several other interested shippers located along the proposed line. RJCP has stated that the Proposed Action is needed to provide rail transportation service to RRLLC’s proposed development site (p. 1-3).”

Perhaps a waste-to-ethanol facility was an interesting investment idea a few years back but Biello highlights the significant scientific and economic hurdles that puts the proposed facility in Rush Township, Pa in a clearer light,

“Range Fuels was a risky but tantalizing bet. The high-tech start up, begun by former Apple executive Mitch Mandich, attracted millions of dollars in private money plus commitments for up to \$156 million in grants and loans from the U.S. government. The plan was to build a large biofuels plant in Soperton, Ga. Each day the facility would convert 1,000 tons of wood chips and waste from Georgia’s vast pulp and paper industry into 274,000 gallons of ethanol. “We selected Range Fuels as one of our partners in this effort,” said Samuel Bodman, then secretary of energy, at the groundbreaking ceremony in November 2007, “because we really believe that they are the cream of the crop.”

That crop has spoiled in the ground. Earlier this year Range Fuels closed its newly built biorefinery without selling a drop of ethanol. Turning biomass into a commercially viable, combustible liquid is tougher than anticipated, the company has found. As expensive equipment sits idle, the firm is searching for more funding to try to solve the problem.

Range Fuels is not the only biofuels company to fall short. Cilion in Goshen, Calif., Ethanex Energy in Basehor, Kan., and others have gotten out of the business of biofuels from plant matter because it is too expensive. Despite the best hopes of scientists, CEOs, and government policy makers, hundreds of millions in government money, more than two dozen U.S. start-ups financed by venture capital and decades of concentrated work, *no biofuels that can compete on price and performance with gasoline is yet on the horizon* (my emphasis) (p. 60)."

The reference for the article is below and I have attached a copy. I hope this information is

useful in the STB decision making process.

Cordially,

Darryl Farber

Biello, David. 2011. The False Promise of Biofuels. *Scientific American* 305 (2): 59-65, August.