

Biofuels will fly high, U.S. officials predict

Agriculture secretary outlines plan for American production, including building refineries and growing feedstocks

  Comments 2  Share 41  1  Tweet 68  Recommend Confirm


By **Jon Hilkevitch**, Chicago Tribune reporter

January 17, 2012

The Obama administration is committed to "help buy down the cost" of building refineries and growing feedstocks for use in producing clean, renewable aviation fuels, even though the current price of such biofuels is at least three times higher than regular jet fuel, U.S. Agriculture Secretary Tom Vilsack said Monday in Chicago.

The plan for American-produced biofuels that Vilsack outlined before business and airline industry officials is aimed at creating thousands of jobs, especially in the rural economy; establishing energy security by reducing dependence on foreign oil; and slowing global warming, he said.

Related



Agriculture secretary: Exports should remain strong

Maps

100 N Riverside Plaza, Chicago, IL 60606, USA

"The beauty of this is that it stimulates what America does best: innovation," Vilsack told a business round table held at **Boeing** Co.headquarters in the Loop.

"It makes a lot more sense to buy (energy) from the farmer down the road" than rely on overseas markets, he added.

The administration's strategy mirrors longtime government policies that subsidize farmers. It relies heavily on providing grants, loan guarantees and tax breaks to build biofuel refineries and research centers; paying farmers to switch from growing traditional feedstocks to nonfood biofuel-related

production; and providing funding for biofuel producers to purchase the feedstock, Vilsack said.

Even with all that help, it hasn't been proven whether biofuels can become economically viable for the airline industry, which consumes 17 billion to 19 billion gallons of jet fuel a year, according to theU.S. Department of Transportation. Jet fuel currently costs about \$3.15 a gallon, while aviation biofuel runs \$16 a gallon and up, experts said.

Vilsack said he envisioned Florida biofuel refineries using citrus waste, Pacific Northwest units processing woody biomass waste from forestry and facilities in the Northeast processing native grasses "and other things that grow in abundance and have little value."

The effort is backed by more than \$1 billion in U.S. government investments and, if

IN CASE YOU MISSED IT ...




Raiders request permission to interview Bears' coach Tice

VIDEO GALLERY

 Man injured in shark attack 




FIRST ON 




CHICAGO SHOPPING


SHOP SMARTER, NOT HARDER



WIN WOWPOINTS



FASHION AFTER



SEE THE SUNDAY

biofuel levels ever reach large-scale production, the promise of a ready customer: the U.S. Navy.

Airlines would be next in line to purchase excess biofuel at competitive prices, Vilsack said.

Continental Airlines operated the first revenue passenger biofuel flight in the U.S. in November from Houston to O'Hare International Airport. The flight used fuel derived from microbial algae. Alaska Airlines and Horizon Air soon followed using a biofuel blend made from recycled cooking oil.

It's unclear when the next biofuel flights will occur. The industry has set a goal of using biofuels for 1 percent of its fuel needs by 2015.

Billy Glover, Boeing's vice president of environment and aviation policy, said it's difficult to make predictions, but the key to lowering the price rests with increasing production.

"We are just at the beginning of a very exciting biofuel industry," Glover said.

jhilkevitch@tribune.com

Copyright © 2012, Chicago Tribune
★★★★★

Comments 2 | Share 41 | +1 1 | Tweet 68 | Recommend Confirm

MORE FROM TRIBUNE

- Viciedo valuable as Sox's recruiter
- Zagat releases 'World's Top Restaurants'
- This just in: Barack Obama wins in '12
- Chicago-area survivor tells of chaos aboard Costa Concordia cruise ship
- Celebrity chef Paula Deen reveals she has type 2 diabetes

FROM AROUND THE WEB

- 99.24 MPG Not Bad For A Diesel Vehicle (*EarthTechling*)
- Making Darwin Blush: Sailing the Galapagos Islands (*Away.com*)
- Keeping Bedbugs at Bay (*Men's Life Today*)
- Mom's Worst Nightmare Realized When Airline Can't Find 9-Year-Old Girl (*The Stir By CafeMom*)
- Cheap Hotels in NW Miami (*USAToday*)

[what's this]

Comments (2)

Add / View comments | Discussion FAQ

anonymous12 at 5:52 PM January 17, 2012

DOE BIOMASS PROGRAM AND ALGAE RESEARCHERS NEED TO BE INVESTIGATED!

Solydra story is opening a huge can of worms at the DOE LOAN GUARANTEE LOAN PROGRAM. Its not just about the Solar loan guarantee program. Look at all the millions in fees collected by the DOE LOAN GUARANTEE PROGRAM with projects 20% completed. Also, an audit needs to be done on DOE GRANTS to individuals from the DOE that are now working in private industry. Very incestuous! There needs to be an audit on each individual loan program for amount funded and results!

The US taxpayer has spent over \$2.5 billion dollars over the last 50 years on algae research. To date, nothing has been commercialized by any algae researcher. The REAL question is: Does the DOE BIOMASS PROGRAM really want the US off of foreign oil or do they want to continue funding more grants for algae research to keep algae researchers employed at universities for another 50 years? In business, you are not given 50 years to research anything. The problem is in the Congressional Mandate that says the DOE can only use taxpayer monies on algae research, NOT algae production in the US. So far, research has not got the US off of foreign oil for the last 50 years!

A Concerned Taxpayer

WITH MY FOUR MONKEYS CONTEST | DARK'S HOTTEST LOOKS | ADS FROM THE CHICAGO TRIBUNE

[Valentine's Day jewelry gift guide >>](#)

BUSINESS FEATURES



Who's 'Moving Up' in Chicago



BizWrap: Free daily e-mail



Chicago's \$10 million CEOs

CHICAGONOW



Romney "shoeshine" photo a hoax but it's still being pushed as truth



Don't waste your money on Hancock's Skating in the Sky



Where Chicago blogs.

JOIN NOW

gttaylor at 3:36 PM January 17, 2012

This is idiocy! The country is finally figuring out that subsidizing farmers to use farm land that could otherwise be producing food in order to produce alcohol for car fuel makes no sense - environmentally, economically or morally. Congress is finally trying to unwind the gasohol subsidy mess and now the Obama administration wants to expand the concept to jet fuel.

The administration's energy and environmental policies are totally clueless! This idea makes Solyndra look brilliant!

To our readers: Registration is required before your comments can be posted. Constructive and respectful comments related to the topic of the story are welcome; abusive, crass or vulgar comments are not. Comments containing vulgar words will be filtered out. Please make sure your language is civil and your comment furthers the conversation. Personal attacks on others who comment are not appropriate. Hateful, racist or threatening comments are not allowed. This is not a spot for free advertising or spam. We encourage you to help us uphold these standards by reporting abuse where appropriate. Ignoring the standards will result in your comment being removed. Repeat offenders will be banned. If warranted, we will take down entire comment boards.

SERVICES

Subscribe
Manage subscription
Subscription payment
ChicagoPOINTS
Mobile
Newsletters/alerts
E-edition
Reprints
Today's paper
RSS
News in Education
FAQ

CONNECT

Facebook
Twitter
Editorial contacts
Work for us
Company contacts
Send news tips
Comments/feedback
Tribune events

SOLUTIONS

Buy an ad
Advertising solutions
Special ad sections
Online marketing
Social-media contests

CLASSIFIED

Announcements
Apartments
Cars for sale
Commercial real estate
Garage sales
Help wanted
Homes for sale
Mortgages
Obituaries
Pets for sale
Public records

SHOP

Weekly Sales Ads
Coupons
Fan Shop
Wine Club
Riviera Tours
Tribune Store
Photo store

ARCHIVES

Photos
Video
Events/listings
Columns
Readers Share
Blogs
Maps & apps
Topic galleries

[Terms of Service](#) | [Privacy Policy](#) | [About Our Ads](#) | Chicago Tribune, 435 N. Michigan Ave., Chicago, IL 60611

A Tribune Newspaper website