

From: Kime, Robin
Location: DCRoomARN3500/OPEI
Importance: Normal
Subject: Meeting with Jerry Jung
Start Date/Time: Wed 7/26/2017 5:00:00 PM
End Date/Time: Wed 7/26/2017 5:30:00 PM
[Jung Rethink Ethanol Opinion Washington Times EnergySection_Final \(1\).pdf](#)
[Bio \(16\).docx](#)

Directions: Please use the **William Jefferson Clinton North Entrance located on your right as you exit the Federal Triangle Metro Station**. Please arrive 10 minutes prior to the meeting with photo IDs to clear Security.

EPA Contact: For an escort from Security to the meeting call (202) 564-4332; for all other matters call Robin Kime (202)564-6587.

From: Jerry Jung [<mailto:jerrold.m.jung@gmail.com>]
Sent: Friday, April 28, 2017 3:08 PM
To: Dravis, Samantha <dravis.samantha@epa.gov>
Cc: Bill Schuette <billschuette53@gmail.com>

I reached out to Mr. Schuette to give me your contact information because I wanted to keep Mr. Pruitt's office in the loop regarding op eds in the Washington Times. The Times will be running a section on energy. When they have asked me to submit an op-ed on the topic of ethanol, they mentioned that they would also be publishing an op-ed from Mr. Pruitt.

Attached is what I have submitted. I suspect that my views are in line with those of Mr. Pruitt, but I wanted to provide him an opportunity to comment on what I wrote. Any comments or suggestions that his office has would be welcome.

Jerry Jung

[586-850-8096](tel:586-850-8096)

Jerrold M. Jung

586-850-8096

jerrold.m.jung@gmail.com

P.O. Box 7060 Novi, MI 48376

Employment background:

Over \$1,000,000,000 of shareholder value created by companies that I founded or controlled.

Surety Bond analyst for Travelers Indemnity Company from 1977 to 1978.

Director of Reservations for Continental Airlines from 1979 to 1982.

Designed from 1983 to 1985 passenger revenue optimization software still used by over 50 air carriers.

General Manager of Michigan CAT's Engine Division from 1983 to 1987.

Founded Landfill Energy Systems in 1987. The EPA awarded this alternate energy company a certificate that declared that methane reduction achieved by its power plants was equivalent to taking 800,000 cars off of the road. Company was sold in 2008.

CEO of Michigan CAT from 1988 to 2011. Market share rose to 60% from 25%. Revenues peaked at \$550,000,000 and employment at 880. The business was sold in 2011 because my children have other career interests.

Chairman and founder of Oak Adaptive, Inc. that provides software tailored to Caterpillar dealers as well as an innovative sentencing app that provides information for use within the criminal justice system.

Currently semi-retired and manage Rule of Ones, LLC an investment vehicle.

Educational background:

Graduated from Birmingham Seaholm High School in 1971. Received Bausch-Lomb Award for outstanding high school students. On committee that established Bingham Farms Nature Center. Varsity letter in Track.

Attended University of Michigan from 1971 to 1973. Phi Eta Sigma honor fraternity.

Graduated from Tulane University in 1975, 1st in class, summa cum laude with honors in economics. Phi Beta Kappa honor fraternity. Commodore of sailing club.

Attended Harvard Graduate School of Business in 1976.

Co-authored "Price Elasticity of Demand for Air Travel." Published in the 1976 fall edition of *Transport Economics and Policy*. This paper informed Congressional debate when airline fares were deregulated. It is still utilized as instructional material at the University of Chicago School of Public Policy.

Affiliations:

Chair of Michigan Colleges Alliance, a group of 15 private independent colleges.

Board member of the Michigan League of Conservation Voters.

Board member of Public School Academies of Detroit.

Board member of 6,000,000 member National Wildlife Federation.

Chair of the Michigan State Transportation Commission from 2010 until 2015.

Past Director of Warren Equipment Company, a Texas based gas compression fabricator and Caterpillar dealer with revenues in excess of \$1,000,000,000.

Past Vice-Chair of St. Mary Hospital in Livonia Michigan.

Past Trustee of the Nature Conservancy in Michigan.

Past President of the Michigan Construction Equipment Dealers Association.

Past Board Member of the Cooperative Tractor Dealers Association—a financing co-op.

Past Board Member of NWEA—the National Wood Energy Association.

Philanthropic Endeavors:

Supports a wide variety of environmental and educational initiatives that improve the legacy we leave to future generations.

Founded in conjunction with the Michigan Colleges Alliance the “Third 90” program that annually introduces hundreds of inner city high school students to nature as well as to private college professors, students and campuses.

Founded “RethinkEthanol.com” an entity that educates legislators and the public about the need for corn ethanol reform.

Honors:

Scenic Michigan—“Hero Award” 2009

Michigan Infrastructure and Transportation Association—Honorary Member Award: 2012

Michigan Aggregate Association— Distinguished Service Award: 2012

Detroit Public TV—Riley Stewardship Award: 2012

Michigan League of Conservation Voters—Lifetime Conservation Award: 2013

Tribute from Michigan Transportation Commission—Resolution 2015-2.

The State of Michigan named a roadside park in my honor.

Honorary Ph.D. from Adrian College in May of 2017.

References: (contact information provided upon request)

Governor Rick Snyder.

National Wildlife CEO Collin O'Mara.

Former CEO of Warren Equipment Company and Dallas Federal Reserve board member Richard Folger.

Director Michigan Department of Transportation Kirk Steudle.

CEO and Chairman of Caterpillar Tractor Company Doug Oberhelmen.

Congressman David Trott.

Michigan Republican Chair Ronna Romney McDaniel.

Former Secretary of Agriculture and Caterpillar Tractor Board Member Clayton Yeutter.

DTE Energy Chairman Gerry Anderson.

Recently retired CEO of International Transmission Company Joe Welch.

Past owner of Thompson McCully Paving Company and charter school visionary Bob Thompson.

Former Ambassador to Belgium Allan Blankenship.

Personal:

Reside in Birmingham Michigan.

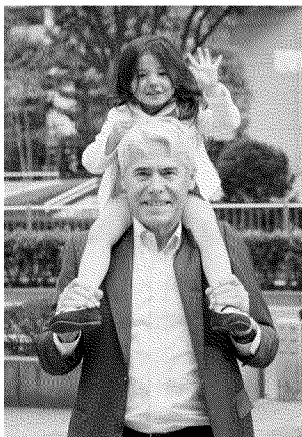
Married to Eve Baughman Jung.

Have three children, three grandchildren and two stepchildren.

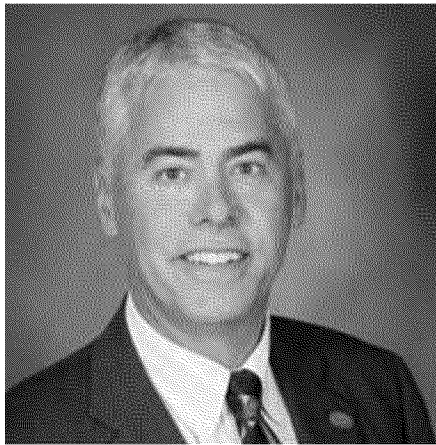
Enjoy outdoor activities such as gardening, hiking, hunting, fishing, golfing, sailing and skiing.

Practice "eco-restoration" on several properties in Michigan.

Own and manage for bio-diversity and carbon sequestration over 43,000 acres of forestland in central Tennessee.



It's time to rethink ethanol mandates



By Jerry Jung

out that by-products from the distillation process can be fed to livestock, but studies such as one published by the University of Nebraska point out that the practice of feeding distillates to cattle shortens the shelf life of their meat. Other studies indicate that the practice alters the flavor of meat and can make livestock sick.

The price of corn shot up to \$8 per bushel when the mandate was dramatically ramped up nine years ago. As a result, there were food riots in some countries where corn is a dietary staple.

Since then, the amount of acreage de-

\$20 of value, and to cattle, about \$50 of value. It is this value-added chain that creates rural employment and economic diversity.

It is not uncommon to see hand-painted signs in Iowa that read "Family Farms, not Factory Farms." A poll conducted by a leading conservation organization shows surprising opposition to ethanol mandates in rural areas. It is no wonder, since these are the populations most affected in terms of water quality and outdoor recreational opportunities. These are the families that must confront chemical pollution

Republican primary in Iowa.

There are many other reasons to discontinue ethanol mandates. Dozens of diverse stakeholder groups, representing fiscal conservatives; small and marine engine users and manufacturers; food producers and food justice groups; charter boat captains; The Sierra Club, The National Wildlife Federation and the Audubon Society; and even the American Petroleum Institute are opposed to subsidized and mandated corn ethanol production.

Ironic, is it not, that a mandate sold to Congress and the public as "green" is

Ethanol is a low-value commodity. A bushel of corn will produce 2.8 gallons of ethanol worth about \$4.50. The same corn, fed to poultry, produces about \$20 of value, and to cattle, about \$50 of value. It is this value-added chain that creates rural employment and economic diversity.

This year the Environmental Protection Agency (EPA) has mandated that 15 billion gallons of ethanol be added to gasoline. As a result, most gasoline contains about 10 percent ethanol.

Initially, automotive manufacturers saw the mandate as a cheap way to increase octane ratings, and corn growers thought it would be a boon to the agricultural economy. Casual observers and even some conservation organizations thought that it was a renewable source of energy that would help the environment and reduce harmful emissions. Others saw it as a way to reduce dependence on foreign oil.

After eight years of dramatically increasing mandates, the results are in and it is apparent that none of these goals have been met — in fact, the opposite is true.

Due to an arcane and fraud-prone ethanol credit trading scheme, the price of higher-octane gasoline has skyrocketed, relative to lower grades; the farm economy continues its decline; finite resources such as phosphorus and subterranean aquifers are being depleted; wildlife and biodiversity are being threatened; harmful emissions have doubled; and the mandate has had no impact on reducing use of fossil fuels.

How can this be?

The answer is simple — it takes as much fossil fuel to produce ethanol from corn as it yields.

A Cornell University study estimates that it takes 40 percent more energy to produce corn ethanol than it yields. The actual distillation of corn into ethanol consumes about 28 percent as much energy as it produces; yet when all the inputs required to grow corn — such as the production of herbicides, insecticides, fertilizer and the fuel for tractors and transportation — are factored in, the equation changes. Even the U.S. Department of Agriculture, a misguided proponent of ethanol production, estimates that the energy output only slightly exceeds the inputs. The agency points

voted to growing corn has increased to over 35 million acres in the U.S. (larger than most states) and the price is back where it started.

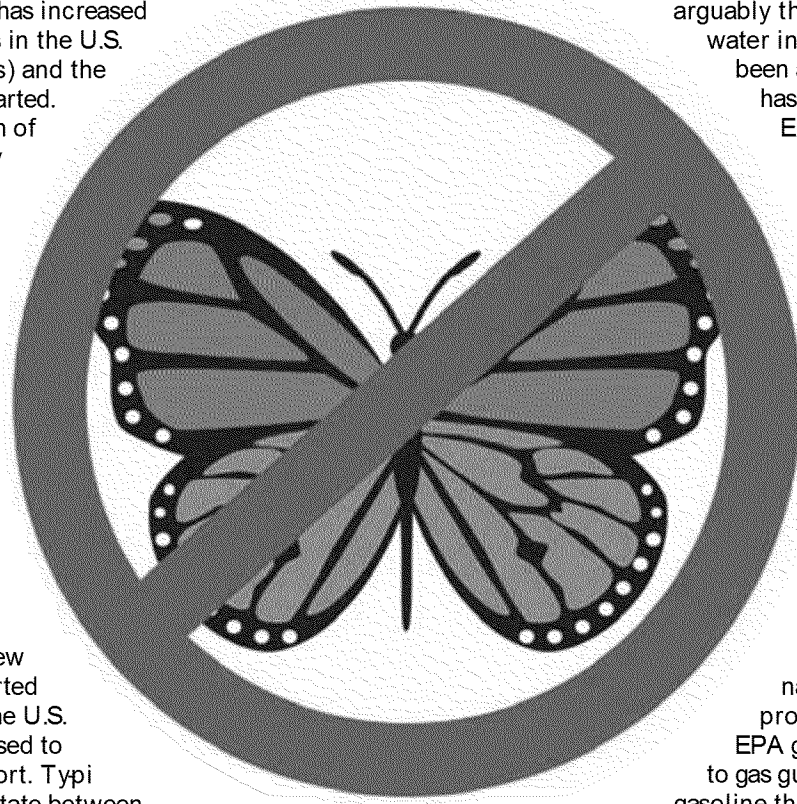
Unfortunately, much of this land is ecologically sensitive. The National Wildlife Federation estimates that 10 million acres in the U.S. have been converted from Conservation Reserve Programs — virgin prairie, woodlands and wetlands in the U.S. — to grow corn over the last 10 years.

The careful reader might question how 35 million acres are growing corn for ethanol, but "only" 10 million new acres have been converted to agricultural use in the U.S. Much of this acreage used to grow soybeans for export. Typically, farmers would rotate between corn and soybeans, but now many grow corn year after year.

South America has filled the void, with the result that Brazil now exports more soybeans than the U.S. — with the concomitant destruction of forest and grasslands in that country, not to mention an increased trade deficit here in this country.

A recent study discussed by a Conservative Political Action Committee panel in February concludes that the farm economy continues its decline despite — and perhaps because of — ethanol mandates.

Ethanol is a low-value commodity. A bushel of corn will produce 2.8 gallons of ethanol worth about \$4.50. The same corn, fed to poultry, produces about



arguably the biggest polluter of air and water in the U.S.? The policy has also been a significant driver of what has aptly been termed the Sixth Extinction of biodiversity.

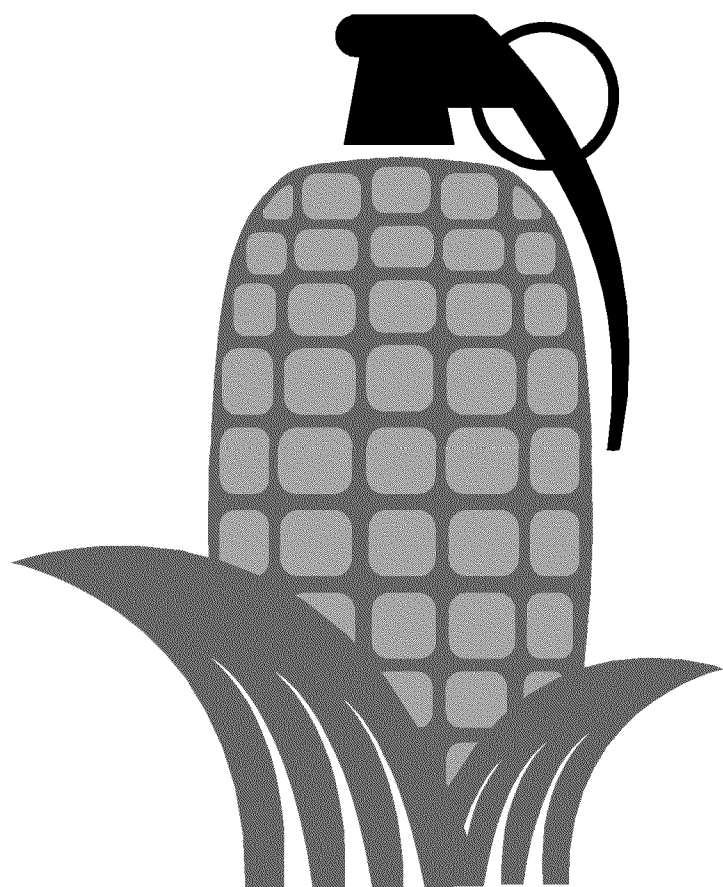
Fortunately, legislation has been introduced in the House of Representatives that would cap the ethanol content of gasoline at 10 percent and reduce mandates over time. Urge your members of Congress to support this legislation.

The EPA can also play a vital role as they work with automobile companies implementing improved fuel economy standards.

The first step in this regard would be to eliminate artificial incentives to produce ethanol. Currently, the EPA gives CAFE mileage bonuses to gas guzzlers if they can consume gasoline that is up to 85 percent ethanol. Credits are also given to compensate for the reduced energy content of ethanol as compared to pure gasoline. Given the environmental destruction and excessive use of fossil fuels consumed in the production of ethanol, these credits should realistically be debits. It is imperative that the EPA consider the overall economic and environmental impact of their policies and not focus solely on a single aspect of the overall picture.

Jerry Jung is a retired businessman and conservationist who became concerned when Monarch Butterflies stopped arriving at his hobby farm in central Michigan after migrating from Mexico. The pollinator's population has declined by 95 percent since the ramp-up in ethanol mandates.

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RethinkEthanol.com