Mr. Chairman, I want to thank the Committee for including me on today's panel as policy options are considered for the 2007 Farm Bill.

My name is Murray Campbell and I am Chairman of First United Ethanol LLC. or as we like to call it "F.U.E.L". Our company, which is based in nearby Camilla, Georgia, is one of the first in the southeast to focus on ethanol production. After approval from the SEC and a strong capital drive that includes investors from all over south Georgia, we are set to break ground later this year. Our friends in the Midwest have been focused on renewable fuels for several years. Fortunately, the economics have finally aligned for other regions of the country to contribute towards our increased energy independence.

As Congress considers various policy initiatives regarding renewable fuels, it is important to note that the incentives in current law are working. Some will argue that the industry has moved beyond the need for federal assistance, however, this line of thinking is premature. The United States remains dependent on foreign oil and companies such as ours are in their beginning stages in various regions around the country. Bankers and investors that are financing the industry need a certain amount of stability as they expand this homegrown industry. The passage of the 2005 Energy Policy Act provided new incentives for renewable fuel production. These incentives, coupled with growing consumer demand for domestically grown energy, lead us to believe that ethanol and renewable fuels have a great future. Although most of the current ethanol plants in the country are located in the Midwest, opportunities are opening up for other regions.

It stands to reason that the demand for ethanol will track large population centers across the nation and the southeast will offer numerous marketing opportunities.
The ethanol industry is assisted by various federal ethanol tax incentives, including those in the Energy Policy Act of 2005. The provision of the Energy Policy Act of 2005 likely to have the greatest impact on the ethanol industry is the creation of a national 7.5 billion gallon Renewable Fuels Standard (RFS). The RFS will begin at 4 billion gallons in 2006, increasing to 7.5 billion gallons by 2012. The RFS helps support a market for ethanol that might disappear without this incentive. Many people are interested in implementing a higher renewable fuel standard. If the country asks this of agriculture, we are ready. The elimination or reduction of tax incentives for ethanol distributors could reduce the market for ethanol, which could reduce prices and our revenues by making it more costly or difficult for us to produce and sell ethanol. If the federal tax incentives are eliminated or sharply curtailed, we believe that a decreased demand for ethanol will result.

I would also like to caution Congress to avoid the rush of investing in new renewable technologies at the expense of existing industry. Do not misunderstand me on this, we firmly support new technologies and welcome opportunities for more efficiency; however , many of the new renewable fuel technologies often discussed in the press are far from commercially viable. If and when new options are available and proven commercially viable, F.U.E.L. is prepared to embrace and implement them. For now, we are focused on the traditional conversion of corn to fuel and urge Congress to continue its support of this industry.

Many myths have been spread over the impact of increased ethanol supply and infrastructure. From increases in corn prices and negative impacts on the corn market to increased gas prices and negative impacts on the animal feed market, we certainly acknowledge the abundance of speculation out there today. While I do not want to overextend my time here, I would be happy to answer these questions and give what I believe are logical answers to all of these concerns.

What I will tell you without going into too much detail is this:

1. Corn yields are increasing and ethanol production leaves a substantial portion of refined corn per bushel for use in the feed market

2. Even though our facility is not in the Corn Belt, we have viable plans to meet our supply needs to operate a 100 million gallon facility through rail shipments from outside our region. And our projections support that within 5-7 years, we will produce enough ethanol through local corn production to meet our goals.

3. The continued trend in increased ethanol efficiency, coupled with increased corn yields, and new genetics for highly fermentable corns will lead to considerable gain in ethanol per acre

By including a renewable fuels title in the next farm bill, Congress is sending the appropriate signal to the agriculture community, and the nation. Farmers can and should be supported in their efforts to provide energy independence for America. We are ready to answer the nation's call.

For now, I encourage Congress to stay the course on RFS and tax incentives. I also encourage the Committee and Congress to resist the push to lift the tariff on imported ethanol. Such a move is short-sighted and sets back the domestic industry at a time when we are finally turning the corner on success. Instead, the federal government should enhance its support of the domestic industry by working with industry to solve distribution issue and other hurdles in the path of energy independence.

As you know the U.S. ethanol industry is the fastest growing renewable energy resource in the world. According to the Renewable Fuels Association, there are 32 plants currently under construction, and RFA anticipates ending the year with at least 115 bio-refineries in operation and more than 5.7 billion gallons of production capacity. This will be the floor, not the ceiling.

I certainly understand why states are contemplating programs to stimulate bio-fuels production and use in their states. They are anxious to capture the tremendous economic benefits local ethanol and bio-diesel production will provide. Consider what the Renewable Fuels Association gives as a conservative estimated local economic impact of just one 100 million gallon ethanol plant:

? Generate $406 million for the local community;

? Increase the state's Gross Output by $223 million;

? Increase household income by more than $50 million; and

? Create nearly 1,600 local jobs.

Mr. Chairman, knowing south Georgia like you do, I am sure you agree with me that these estimates would have a staggering impact on a poor part of our state as well as a positive impact on our energy challenges. I applaud you for your leadership to help these estimates become realities.

In conclusion, Mr. Chairman, America's farmers appreciate the support you have provided to help us weather various challenges in the past and look forward to working with you as we attempt to provide a solution to our nation's energy crisis.

Mr. Chairman, I am pleased to submit my comments for the record and am happy to answer any questions you and your Committee may have.

Thank you.