



June 27, 2011

Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol – 14th Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

Dear Ms. Fine:

The North Dakota Ethanol Council (NDEC) is submitting the enclosed application to request \$199,600 in funding from the Renewable Energy Development Program of the North Dakota Industrial Commission. The funding will be used as a match for the two-year *Comprehensive Statewide Higher-Level Blend Ethanol Marketing Campaign*, which has a total budget of \$424,000. Additional partners in this project are the North Dakota Ethanol Producers Association, North Dakota Corn Utilization Council, North Dakota Corn Growers Association and the American Lung Association of North Dakota.

A recent study commissioned by the North Dakota Ethanol Council revealed there is a tremendous opportunity to educate flex fuel vehicle owners and the auto industry on the advantages and availability of higher-level ethanol blends with the objective of increasing use in North Dakota. The study results, combined with the number of blender pumps applied for and installed as a result of the successful North Dakota Biofuels Blender Pump Program, make the timing perfect to develop and implement a statewide, coordinated marketing campaign.

This letter sets forth a binding commitment on behalf of the North Dakota Ethanol Council to complete the project as described in the application should the commission approve the requested grant.

Thank you for your consideration.

Sincerely,

Jeff Zueger  
Chairman

# Renewable Energy Program

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North Dakota Industrial Commission



## Application

Project Title: Comprehensive Statewide Higher-Level Blend Ethanol Marketing Campaign

Applicant: North Dakota Ethanol Council

Principal Investigator: Deana Wiese, Executive Director

Date of Application: July 1, 2011

Amount of Request: \$199,600

Total Amount of Proposed Project: \$424,000

Duration of Project: July 1, 2011 – Dec. 31, 2013

Point of Contact (POC): Deana Wiese

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POC Address: PO Box 1091, 1605 East Capitol Avenue, Bismarck, ND 58502

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## ABSTRACT

**Objective:** The objective of this project is to increase the amount of higher-level ethanol blends (E15 and higher) used in North Dakota by unifying the state's ethanol stakeholder groups to develop and implement a statewide, coordinated marketing campaign. The strategies for this project are creating a consistent statewide promotional message for higher-level ethanol blends, increasing the percentage of flex fuel vehicle (FFV) owners using higher-level ethanol blends by 10 percent (from 15 to 25 percent), and increasing auto industry familiarity with the use of higher-level ethanol blends by 25 percent (from 36.7 to 61 percent).

**Expected Results:** It is expected this project will increase the percentage of ethanol in North Dakota's total motor vehicle fuel from six percent to 10 percent. This will be accomplished through use of a consistent higher-level blend promotional message used by all ethanol stakeholder groups statewide; increased use of higher-level ethanol blends by FFV owners; and increased familiarity of higher-level ethanol blends by the auto industry.

**Duration:** July 1, 2011 – December 31, 2013

**Total Project Cost:** \$424,000

**Participants:** North Dakota Ethanol Council, North Dakota Ethanol Producers Association, North Dakota Corn Utilization Council, North Dakota Corn Growers Association and American Lung Association of North Dakota

## PROJECT DESCRIPTION

**Objectives:** The objective of this project is to increase the amount of higher-level ethanol blends (E15 and higher) used in North Dakota by unifying the state’s ethanol stakeholder groups to develop and implement a two-year statewide, coordinated marketing campaign targeted at North Dakota flex fuel vehicle owners and the state’s auto industry. The partner entities committed to this project are the North Dakota Ethanol Council, North Dakota Ethanol Producers Association, North Dakota Corn Utilization Council, North Dakota Corn Growers Association and American Lung Association of North Dakota.

The strategies that will be implemented to meet the objective are 1) creating a consistent statewide promotional message for higher-level ethanol blends, 2) increasing the percentage of flex fuel vehicle (FFV) owners using higher-level ethanol blends by 10 percent (from 15 to 25 percent), and 3) increasing auto industry familiarity with the use of higher-level ethanol blends by 25 percent (from 36.7 to 61 percent).

### **Methodology:**

#### **Strategy 1: Create a consistent statewide promotional message for higher-level ethanol blends**

Method 1 – Develop key messages targeted to FFV owners and the auto industry and focused on the benefits and availability of higher-level ethanol blends.

- Action Step 1 – A marketing firm will be hired to work with a 3-5 person steering committee, which will be made up of representatives from the partner entities to ensure strong commitment and consensus on key messages from all parties. These messages will focus on economic and environmental benefits and energy independence. The messages will also promote the use of the “yellow hose,” which is used to dispense higher-level ethanol blends. Current studies will be identified to provide sound statistics to shape and support the messages.

Method 2 – Use the promotional messages in the implementation of the comprehensive, statewide ethanol marketing plan.

## **Strategy 2: Increase the percentage of FFV owners using ethanol blends**

Method 1 – Develop and implement a FFV owner higher-level blend ethanol education initiative to provide education on the benefits and availability of higher-level ethanol blends.

- Action Step 1 – Partner with auto dealerships. Partnerships will be established with one auto dealer in the west and one in the east for a six-month pilot program before expanding to other dealerships statewide. Initial meetings have been held with several dealerships in Bismarck and Fargo with positive feedback regarding participating in this effort to provide higher-level blend ethanol information to FFV customers. The pilot program will include an informational packet at the point of sale of a FFV. The packets will include materials on the benefits and availability of higher-level ethanol blends. Other options include reaching new FFV owners by including FFV and higher-level blend ethanol information on dealership websites and in routine emails sent by the dealership to FFV purchasers.
- Action Step 2 – Develop and implement a FFV owner educational mail campaign focused on the key messages surrounding the benefits and availability of higher-level ethanol blends. A list of North Dakota’s FFV owners (est. 42,000) will be purchased from a third-party vendor. A series of three mailings will take place over a six-month timeframe. A call to action will be included to drive FFV owners to a website or Facebook site where a database of FFV owner contact information will be gathered for newsletters, social media and future correspondence.
- Action Step 3 – Develop and implement a social media and electronic newsletter campaign. This will take place following the establishment of the FFV owner contact database.

Method 2 – Partner with fuel retailers on a higher-level ethanol blends promotional initiative.

- Action Step 1 – Hire a marketing firm to develop and implement the promotional campaign during the second year of the project.
- Action Step 2 – Establish partnerships with fuel retailers. The promotion will be split 50/50 with an estimated 10-15 retailers in small, medium and large markets statewide. The retailers will offer

a special price on higher-level ethanol blends. Advertising and public relations support will also be provided.

Method 3 – Develop and implement a “yellow hose” media campaign.

- Action Step 1 – Hire a marketing firm to develop and implement the campaign during the second year of the project.
- Action Step 2 – Use key messages developed in Strategy 1. The key messages will be used in all advertising and public relation efforts. These will include television, radio, billboards, and social media as decided upon by the steering committee.

**Strategy 3: Increase auto industry familiarity on the use of higher-level ethanol blends**

Method 1 – Develop and implement an auto dealer higher-level blend ethanol education initiative to provide education on the benefits and availability of higher-level ethanol blends.

- Action Step 1 – Continue to work with one dealership in the west and one in the east on the six-month pilot program before expanding to other dealerships statewide during the second year of the project. Initial meetings with several dealerships led to the following items (in addition to those in Strategy 2-Method 1-Action Step 1) for the pilot program.
- Action Step 2 – Develop and implement a higher-level ethanol blend and FFV training program for sales force. The training program will be a series of luncheon seminars followed up by a mystery shopper reward campaign. The seminars will include a PowerPoint presentation and question and answer time with ethanol and corn industry representatives. It will also include development of promotional materials for use by the sales force that focuses on the benefits and availability of higher-level ethanol blends.
- Action Step 3 – Placement of informational window clings on FFVs. The window cling campaign will feature the key messages developed in Strategy 1.
- Action Step 4 – Partner on promotional and/or customer appreciation events.

- Action Step 5 – Implement a statewide campaign. Following the six-month pilot program, an evaluation will be completed. The program will be refined based on the results, and implementation will take place with the top 20 dealers statewide. The sales force training will likely take place via webinar versus in-person.

Method 2 – Partner with the North Dakota Auto Dealers Association to provide information on the benefits of higher-level ethanol blends and its availability at its November 2011 and 2012 conventions.

- Action Step 1 – Follow-up on request to the North Dakota Auto Dealers Association (NDADA) board of directors to provide a national speaker for the convention, which has been completed for the 2011 convention.
- Action Step 2 – Identify and arrange for the speaker to attend and present.
- Action Step 3 – Explore the opportunity to present on the progress with the pilot auto dealer higher-level blend ethanol education program and gain support for the statewide implementation.
- Action Step 4 – Explore opportunities for the 2012 convention.

**Anticipated Results:** According to the North Dakota Tax Department, in FY 2010, ethanol made up six percent of North Dakota’s total motor vehicle fuel. Upon successful completion of the strategies identified above over a two-year period, the anticipated results are to increase the amount of ethanol in the state’s total motor vehicle fuel to 10 percent. This will benefit the state of North Dakota by increasing the competitiveness of the industry through consumption of additional gallons within the state. This will assist in the preservation of more than 250 direct jobs (and 10,000 indirect) relating to ethanol production and creating additional jobs, wealth and tax revenue. This project will educate FFV owners and those in the auto industry on the benefits and availability of higher-level blend ethanol, thus increasing use of higher-level blend ethanol by consumers.

**Facilities:** Not Applicable

**Resources:** In order to effectively develop and implement this project, the partners are committing \$200,000 in financial resources - \$40,000 from the North Dakota Ethanol Council and \$160,000 from the



North Dakota Corn Utilization Council - and \$24,800 of in-kind resources - \$20,000 from the North Dakota Ethanol Council and \$4,800 from the American Lung Association of North Dakota. Year 2 funding is contingent on consistent budget circumstances for all entities. This is combined with dozens of years of ethanol and marketing experience. In addition, this project has received favorable response from the auto industry in initial meetings.

**Techniques to Be Used, Their Availability and Capability:** To guarantee effective and timely implementation of the strategies outline in this application, a marketing firm(s) with the capacity to implement the strategies will be hired. The firm(s) will work closely with a 3-5 person steering committee made up of representatives from the partner entities. In addition, each of the partner entities will be dedicating staff time for implementation of the project.

**Environmental and Economic Impacts while Project is Underway:** According to the American Lung Association of North Dakota, the use of ethanol in FFVs reduces ozone-forming tailpipe pollution by up to 20 percent; prevents up to four tons of fuel lifecycle green house gas emissions per FFV annually; decreases overall lifecycle green house emissions by up to 30 percent; and cuts toxic gasoline compounds by as much as 80 percent.

North Dakota ethanol plants employ more than 250 workers directly in positions such as chemists, engineers, accountants, managers and support staff with an average annual wage of \$64,000 (\$36,783 state average). The industry supports more than 10,000 jobs across all sectors of the economy. Each North Dakota ethanol plant is located in a community with a population of less than 2,500 and contributes an average of 51 jobs and an average annual payroll of \$3.3 million to the community. In addition, the plants purchase the majority of their corn from North Dakota farmers and sell distillers grains to North Dakota livestock producers.

**Ultimate Technological and Economic Impacts:** This project will ultimately have positive impacts on North Dakota's economy, environment and energy independence.

Annually, North Dakota's ethanol industry contributes more than \$300 million to the state's economy; produces more than 350 million gallons of alternative fuel made from 125 million bushels of corn, with 80 percent purchased from North Dakota farmers; and produces 1.2 million tons of dry distillers grain, a high-quality, cost-effective livestock feed, which is available to North Dakota ranchers.

The use of ethanol reduces greenhouse gas emissions by 30 to 50 percent and is likely to reduce carbon monoxide emissions in vehicles by 10 to 30 percent. In addition, the 13 billion gallons of ethanol used in the United States in 2010 displaced 445 million barrels of imported oil, which is 55 million barrels more than the total estimated crude oil imports from Saudi Arabia in 2010.

**Why the Project is Needed:** The North Dakota Ethanol Council commissioned a statewide survey, funded in part by the North Dakota Department of Commerce's Office of Renewable Energy & Energy Efficiency, in the winter of 2010/2011 with the purpose of obtaining information to be used in the development of a comprehensive marketing plan to enhance ethanol's position in the market and provide a benchmark for measuring change over time. This information revealed there is a tremendous opportunity to educate FFV owners and the auto industry on the advantages of using and promoting higher-level ethanol blends. The study revealed the following, which provided the foundation for our strategies:

- 76% of FFV owners haven't purchased E30 and 62% haven't purchased E85.
- Only 15% of FFV owners usually buy E30 or E85.
- Formal training related to the use of ethanol gas in vehicle engines has been received by 21% of the auto industry, but only 20% of that training has been in the past 12 months.

In addition, the successful North Dakota Biofuels Blender Pump program, which was established during the 2009 Legislative Session, has resulted in 253 blender pumps applied for or installed at 71 stations in 44 communities as of June 15, 2011. During the 2011 Legislative Session, authorization was given to allow for the extension of the program, which is anticipated to add an additional 100-150 blender pumps over the next two years and bring the total to 300-400. With the infrastructure in place,

it is now time to educate FFV owners and the auto industry on the benefits of higher-level blends which are available for the first time in North Dakota.

### **STANDARDS OF SUCCESS**

**Measurable deliverables of the project:** A post-survey (similar to the pre-survey) will be conducted at the end of the two-year project to determine if the following deliverables were met: increase the percentage of FFV owners using higher-level ethanol blends by 10 percent (from 15 to 25 percent), and increase auto industry familiarity on the use of higher-level ethanol blends by 25 percent (from 36.7 to 61 percent). The sale of ethanol will be tracked through the North Dakota Tax Department to determine if the amount of ethanol in the state's total motor vehicle fuel increased from six to 10 percent.

**Value to North Dakota:** This project will assist in strengthening an industry that contributes more than \$300 million annually to the state's economy and employs 250 North Dakota workers directly and another 10,000 indirectly. Each North Dakota ethanol plant is located in a community with a population of less than 2,500 and contributes an average of 51 jobs and an average annual payroll of \$3.3 million to the community. In addition, the plants purchase the majority of their corn from North Dakota farmers and sell distillers grains to North Dakota livestock producers. The use of ethanol also benefits the environment by reducing greenhouse gas and carbon monoxide emissions.

**What parts of the public and private sector will likely make use of the project results:** Through the North Dakota Biofuel Blender Pump Program, North Dakota government and industry leaders have led the nation in developing biofuel dispensing infrastructure. As a result of the program, the state has 253 blender pumps applied for or installed at 71 stations in 44 communities as of June 15, 2011. This project will promote the use of that infrastructure by the state's FFV owners by educating the owners and the auto industry on the benefits and availability of higher-level ethanol blends. It will also increase the number of FFVs sold in the state, providing additional consumers the ability to use higher-level ethanol blends offered at blender pumps.

**The potential that commercial use will be made of the project's results:** Not applicable

**How the project will enhance the education, research, development and marketing of North Dakota's renewable energy resources:** This project will enhance education and marketing of ethanol – one of the state's renewable energy sources. The objective of the project is to increase the amount of higher-level ethanol blends used in North Dakota and this will be achieved by educating FFV owners and the auto industry on the benefits and availability of higher-level ethanol blends.

**How it will preserve existing jobs and create new ones:** This project will assist in maintaining and strengthening North Dakota's ethanol industry, which currently contributes 250 direct jobs in five North Dakota communities with populations under 2,500. The project's success will lead to the ability to keep more ethanol in North Dakota, which potentially could lead to the creation of additional jobs at the existing plants. It also provides an additional market opportunity for the state's corn growers.

**How it will otherwise satisfy the purposes established in the mission of the Program:** This project directly aligns with the mission of the Renewable Energy Program as it develops and implements marketing and education strategies to promote the growth of North Dakota's ethanol industry. By pooling resources and implementing a coordinated statewide effort with a unified higher-level blend message, the partner entities are able to most effectively and efficiently accomplish the objective outlined in this proposal.

### **BACKGROUND/QUALIFICATIONS**

The North Dakota Ethanol Council (NDEC) is the lead applicant for this proposal and will manage the overall project. The key partners involved are the NDEC, North Dakota Ethanol Producers Association, North Dakota Corn Utilization Council, North Dakota Corn Growers Association and American Lung Association of North Dakota.

The NDEC was established in 2009 by the North Dakota State Legislature to promote the state's ethanol industry. Representatives from the five North Dakota ethanol plants that produce more than one million gallons of ethanol annually make up the NDEC, and its priorities include industry research and promotion, educational programs, and market development.

Within the first year of establishment, the NDEC commissioned a statewide survey with the purpose of obtaining information to be used in the development of a comprehensive marketing plan to enhance ethanol's position in the market and provide a benchmark for measuring change over time. This survey was funded in part by the North Dakota Department of Commerce's Office of Renewable Energy & Energy Efficiency. The project outlined in this application is the next step in utilizing the survey results to increase the use of higher-level ethanol blends in North Dakota.

The NDEC has contracted with Clearwater Communications in Bismarck to provide executive director services. Deana Wiese, vice president of Clearwater Communications, serves as the executive director of the NDEC. Wiese has eight years of program and grant development, and implementation and management experience. The Clearwater Communications team, which is available to assist Wiese, has more than 50 years of program and grant management experience.

In addition, the North Dakota Ethanol Producers Association, North Dakota Corn Utilization Council, North Dakota Corn Growers Association and American Lung Association of North Dakota have partnered in the past on ethanol promotional efforts, which have included Renewable Energy Council-funded projects. They are able to provide ethanol production, marketing and consumer knowledge and experience.

## **MANAGEMENT**

The NDEC will serve as the lead entity on this project and will ultimately be responsible for the deliverables outlined in the strategies. The North Dakota Ethanol Producers Association (NDEPA) will serve as the fiscal agent. Deana Wiese serves as the executive director of both the NDEC and NDEPA. She has extensive experience managing and reporting on state, federal and corporate grants. A 3-5 person steering committee made up of representatives from the partner entities will monitor progress as outlined in this proposal and a marketing firm with the capacity to implement the strategies within the given timeline will be hired. The project objective, strategies, timeline and budget will be used to evaluate the progress and, ultimately, the success of the project.

## TIMETABLE

Strategy	Method	Action Step	Start	Complete
<b>Strategy 1: Create a consistent statewide promotional message for higher-level ethanol blends</b>	Develop key messages	Hire marketing firm to lead the development	July 1, 2011	Aug. 31, 2011
	Use the promotional messages in the implementation		Sept. 1, 2011	Ongoing
<b>Strategy 2: Increase the percentage of FFV owners using higher-level ethanol blends</b>	Develop and implement FFV owner higher-level blend ethanol educational campaign	Partner with auto dealerships	July 1, 2011	Ongoing
		Develop and implement a FFV owner educational mail campaign	Sept. 1, 2011	Feb. 29, 2012
		Develop and implement a social media and electronic newsletter campaign	March 1, 2012	June 30, 2013
	Partner with fuel retailers on a higher-level ethanol blends promotional campaign	Hire a marketing firm to develop and implement the promotional campaign during the second year of the project	July 1, 2012	June 30, 2013
		Establish partnerships with fuel retailers and implement	July 1, 2012	June 30, 2013
	Develop and implement a "yellow hose" media campaign	Hire a marketing firm to develop and implement the campaign during the second year of the project	July 1, 2012	June 30, 2013
		Use key messages developed in Strategy 1	July 1, 2012	June 30, 2013
<b>Strategy 3: Increase auto dealer familiarity with the use of higher-level ethanol blends</b>	Develop and implement an auto dealer higher-level blend ethanol education program focused on the benefits and availability of higher-level ethanol blends	Secure auto dealer commitments for a pilot program	July 1, 2011	Aug. 1, 2011
		Develop and implement a pilot higher-level ethanol blend and FFV training program for sales force	July 1, 2011	Jan. 31, 2012
		Place informational window clings on FFVs	July 1, 2011	Jan. 31, 2012
		Partner on promotional and/or customer appreciation events	July 1, 2011	Jan. 31, 2012
		Implement a statewide campaign	Feb. 1, 2012	June 30, 2013
	Partner with the North Dakota Auto Dealers Association	Follow-up on request to provide a national speaker for the convention	July 1, 2011	Aug. 1, 2011
		Identify and arrange for the speaker to attend and present	July 1, 2011	Aug. 31, 2011
		Explore opportunity to present on progress of pilot program and gain support for the statewide implementation	July 1, 2011	Dec. 1, 2011
		Explore opportunities for the 2012 convention	July 1, 2012	Dec. 1, 2012
<b>Post-project survey</b>			July 1, 2013	Dec. 31, 2013

Quarterly progress reports will be provided on Nov. 1, 2011; March 1, 2012; July 1, 2012; Nov. 1, 2012, March 1, 2013; and June 30, 2013.

## BUDGET

Project Associated Expense	TOTAL	NDIC Share	NDEC Share (Cash)	Other Partner Share (Cash)	Partner (In-Kind)
Key message development and implementation	\$3,000	\$1,500	\$300	\$1,200	
FFV owner higher-level ethanol education initiative	\$80,000	\$40,000	\$8,000	\$32,000	
Fuel retailer higher-level ethanol blends promotional initiative	\$50,000	\$25,000	\$5,000	\$20,000	
“Yellow hose” media campaign	\$175,000	\$87,500	\$17,500	\$70,000	
Auto dealer higher-level blend ethanol education initiative	\$50,000	\$22,600	\$4,520	\$18,080	\$4,800 (ALA)
North Dakota Auto Dealers Association partnership	\$11,000	\$5,500	\$1,100	\$4,400	
Post project survey	\$15,000	\$7,500	\$1,500	\$6,000	
Coordination and management (indirect)	\$40,000	\$10,000	\$2,000	\$8,000	\$20,000 (NDEC)
<b>TOTAL</b>	<b>\$424,000</b>	<b>\$199,600</b>	<b>\$39,920</b>	<b>\$159,680</b>	<b>\$24,800</b>

The \$424,000 budget for this project is based on estimated expenses for the items outlined in the strategies portion of this document. This includes direct costs, such as contracted services, travel, materials, printing and postage, for each initiative and indirect costs, such as coordination and management. The partners are committed to contributing 53 percent of the total budget (year 1 and 2), with second year commitments contingent on a consistent budget situation for that year. If less funding is available than requested, the project will continue but will be delayed until additional funding mechanisms can be identified.

### CONFIDENTIAL INFORMATION

The North Dakota Ethanol Council does not consider any of the information in this application to be confidential.

### PATENTS/RIGHTS TO TECHNICAL DATA

The North Dakota Ethanol Council does not claim patents or rights to technical data under this project.

## 2011-2013 Comprehensive Statewide Higher-Level Ethanol Blends Marketing Campaign

Objective: To increase the amount of higher-level ethanol blends used in North Dakota by unifying the state's ethanol stakeholder groups to develop and implement a two-year statewide, coordinated marketing effort.

Strategy	Method	Action Step	Start	Complete	Budget		TOTAL Budget	
					Year 1	Year 2		
<b>Strategy 1: Create a consistent statewide promotional message for higher-level ethanol blends</b>	Develop key messages Use the promotional messages in the implementation	Hire marketing firm to lead the development	July 1, 2011	Aug. 31, 2011	\$3,000			
			Sept. 1, 2011	Ongoing				
	<b>STRATEGY 1 TOTAL</b>							<b>\$3,000</b>
	<b>Strategy 2: Increase the percentage of FFV owners using higher-level ethanol blends by 10% percent</b>	Develop and implement FFV owner higher-level blend ethanol educational campaign	Partner with auto dealerships	July 1, 2011	Ongoing	\$1,000		
Develop and implement a FFV owner educational mail campaign			Sept. 1, 2011	Feb. 29, 2012	\$53,000			
Partner with fuel retailers on a higher-level ethanol blends promotional campaign		Develop and implement a social media and electronic newsletter campaign	March 1, 2012	June 30, 2013	\$13,000	\$13,000		
		Hire a marketing firm to develop and implement the promotional campaign during the second year of the Establish partnerships with fuel retailers	July 1, 2012	June 30, 2013		\$50,000		
<b>Strategy 3: Increase auto dealer familiarity with the use of higher-level ethanol blends by 25%</b>	Develop and implement a "yellow hose" media campaign	Hire a marketing firm to develop and implement the campaign during the second year of the project.	July 1, 2012	June 30, 2013		\$175,000		
		Use key messages developed in Strategy 1						
<b>STRATEGY 2 TOTAL</b>							<b>\$305,000</b>	
<b>STRATEGY 3: Increase auto dealer familiarity with the use of higher-level ethanol blends by 25%</b>	Develop and implement an auto dealer higher-level blend ethanol education program focused on the benefits and availability of higher-level ethanol blends	Secure auto dealer commitments for a pilot program	July 1, 2011	Aug. 1, 2011	\$1,000			
		Develop and implement a pilot higher-level ethanol blend and FFV training program for sales force	July 1, 2011	Jan. 31, 2012	\$5,000			
		Place informational window clings on FFVs	Sept. 1, 2011	Jan. 31, 2012	\$5,000	\$10,000		
		Partner on promotional and/or customer appreciation events	July 1, 2011	Jan. 31, 2012	\$2,500	\$2,500		
	Partner with the North Dakota Auto Dealers Association	Implement a statewide campaign	Feb. 1, 2012	June 30, 2013	\$19,000	\$5,000		
		Follow-up on request to provide a national speaker for the convention	July 1, 2011	Aug. 1, 2011	\$200			
		Identify and arrange for the speaker to attend and present	July 1, 2011	Aug. 31, 2011	\$5,000			
	<b>STRATEGY 3 TOTAL</b>	Explore opportunity to present on progress of pilot program and gain support for the statewide implementation	Explore opportunities for the 2012 convention	July 1, 2012	Dec. 1, 2012	\$500		
<b>STRATEGY 3 TOTAL</b>							<b>\$61,000</b>	
Post project survey			July 1, 2013	Dec. 31, 2013		\$15,000	\$15,000	
Coordination and management			ongoing	ongoing	\$20,000	\$20,000	\$40,000	
<b>TOTAL</b>					<b>\$128,200</b>	<b>\$295,800</b>	<b>\$424,000</b>	

**Partners:**

- ND Ethanol Council and ND Ethanol Producers Association
- ND Corn Utilization Council and ND Corn Growers Association
- American Lung Association of ND

	Year 1	Year 2	TOTAL
ND Ethanol	\$19,960	\$19,960	\$39,920
ND Corn	\$37,940	\$121,740	\$159,680
NDIC	\$57,900	\$141,700	\$199,600
NDEC in-kind	\$10,000	\$10,000	\$20,000
ALA in-kind	\$2,400	\$2,400	\$4,800
<b>TOTAL PROPOSED BUDGET</b>			<b>\$424,000</b>




June 27, 2011

Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol – 14th Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

Dear Ms. Fine:

This letter serves as an affidavit stating the North Dakota Ethanol Producers Association, which will serve as the fiscal agent for the *Comprehensive Statewide Higher-Level Blend Ethanol Marketing Campaign*, does not have any outstanding tax liability.

Sincerely,



Mick Miller  
Vice President

June 27, 2011

Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol – 14th Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

Dear Ms. Fine:

This letter serves as an affidavit stating the North Dakota Ethanol Council, which is the applicant for the *Comprehensive Statewide Higher-Level Blend Ethanol Marketing Campaign*, is a state entity (North Dakota Century Code 14-06) and does not have any outstanding tax liability.

Sincerely,



Jeff Zueger  
Chairman



June 17, 2011

Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol – 14<sup>th</sup> Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

Dear Ms. Fine,

The North Dakota Corn Utilization Council has committed \$160,000 to a comprehensive statewide ethanol marketing campaign for a two year time frame starting July 1, 2011 and ending June 30, 2013.

We like the four fold strategy for this campaign aimed at flex fuel vehicle owners and the auto industry. The campaign

- 1) Creates a consistent statewide promotional message for higher-level ethanol blends
- 2) Targets Flex Fuel Vehicle owners directly to consume higher-level ethanol blends
- 3) Partners with automobile dealers to enhance familiarity with the use of higher-level ethanol blends
- 4) Expands on the current and growing infrastructure of Flexible Fuel Blender Pumps in our state

The ability of this ethanol campaign to help increase statewide consumption of ethanol from 6% to 10% is achievable. This campaign will truly prove fuel savings to North Dakota citizens and will enhance on farm income.

We hope that the North Dakota Renewable Energy Council would approve this proposal. If you have any questions you may contact our office in Fargo at 701-364-2250.

Sincerely,

A handwritten signature in black ink that reads "Tom Lilja". The signature is written in a cursive style with a large, stylized "L" and "j".

Tom Lilja  
Executive Director

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Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol – 14th Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

August 16, 2011

Dear Ms. Fine:

As part of our Clean Air Choice initiative, the American Lung Association in North Dakota recognizes the use of E85 in flex fuel vehicles as one choice motorists can make today to have a positive impact on the air quality and human health. This initiative has worked throughout the upper Midwest for more than a decade to build refueling infrastructure for cleaner fuels like E85 and educate motorists about the capabilities and benefits of flex fuel vehicles.

In North Dakota we have partnered with organizations such as the North Dakota Ethanol Council (NDEC), North Dakota Corn Council and North Dakota Department of Commerce to further this effort and conduct educational and marketing activities. We support the NDEC's two-year *Comprehensive Statewide Higher-Level Blend Ethanol Marketing Campaign* proposal and will provide in-kind staff time totaling \$4,800 over a two-year period to further the project goals of educating dealerships and their customers.

Thank you for your consideration. If you have any questions, please contact me at 651.268.7590.

Sincerely,

Kelly Marczak  
Director, Clean Fuel & Vehicle Technologies