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February 1, 2008

Senator Bill Stouffer
State Capitol Building, Room 332
Jefferson City, Missouri 65101

Dear Senator Stouffer:

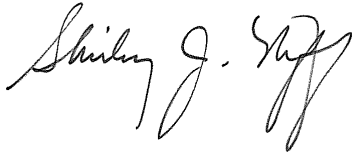
The Association of Oil Pipelines (AOPL) is a national trade association representing the common carrier crude and petroleum product pipeline companies. AOPL acts as an information clearinghouse for the public, media and pipeline industry; and represents the oil pipeline industry in Congress, before regulatory agencies, and in the federal courts.

While we generally do not take positions on state legislative matters, we are concerned that Missouri SB 759, which forces terminal companies in the state to make expensive investments to store biodiesel, biodiesel blends and diesel separately at each terminal, would eliminate the incentive to transport biodiesel blends via pipeline. This would be unfortunate since, in addition to being safer and more efficient, pipeline transportation would be more cost effective than trucking biodiesel to every distribution terminal for blending. Pipeline transportation of blends will eliminate the need to expand storage for a separate boutique fuel as well as the installation of expensive biodiesel blending infrastructure at each terminal. Avoiding investments in facilities not needed, but made necessary only because of a legislative mandate, would hold down distribution costs thereby improving the competitive position of these fuels.

The federal *Energy Independence and Security Act of 2007* contains a requirement for the increased use of biodiesel. As the national requirement increases, pipeline transportation will be ever more important. Since a major priority of the biodiesel industry is to move biodiesel into the mainstream petroleum distribution system, facilitating that transition should be the sole focus. If the Missouri legislature forces terminal companies to make investments for biodiesel storage, this could easily translate to a delay in pipeline transportation of blends, unnecessarily higher distribution costs and, eventually, stranded investments as the market evolves.

We strongly urge the Committee to eliminate any specific distribution mandates from legislation. Many pipeline companies are already evaluating and planning for the commercial opportunity to transport biodiesel blends. We firmly believe pipeline transportation of blends will be in the best economic interest of all stakeholders...soybean growers, biodiesel producers and motorists.

Sincerely,

A handwritten signature in black ink, reading "Shirley J. Neff". The signature is written in a cursive style with a large, stylized initial "S".

Shirley J. Neff
President and CEO
202-292-4500, sneff@aopl.org