



Ethanol Supply Chain Requires Efficient Rail System

Today more than 50 percent of all gasoline in the U.S. is blended with ethanol. The process of producing this blended fuel, which consumers most often see at the gas pump as E10, involves a complex supply chain. Corn or another feedstocks are transported to one of the 147 U.S. plants, most of which are in the Midwest where corn is produced, to produce ethanol. Ethanol then needs to be transported to the next distribution point, usually a blending terminal where ethanol is mixed with gasoline. Nearly seventy percent of the transportation from the ethanol plant to the next point in the distribution chain is via rail.

Rail is a critical mode for transporting ethanol due to the extensive network of rail infrastructure and ability to transport feedstocks and ethanol from many origins to many destinations throughout the U.S. The ability to use unit trains, or trains composed of up to 105 cars carrying the same commodity, provides the industry with tremendous transportation efficiency.

Because the bulk of ethanol plants are located in the Midwest, to the west of Chicago, and the single largest gasoline blending market is the NY/NJ area, large volumes of ethanol are transported through the Chicago rail system. Historically, Chicago has been one of the largest consumer markets for ethanol in the nation. The majority of expansion of the fast-growing renewable fuels industry will be transported via rail. Therefore, the rail transportation efficiencies that will be provided by CREATE rail improvements are critical to the ethanol industry.

