

# Wagner Native Ethanol, LLC

## Americans overwhelmingly want more renewable fuel use

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**74% of Americans** believe we should increase our use of domestically produced renewable fuels like ethanol..

**87% of Americans** maintain the federal government should actively support the development of a renewable fuels industry in this country.

**41% of Americans** view ethanol

as extremely important.

**58% of Americans** believe more use of domestically produced ethanol will help reduce our dependence on foreign oil.

**75% of Americans** view ethanol as somewhat important in reducing greenhouse gas emissions.

**77% of Americans** want the government to provide incentives to encourage refiners to reduce their use of oil and increase use of renewables.

**78% of Americans** maintain that increasing domestic ethanol production will help create new jobs and improve the economy in rural America.

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"These numbers make it clear that the American public understands the benefits of renewable fuels like ethanol and believes the federal government has a role to play in developing a robust renewable fuels industry in this country." says Bob Dinneen, President and CEO of the Renewable Fuels Association. "By passing an energy bill complete with an expansion and acceleration of the Renewable Fuels Standard, Congress has mirrored the desire of the American public to move away from our growing dependence on foreign—and often hostile—sources of oil."



## Railroad Construction Manager



**Pat Beaudette**

Pat Beaudette is one of the full time employees of Wagner Native Ethanol. He is the Rail Facilities and Construction Manager. "We feel fortunate to have Pat on board as he has a vast knowledge of the railroad industry. Pat is also very familiar with this rail line and the intricacies of the connections to competitive railroads to market our products," said Bill Riechers, Project Coordinator for Wagner Native Ethanol. Pat has worked for the South Dakota Division of Railroads as the Railroad Administration Manager.

He has also been the Office Engineer/ Properties Manager for Dakota, Minnesota and Eastern Railroad Corporation. His experience also goes back to when he was a Foreman/ Machine Operator/ Laborer for Chicago & Northwestern Transportation Company where he was responsible for the operation and supervision of section crews and production gangs. Pat's duties include the development, review, and approval of engineering and construction plans. He will administer the contracts and agree-

ments for track construction, track rehabilitations, roadway crossings and utility installations. Pat will inspect the track projects for compliance with contract specifications and will audit all track related expenditures. Pat has worked similar rail projects to Wagner Native Ethanol's rail acquisition and construction projects. Those have included the acquisition, development and multi-million dollar rehabilitation of the 75 mile rail line from Aberdeen extending into North Dakota.

### **"Preconstruction Activities Continue at WNE!"**



WNE is moving forward with all fronts point to a summer construction start. Nationwide Rail terminals are beefing up to accept unitrain of ethanol. Pipeline systems are being updated, and new plants are opening from New York to California and from Georgia to Hawaii. We also are focusing on a construction start this summer. Final design engineering is expected within ten days. Soil borings will follow to put our Phase I dirt package

on the street to area contractors. Permits are being sought, financial packages moving forward, and supply contracts are awaiting signature. Pat has the rail package just about complete and daily we are receiving calls from rail contractors across the U.S asking for a bid package. The question we hear everyday is "When will construction begin?" and the answer to that is this, All factors point to a construction start this sum-

mer. Margins are still in the black despite record prices. Ethanol has rallied \$0.70 from a low set in October and with high gas and crude oil prices ethanol should remain strong. WNE is looking forward to a summer construction start and a 13-14 month construction timeline. This should bring our plant online prior to the 2009 harvest. Keep your eyes on the land east of town. We are getting closer every day.

# RAILROAD RECONSTRUCTION OVERVIEW - Napa Jct. to Wagner

The line from Napa Jct. (MP 0.00) to the west end of Wagner (MP 46.4) will be reconstructed. The Normal right-of-way width is 100 feet, except in station grounds and other extra width locations along the line.

The old Milwaukee rail and other track materials will be removed and salvaged. The old ties will be removed with all usable ties remaining to be laced in with new construction. The grade will be graded smooth with new sub-ballast placed as required to achieve contract compliance. The line will be reconstructed using new jointed 115 lb AREA rail, a combination of new 7"x 9" x 8'6" ties in addition to usable relay ties as noted. Tie plates will be carbon steel, canted, and sized at a

8"x 11" minimum. Crushed ledge rock ballast shall be used in quantities to achieve construction contract compliance and allowing track surfacing and lining to meet Federal Railroad Administration class III requirements.

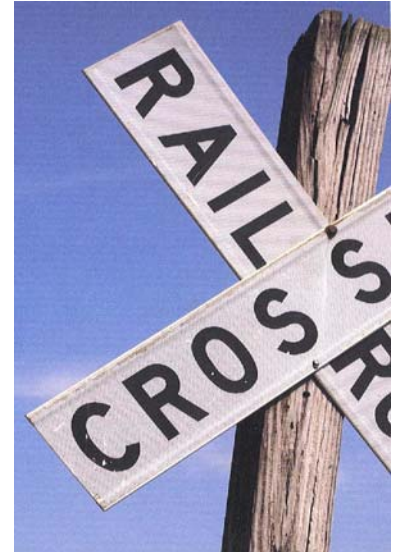
There are 46 rural public grade crossings that will be reconstructed. These crossings are primarily gravel Township or County roadways. These crossings will be reconstructed with new Grade 5 ties, new 115 lb rail and 7 1/2" full depth timber plank. All public at-grade crossings will be equipped with new advanced warning signs and cross-bucks.

The public at-grade crossings of State Highways No 25, No 50 and No 37 will be reconstructed with pre-cast concrete panels as de-

signed by the South Dakota Department of Transportation.

There are 27 timber pile trestles ranging in size from one to nineteen spans. These bridges will be rehabilitated to allow heavy axle loading of 286,000 lbs. Drainage conditions on the line can be considered fair and adequate.

The WYE track at Napa Jct., was totally reconstructed in 2006 with re-graded road-bed, ditching and drainage improvements, new ties and relay 115lb joined rail. BNSF installed new 136 lb, No11 turnouts on the east and west legs of the WYE. A new 115lb, No 11 turnout was installed at the tail track at the WYE.



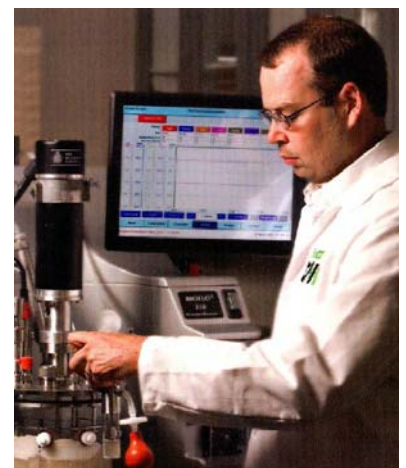
The line from Napa Jct. (MP 0.00 ) to the west end of Wagner ( MP 46.4 ) will be reconstructed.

## Did you know? "Ethanol Reduces Greenhouse Gases!"

The production and use of 6.5 billion gallons of ethanol in the US reduced CO2 equivalent green

house gas (GHG) emissions by approximately 10.1 million tons in 2007, the equivalent of removing

more than 15 million cars from Americas roadways.





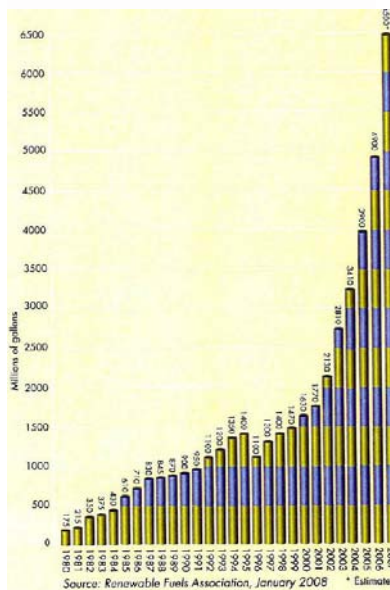
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## Ethanol Facts: Agriculture

### Historic U.S. Fuel Ethanol Production



Ethanol provides vital value-added market for corn and other commodities, providing an economic boost to rural America. Demand created by ethanol production increases the price a farmer receives for grain. An increasing number of farmers are joining together in cooperatives to build ethanol production facilities thereby directly taking advantages of the value-added market through ownership.

**Fact:** According to the U.S Department of Agriculture, ethanol production adds 25-50 cents to the value of a bushel of corn, or as much as \$5.5 billion over the entire crop.

**Fact:** Ethanol production utilized the starch in 2.3 billion bushels of corn in 2007.

**Fact:** Since 1990, farmer –owned cooperatives are responsible for the majority of new ethanol production capacity.

**Fact:** A modern dry-mill ethanol refinery produces approximately 2.8 gallons of ethanol and 17 pounds of highly valuable feed co-products called distillers grains from one bushel of corn.

**Fact:** Ethanol production does not reduce the amount of food available for human consumption.