

News from Senator BOB DOLE



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DOLE FIGHTS FOR ETHANOL TAX EXEMPTION; ASKS REAGAN TO SAFEGUARD THIS DOMESTIC ENERGY SOURCE

WASHINGTON -- SENATE REPUBLICAN LEADER BOB DOLE (R-KS) WENT TO BAT FOR ETHANOL TODAY IN A LETTER TO PRESIDENT REAGAN. DOLE ASKED THE PRESIDENT TO HELP STOP ANY ATTEMPTS TO ELIMINATE THE SIX CENT TAX EXEMPTION FOR THIS IMPORTANT DOMESTIC ENERGY SOURCE.

DOLE IS A LONGTIME SUPPORTER OF ETHANOL AND OTHER GRAIN-BASED ALTERNATIVE FUELS. THE TEXT OF THE LETTER FOLLOWS:

Dear Mr. President:

After months of hard work and bipartisan compromise, last year's budget summit reached a watershed agreement to reduce Federal deficit spending over the next two years. The results of these efforts will be reflected in your FY'89 budget, to be submitted next month.

While it is not clear at this time whether we will have to do more, such as a spending freeze, to further reduce the deficit, an implicit assumption in these historic talks was that the Administration would refrain from attempting to eliminate particular programs that enjoy wide support in Congress.

In this vein, I encourage you and your Administration not to include any proposals to eliminate the six cent exemption to the gasoline excise tax for fuel alcohol blenders. This effort to eliminate the economic basis for the domestic fuel ethanol industry has been included in every Administration budget submitted since FY'82. As has been proven by the National Advisory Panel on the Cost Effectiveness of Fuel Ethanol Production, the level of support provided the ethanol industry pays for itself. It provides an important cash market for farmers and promotes rural economic development. Ethanol also improves the quality of the air we breathe, and is an important part of a strong, domestic energy policy as an alternative to rising foreign oil and gas imports.

I appreciate your thoughtful consideration of this important matter and look forward to working with you in the coming year.