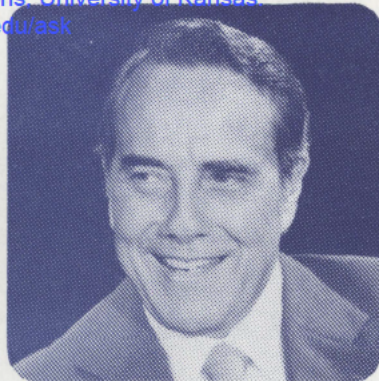


News from Senator

BOB DOLE



(R - Kansas)

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ADMINISTRATION AGREES WITH DOLE;
DROPS OPPOSITION TO ETHANOL TAX INCENTIVE

Washington, D.C. -- SENATE REPUBLICAN LEADER BOB DOLE (R-KS) SAID TODAY THE REAGAN/BUSH ADMINISTRATION HAS "DONE THE RIGHT THING" BY FINALLY DROPPING ITS LONGTIME OPPOSITION TO THE SIX-CENT TAX EXEMPTION FOR ETHANOL BLENDED IN ITS FY'89 BUDGET.

THIS POLICY REVERSAL COMES IN THE WAKE OF A LETTER FROM DOLE TO PRESIDENT REAGAN URGING THAT THE ADMINISTRATION KEEP THE ETHANOL EXEMPTION ALIVE. THUS, FOR THE FIRST TIME SINCE SUBMITTING ITS 1982 BUDGET, THE REAGAN/BUSH ADMINISTRATION WILL NOT ATTEMPT TO REPEAL THE TAX INCENTIVE FOR THIS IMPORTANT DOMESTIC ENERGY SOURCE.

DOLE, A 20-YEAR SUPPORTER OF ETHANOL AND OTHER GRAIN-BASED ALTERNATIVE FUELS, HAS OPPOSED ADMINISTRATION EFFORTS TO REPEAL THE EXEMPTION EVERY YEAR SINCE THE FY'82 BUDGET WAS SUBMITTED AND HAS INTRODUCED LEGISLATION TO EXTEND THE EXEMPTION TO THE YEAR 2000.

"I AM GLAD THE ADMINISTRATION AGREES WITH ME THAT THE EXEMPTION IS CRITICAL TO THE VIABILITY OF GRAIN-BASED, DOMESTICALLY PRODUCED ALTERNATIVE FUELS," DOLE SAID.

"AFTER THE HARD WORK AND BIPARTISAN COMPROMISE WE ACHIEVED AT THE BUDGET SUMMIT LAST YEAR, WE ARE ENCOURAGED THAT THE ADMINISTRATION MAY BE WILLING TO LISTEN TO THOSE OF US WHO BELIEVE THAT FEDERAL SUPPORT OF THE ETHANOL INDUSTRY PAYS FOR ITSELF."

"ETHANOL IS GOOD FOR AMERICA. IT PROVIDES AN IMPORTANT CASH CROP FOR FARMERS, LOWERS THE NEED FOR FEDERAL FARM SUBSIDIES AND AIDS IN RURAL ECONOMIC DEVELOPMENT, 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," DOLE SAID.