



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

FOR IMMEDIATE RELEASE
THURSDAY, APRIL 5, 1979

CONTACT: BOB WAITE, BILL KATS
202-224-8953, 224-8947

DOLE FUEL BILL WOULD PAVE WAY FOR WIDESPREAD GASOHOL PRODUCTION

WASHINGTON -- A bill introduced today by Sen. Bob Dole (R-Kan.) providing tax credits, loan guarantees, and designing an allocation plan for alcohol fuels in periods of gasoline shortage, would "pave the way for widespread production of gasohol."

The Dole bill, the Alcohol Fuels Production Incentive Act of 1979, would primarily make it easier to produce alcohol. Currently there are not adequate supplies of alcohol for use as fuel. Most cars on the road today can operate on blends of up to 10 percent alcohol and 90 percent gasoline.

The main components of the bill are:

INVESTMENT TAX CREDIT

1. The act would allow an additional 10 percent investment tax credit for investment in equipment used in the production of certain alcohol fuels. This should provide an additional incentive above the present 10 percent investment tax credit now allowed. It is important that private industry take steps now to plan, develop and build alcohol plants. This provision should encourage them to do so.

2. The act would also allow for a 5 percent investment tax credit for investment in buildings used in alcohol production. There is no investment tax credit allowed for such development now.

LOAN GUARANTEE FUND

The act would establish a Federal Alcohol Fuel Production Loan Guarantee Fund. Following are the main provisions:

1. Loans to build or refinance alcohol plants and equipment are guaranteed.
2. The guaranteed loans would be for up to 50 percent of the cost of the plants and equipment.
3. The maximum loan to one borrower would be \$10 million.
4. The government could not have over \$250 million in loan guarantees outstanding at one time.

ALLOCATION OF OIL AND OIL PRODUCTS

The act provides that refineries engaged in the production of gasoline or special fuels which are to be mixed with alcohol and those who sell and market such fuels are to receive priority when supplies are short under the Emergency Petroleum Allocation Act. The allocations should be sufficient to meet the demands for gasohol products.

"America is in dire need of an alternative, renewable source of fuel," Dole said. "I believe part of the solution to our energy problem will be met by gasohol. This bill should make the production of gasohol more economically feasible."