



NEWS from U.S. Senator Bob Dole

(R.-Kans.)

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DOLE SAYS CARTER GASOHOL PROVISIONS WILL ENCOURAGE INCREASED PRODUCTION

WASHINGTON -- Sen. Bob Dole (R-Kan.) said today that the President's announced decision last night to seek a permanent exemption for gasohol from the four-cent federal gasoline tax will encourage increased production of this promising alternative fuel source.

"I do commend the President for seeking this legislation, which I suggested in the Senate several years ago," Dole said. Yesterday I introduced a bill providing tax credits and loan guarantees for alcohol producers, which should pave the way for widespread production of gasohol.

"I believe part of the solution to our energy problem will be met by gasohol. It is a promising alternative fuel source, and with proper production incentives, can be made more economically competitive with traditional fuels. With the additional market it would create for grains and forestry products, gasohol presents a viable alternative for both farmer and consumer."

The Dole bill introduced yesterday, the Alcohol Fuels Production Incentive Act of 1979, would essentially make it easier to manufacture alcohol, which is currently in short supply for use as fuel. It would allow an additional 10 percent investment tax credit for investment in equipment used to produce certain alcohol fuels, which should provide an additional incentive above the current 10 percent credit now allowed. The bill also would create a 5 percent investment tax credit for investment in buildings used in alcohol production.

Loans to build or refinance alcohol plants and equipment would be guaranteed for up to 50 percent of cost, with the maximum loan to one borrower \$10 million. The bill would give priority treatment to producers and marketers of fuels mixed with alcohol in cases of supply shortages as described in the Emergency Petroleum Allocation Act. The allocations should be sufficient to meet the demand for gasohol.