

News from Senator

BOB DOLE



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DOLE URGES NEW ETHANOL STUDY

Washington, DC -- A new study on the cost effectiveness of ethanol would be required if Congress approves legislation co-sponsored by Senators Bob Dole (R-KS) and Chuck Grassley (R-IA).

The legislation, offered as an amendment to an agriculture disaster relief bill being debated in the Senate, would require the U.S. Department of Agriculture (USDA) to redo an earlier study on ethanol which was widely criticized by several government agencies and industry officials.

Under the Dole-Grassley amendment, the USDA would establish a new seven-member panel to conduct the study. The panel would:

- * Review and assess the economics and cost of production factors involved in the manufacture of ethanol in modern ethanol production facilities; assess ethanol technology, production and marketing advances that have enabled the ethanol industry to grow rapidly since the inception of the industry in 1980;

- * Assess the economic impact on United States agriculture from fuel ethanol production from United States agriculture commodities;

- * Review and analyze the trade-offs between federal production and marketing incentives for fuel ethanol and other agricultural programs designed to enhance farm income and control agriculture production;

- * Analyze the effect on the agricultural economy resulting from increasing levels of ethanol production, including increased employment, increased tax receipts, expanded economic activity, export potential of residual products, and net costs or savings;

- * Provide an analysis of the impact fuel ethanol production has on agricultural prices and farm income; and

- more -

* Analyze the effect of increased ethanol production on the balance of trade, energy security, and air quality in the United States.

According to Sen. Dole, the panel members would include representatives divided among feed grain producers, processors, and associations involved in ethanol production and marketing as well as other industry and university officials. No more than two members could be USDA employees.

Sen. Dole said the panel would have 90 days to report its findings to the agriculture committees in Congress and to the Secretary of Agriculture.