

News from Senator

BOB DOLE



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DOLE INTRODUCES LEGISLATION TO PROMOTE ETHANOL

Washington, DC -- Senate Republican Leader Bob Dole (R-KS) today introduced legislation to promote the development and use of ethanol as a major fuel source by the year 2000. A companion measure will be introduced in the House by Rep. David Nagle (D-IA).

In introducing the legislation, Sen. Dole said, "There are more than a few of us in Congress and many more throughout our country who happen to believe - and some of us have believed it and worked for it for two decades or more - that using ethanol as a major fuel source is just good common sense."

The Dole legislation, "Relying on Ethanol for America Program" (REAP), would make available \$500 million over five years to finance ethanol projects with a capacity of up to 40 million gallon. Projects would be required to use only domestic commodities for ethanol production, and the six-cent ethanol blenders exemption to the excise tax would be extended by seven years.

"REAP can improve farm income by reducing our enormous grain surpluses," said Sen. Dole. "REAP can also improve our air quality through increased use of clean-burning ethanol. Additionally, REAP can make America less dependent on foreign oil imports and make us more energy secure domestically. And REAP can result in creating jobs here at home."

"Not often do we have an opportunity to achieve so many worthy goals in a single act. And it is less often that we can do it with such simple logic in a measure founded in common sense," Sen. Dole noted.

REAP would establish an ethanol development fund making available \$100 million in loan guarantees each year for five years to finance ethanol development projects. REAP would dedicate five percent of that, or \$25 million in five years, for selected research and development projects designed to develop marketable commercial or industrial crops that may be used in ethanol or food production.

In addition, noted Dole, several important provisions are included in REAP that will help promote the development of the domestic ethanol industry. "One important provision is that only domestic commodities may be used in the production of ethanol under this legislation," said Sen. Dole.

The legislation also would extend the six cent excise tax exemption for ethanol blenders until the year 2000. Said Sen. Dole, "The combination of this provision with the other incentives REAP offers will significantly move ethanol into the reach of all citizens. It will greatly aid the efforts we are making to help those in rural America sell their abundant crops as well as help to solve the air pollution problem in our country."