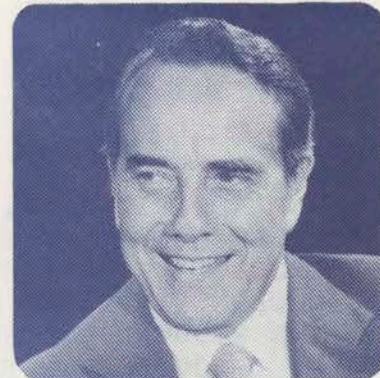


News from Senator

BOB DOLE



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FOR IMMEDIATE RELEASE
Wednesday, November 18, 1987

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STATEMENT OF SENATOR BOB DOLE
FINAL REPORT OF THE NATIONAL ADVISORY PANEL
ON THE COST-EFFECTIVENESS OF
FUEL ETHANOL PRODUCTION

MR. PRESIDENT: RECENTLY, THE NATIONAL ADVISORY PANEL ON THE COST-EFFECTIVENESS OF FUEL ETHANOL PRODUCTION COMPLETED ITS FINAL REPORT. BASED ON AN ACT OF CONGRESS, THE SEVEN MEMBER PANEL, NAMED BY SECRETARY OF AGRICULTURE DICK LYNG, UNANIMOUSLY ADOPTED THIS COMPREHENSIVE STUDY AND MADE ITS ASSESSMENT AND CURRENT APPRAISAL OF THE COST-EFFECTIVENESS OF FUEL ETHANOL TO OUR SOCIETY, GOVERNMENT POLICY AND THE ECONOMY.

MR. PRESIDENT, I AM PLEASED TO SAY THAT, IN ITS REPORT, THE PANEL CONFIRMED WHAT MANY OF US HAVE BEEN SAYING FOR YEARS: ETHANOL USE REPRESENTS COST-EFFECTIVE PUBLIC POLICY DESIGNED TO ENHANCE THE USE OF SURPLUS FARM COMMODITIES TO PRODUCE SCARCE AND VULNERABLE TRANSPORTATION FUELS.

ETHANOL PRODUCTION IS GOOD FOR AMERICA. IT PROVIDES AN IMPORTANT MARKET FOR THE AMERICAN FARM ECONOMY. IT WILL PROMOTE RURAL ECONOMIC DEVELOPMENT. IT WILL IMPROVE THE QUALITY OF THE AIR WE BREATHE. AND IT IS AN IMPORTANT PART OF A STRONG, DOMESTIC ENERGY POLICY AS AN ALTERNATIVE TO RISING FOREIGN OIL IMPORTS.

THE ADVISORY PANEL'S REPORT MAKES CLEAR THAT THE MOST IMPORTANT FACTOR IN DETERMINING THE FUTURE GROWTH AND DEVELOPMENT OF THE DOMESTIC ETHANOL INDUSTRY IS CONSISTENT AND RELIABLE PUBLIC POLICY. SPECIFICALLY, I AM TALKING ABOUT THE FEDERAL GOVERNMENT'S SUPPORT FOR THE CONTINUATION OF CURRENT FEDERAL EXCISE TAX INCENTIVES.

CONGRESS SHOULD BE AWARE THAT THE 1993 EXPIRATION DATE FOR THE ETHANOL EXCISE TAX EXEMPTION SERIOUSLY INHIBITS ETHANOL DEVELOPMENT AND THREATENS THE U.S. ETHANOL INDUSTRY'S PRODUCTION MARKETING INFRASTRUCTURE. CONSISTENT AND LONG-TERM SUPPORT IS NECESSARY IF THE INDUSTRY IS TO BE VIABLE INTO THE 21ST CENTURY. I HAVE INTRODUCED LEGISLATION, "THE RELYING ON ETHANOL FOR AMERICA PROGRAM," OR "REAP," TO EXTEND THE EXEMPTION THROUGH THE YEAR 2000.

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ADDITIONALLY, WE MUST RECOGNIZE THAT FEDERAL SUPPORT FOR ETHANOL THROUGH THE EXCISE TAX PAYS FOR ITSELF. ETHANOL PRODUCTION PROVIDES SIGNIFICANT BENEFITS TO THE AGRICULTURAL ECONOMY IN TERMS OF HIGHER GRAIN PRICES, INCREASED FARM INCOME AND REDUCED FEDERAL OUTLAYS FOR FARM PROGRAMS.

PROGRAMS TO ENCOURAGE ETHANOL USE SHOULD TAKE INTO ACCOUNT EFFORTS TO DEVISE POLICIES THAT WILL ALLEVIATE ADVERSE IMPACTS ON FARMERS WHO GROW CROPS SUCH AS SOYBEANS THAT COMPETE WITH ETHANOL BY-PRODUCTS.

ON THE ENVIRONMENTAL SIDE, THE USE OF ETHANOL BLENDS HAS BEEN PROVEN TO REDUCE CARBON MONOXIDE IN AUTOMOBILE EMISSIONS BY 10 TO 30 PERCENT. IN CARBON MONOXIDE NON-ATTAINMENT AREAS, ETHANOL CAN PROVIDE SUBSTANTIAL AIR QUALITY IMPROVEMENTS.

AS A CORNERSTONE OF U.S. ENERGY POLICY, ETHANOL REPRESENTS ONE OF VERY FEW COMMERCIALY-PROVEN LIQUID FUELS CAPABLE OF REPLACING VULNERABLE PETROLEUM IMPORTS IN OUR HIGHLY OIL-DEPENDENT TRANSPORTATION SECTOR.

MR. PRESIDENT, WE MUST LOOK TO THE FUTURE. FARMERS DON'T WANT HANDOUTS, THEY WANT AN OPPORTUNITY TO MAKE A FAIR RETURN IN THE MARKETPLACE. THE AMERICAN CONSUMER DOESN'T WANT A REPEAT OF THE OIL SHORTAGES OF THE 1970'S. THEY WANT A RELIABLE DOMESTIC SUPPLY OF FUEL AT A FAIR PRICE. CITIZENS OF THIS COUNTRY DON'T WANT TO BREATHE POLLUTED AIR. THEY WANT SENSIBLE SOLUTIONS TO THIS HEALTH HAZARD AND CONTINUED OPPORTUNITIES FOR ECONOMIC GROWTH.

I CONGRATULATE THE PANEL ON COMPLETING THIS SIGNIFICANT TASK IN A PERIOD OF FOUR MONTHS. BILL SWANK, THE CHAIRMAN, DID A TREMENDOUS JOB IN LEADING THE PANEL THROUGH EXHAUSTIVE DELIBERATIONS.

THE BENEFITS OF ETHANOL ARE CLEAR. WE HAVE ALREADY MADE A COMMITMENT TO ETHANOL'S FUTURE. MORE MUST BE DONE. I LOOK FORWARD TO WORKING WITH MY CONGRESSIONAL COLLEAGUES TO ENSURE THE LONG-TERM GROWTH OF THE U.S. ETHANOL INDUSTRY IN THE NEXT DECADE AND THE NEXT CENTURY.