

June 13, 2011

The Honorable Harry Reid  
Majority Leader  
United States Senate

The Honorable Mitch McConnell  
Minority Leader  
United States Senate

Dear Majority Leader Reid and Minority Leader McConnell:

As representatives of the nation's farmers and ethanol producers that have worked to build the most successful renewable energy industry in the U.S., we write to urge you to oppose Amendment No. 436 to the Economic Development Revitalization Act (EDA) of 2011 (S.782) offered by Senator Tom Coburn of Oklahoma, and Amendment No. 411 offered by Senator John McCain of Arizona. The amendments would immediately and retroactively end the existing blender's credit and secondary tariff for ethanol, and prohibit the use of U.S. Department of Agriculture funds for the construction of an ethanol blender pump or ethanol storage facility, respectfully.

While the country faces high gas prices, American-made ethanol is the leading liquid fuel alternative currently displacing foreign oil and thereby putting downward pressure on global oil prices. American ethanol provides a valuable, renewable liquid fuel alternative to petroleum-based gasoline. Ethanol has been widely successful in helping to reenergize and revitalize our nation's rural communities and farm economies. By providing an alternative to foreign oil, ethanol is critical to our nation's efforts to become more energy independent and secure.

As evidenced by the ethanol tax reform legislation recently introduced by a bipartisan group of senators and supported by our nation's ethanol producers, the ethanol industry understands the need for reforming the tax incentive to significantly reduce costs to a more responsible approach that protects the evolution of the industry. The industry is currently supporting legislation to improve and expand refueling infrastructure to allow for greater consumer choice at the pump, and transition away from the existing incentive by temporarily tying the incentive to the price of oil, ultimately phasing it out. Further, our proposal would provide incentives for next-generation ethanol, and save motorists money by reducing fuel prices.

By immediately ending ethanol incentives and funding, the Coburn and McCain amendments fail to recognize the value of our nation's investment in, and commitment to, energy security and independence. To protect our nation's vital energy interests, we ask that you oppose the Coburn and McCain amendments, and support a more reasonable reform alternative that does not threaten the health of such an important American industry and the rural economy.

Sincerely,

American Coalition for Ethanol  
Advanced Ethanol Council  
American Farm Bureau Federation  
Growth Energy  
National Corn Growers Association  
National Farmers Union  
Renewable Fuels Association