



Congress Leaves for August Recess Without Passing Ethanol Deal

By Leticia Phillips

These past few weeks have been particularly intense in Washington as the President, the Congress, and the nation worked to find a solution to the debt limit crisis. With the hours waning and a deadline drawing near, our elected officials were able to come together to pass a law allowing the Federal Treasury to continue paying the country's bills.

Unfortunately, there was an important piece of the debt puzzle that got left out of the final product, and that was the bipartisan effort to end the ethanol tax credit and import tariff ahead of schedule this summer. In a battle that could have used a dose of cooperation and sound fiscal policy, the agreement reached by Senators Dianne Feinstein, Amy Klobuchar, and John Thune would have ended subsidies that could save American's approximately \$6 billion a year, and provide more access to clean, renewable fuels like sugarcane ethanol. It would have been a win-win. But since the final debt agreement did not include any revenue adjustments, the ethanol tax repeal and import tariff were excluded.

Senator Feinstein noted, "Our efforts to repeal ethanol subsidies have reached an impasse. The debt agreement excludes all immediate revenue raisers and there are simply no other tax vehicles to which we can attach a repeal." She went on to conclude, "I feel terrible because I think it was a good agreement and should have been enacted."

What Now?

A few members of Congress are not ready to give up yet. Just last week during the debt limit negotiations, a bipartisan group of 12 Senators led by Senators Tom Coburn and Jim Webb urged that chamber's leaders to "ensure that both the VEETC and import tariff are ended as soon as possible." They called for another quick vote on legislation that already passed the Senate previously by a margin of 73-27 "to ensure that the approximately \$6 billion in taxpayer money that is annually spent to support ethanol production is terminated."

We certainly support any effort to end the unfair, \$0.54-per-gallon tax on clean energy as soon as possible, but most Capitol Hill observers agree that chances are slim for any major action this fall on the Feinstein, Thune, and Klobuchar deal. However, there is still a pathway forward in this fight, and that's where we need your help.

What You Can Do To Help

The good news is the days are numbered for the ethanol tax credit and import tariff - both are scheduled to expire on December 31, 2011. And the corn ethanol industry has made it clear they no longer need the federal largess, and that the growing industry will continue to prosper. But clean energy advocates must remain vigilant



spreading the word about clean and renewable solutions from sugarcane



and on the lookout for any mischief that would extend these costly and unnecessary subsidies beyond this year.

So take action now and talk with your Member of Congress during this August recess. Go to their town hall meetings, parades, and public events and encourage them to create an open and competitive marketplace for alternative fuels like sugarcane ethanol. Ask your Representative and Senators to stand strong and let the ethanol credit and import tariff expire on December 31st, 2011.

The finish line is in sight, and with your help we can lead this charge to victory and save American's money with a clean energy alternative and healthy competition.

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