



Our New Year's Resolution for 2011: End the U.S. Ethanol Policy Boondoggle

By Joel Velasco

With the stroke of a pen on Friday afternoon, President Obama gave the mature, thriving U.S. corn ethanol industry an early Christmas present they didn't need: a one-year extension of \$6 billion in ethanol subsidies and the 54-cents-per-gallon tariff on imported ethanol.

The corn ethanol lobby may have won this battle but because of your action and the huge impact you made on the clean energy debate this year, they are poised to lose the war in 2011.

The corn ethanol lobby originally asked for another five years of taxpayer handouts and trade protection. Because of 100 newspaper editorials in 40 states, over 80,000 letters from clean energy advocates, opposition from a bipartisan group of lawmakers and one of the broadest coalitions imaginable, they got just one.

Because of your energetic and passionate support in 2010, lawmakers like Sen. Dianne Feinstein (D-CA) are making a New Year's resolution to end unnecessary subsidies and trade protection in 2011: "I think that we should take a look at [ethanol reform]. I think ethanol stands on its own. I don't think it needs the subsidies."

Friday's Reuters story makes it abundantly clear that the U.S. ethanol industry has been put on notice, and faces an uphill battle in 2011 to continue the wasteful, protective and punitive policies that keep fuel prices high, and block access to cleaner, more affordable alternatives like sugarcane ethanol. The political dynamics will certainly be different next year. Besides a larger number of Republicans coming to Congress who are on record wanting to cut government spending and reign in waste, Iowa Senator Chuck Grassley will no longer be in the same position to protect the ethanol industry. Because of term limits, Grassley will step down as ranking Republican on the tax-writing Finance Committee in January, and Utah's Orrin Hatch will assume that role.

We look forward to continuing our work together in 2011 to improve access to clean and affordable renewable fuels. Stand by for updates as soon as the issue begins to take shape in the 112th Congress.

In the interim, enjoy a safe, healthy and prosperous holiday season, and thank you so much for your support.

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