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For More Information Contact:

Janice Tolley Walters, NCGA, (202) 628-7001 or walters@dc.ncga.com

Matt Hartwig, Renewable Fuels Association, (202) 289-3835 or mhartwig@ethanolrfa.org

Kristin Brekke, American Coalition for Ethanol, (605) 334-3381 or kbrekke@ethanol.org

Stephanie Dreyer, Growth Energy, (202) 545-4000 or sdreyer@growthenergy.org

Corn, Ethanol Groups Welcome Bill Transforming Current Ethanol Tax Policy

Washington (May 4, 2011) – The National Corn Growers Association (NCGA), the American Coalition for Ethanol (ACE), Growth Energy and the Renewable Fuels Association (RFA) today praised the legislation offered by a bipartisan group of senators, led by Iowa Senator Chuck Grassley, to responsibly transition and transform current ethanol tax policy. This legislation would reduce the current blender's credit, also known as VEETC, for a two-year period before transitioning to a tax credit that would adjust based on the price of oil. Importantly, this legislation would also improve upon current tax credits for the installation of blender pumps and ethanol fueling infrastructure. Additionally, the bill would extend tax credits for small ethanol producers as well as for advanced and cellulosic ethanol.

Original cosponsors of the Domestic Energy Promotion Act of 2011 include: Senator Kent Conrad (D-ND), Senator Mike Johanns (R-NE), Senator Amy Klobuchar (D-MN), Senator Al Franken (D-MN), Senator Tim Johnson (D-SD), Senator Tom Harkin (D-IA), and Senator Ben Nelson (D-NE).

The groups issued the following statement:

"The leadership of Senator Grassley and this distinguished bipartisan group of cosponsors has been and remains instrumental in allowing America's ethanol industry to grow and evolve. At a time of near-record gas prices and continued volatility in world oil markets, America's growing production and reliance of domestic ethanol sources is creating jobs, keeping gasoline prices down, and reducing this nation's appetite for imported oil. Domestic Energy Promotion Act of 2011 would ensure we don't abandon this increasingly vital American industry, but rather smartly and responsibly foster its continued growth and evolution."

“This legislation rightfully recognizes budget constraints by reforming the ethanol tax credit and significantly reducing its cost. Additionally, this bill would improve current tax credits for the installation of blender pumps offering higher level ethanol blends and provide Americans more choice when they fill up. Critically, this legislation would also ensure progress made to commercialize advanced ethanol technologies utilizing new feedstocks such as grasses and municipal solid waste is accelerated. We thank these senators for their leadership in introducing this bill and look forward to working with them through the legislative process that ultimately ends with the President’s signature.”

According to a recent report from Iowa State University, the University of Wisconsin, and the Center for Agriculture and Rural Development, the growth in production and use of ethanol kept American gas prices \$0.89 lower than it otherwise would have been in 2010. Such downward pressure on the gasoline market saved the average American family more than \$800 last year alone. From 2000-2010, ethanol kept gasoline prices \$0.25 cents lower on average than they otherwise would have been, resulting in nearly \$35 billion in avoided cost at the pump for consumers.

About the National Corn Growers Association

Founded in 1957, the National Corn Growers Association represents 35,000 dues-paying corn farmers nationwide and the interests of more than 300,000 growers who contribute through corn checkoff programs in their states. NCGA and its 48 affiliated state associations and checkoff organizations work together to create and increase opportunities for their members and their industry. For more information, visit www.ncga.com.

About Growth Energy

Growth Energy is a group committed to the promise of agriculture and growing America's economy through cleaner, greener energy. Growth Energy members recognize America needs a new ethanol approach. Through smart policy reform and a proactive grassroots campaign, Growth Energy promotes reducing greenhouse gas emissions, expanding the use of ethanol in gasoline, decreasing our dependence on foreign oil, and creating American jobs at home. More information can be found at GrowthEnergy.org.

About the American Coalition for Ethanol

The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national advocacy association for the ethanol industry with nearly 1,500 members nationwide, including farmers, ethanol producers, commodity organizations, businesses supplying goods and services to the ethanol industry, rural electric cooperatives, and individuals supportive of increased production and use of ethanol. For more information about ethanol or ACE, visit www.ethanol.org or call (605) 334-3381.

About the Renewable Fuels Association

The RFA is the national trade association for the U.S. ethanol industry. Since 1981, the RFA serves as the voice of the ethanol industry, providing advocacy, authoritative analysis, and important industry data to its members, Congress, federal and state government agencies, strategic partners, the media and other opinion-leader audiences.