

Ethanol's detractors try to stifle the truth

By Bryan Christjansen | Indianapolis Star | Jun 22, 2011

Imagine if today we had a viable alternative to gasoline; an affordable, proven and domestic fuel that cleaned our air while creating American jobs. Imagine next that Congress, while doing the bidding of friends in Big Oil, conspired to kill that fuel in order to maintain the status quo and our failed energy policy that guarantees big profits for oil companies.

This is the reality that ethanol faces. With so many rumors and untruths, it is crucial to get the facts straight.

Ethanol is the only viable domestic alternative to gasoline, and is crucial to Indiana's economy and rural communities. Indiana is home to 13 ethanol plants that produce nearly 1.1 billion gallons of fuel per year in addition to millions of tons of Dried Distillers Grains, a high-protein animal feed. Ethanol is doing more with less; producing more ethanol with each bushel of corn from the bounty of Hoosier farmers while using less energy and water. The 13 Indiana ethanol plants directly employ more than 600 people, and each ethanol job creates 4.8 more jobs, according to a recent INFORMA Economics study. In rural Indiana, where these plants are located, these jobs are critical.

So why would Big Oil want to kill ethanol? The answer is simple. They want to import more oil and make more profits. Recall that Exxon Mobil, Chevron, ConocoPhillips, BP and Shell earned a combined profit of \$77.4 billion in 2010.

Ethanol accounts for nearly 10 percent of our fuel supply in a country that uses approximately 400 million gallons of gasoline per day. With the cost of oil over \$100 a barrel, ethanol costs Big Oil more than \$120 million per day in lost sales. Since it is more inexpensive than gasoline, ethanol helps to bring down the price of fuel at the pump for consumers. According to one Iowa State University study, ethanol reduced wholesale gasoline prices by \$1.37 per gallon in 2010 in the Midwestern region.

The sudden halt in ethanol production, accounting for additional imports, increased transportation costs, and lack of additional oil refining capacity, could cause gasoline prices to rise by as much as 92 percent, according to the same Iowa State study -- which at today's prices could mean gas eclipsing a staggering \$7 per gallon.

Hoosier families are tired of high gas prices and pinching pennies while their monthly budgets are being controlled by the whims of shahs and dictators in the Middle East and oil companies reap billions.

Ethanol gives us a better way.

Ethanol is proven and domestic. It produces jobs that cannot be outsourced while creating a cleaner-burning alternative to gasoline. However, it exists in an environment in which the government mandates that 90 percent of the fuel supply be derived from petroleum. It exists in an environment in which it must depend on oil companies, the very people who want to destroy it, to get to the marketplace. Instead of killing ethanol, Congress should embrace energy independence and job creation by reforming fuel regulations and give ethanol access to the open market where it can compete.

All sides of the debate agree that the current Volumetric Ethanol Excise Tax Credit should be phased out and eventually eliminated. Abruptly killing the credit, with no alternative solution in place, will do nothing but increase the price of gas while killing jobs and padding Big Oil profits. By gradually phasing out the credit in favor of infrastructure enhancements and market access, our country can more effectively achieve energy independence while bringing down our price at the pump.

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