



## Will new Congress take on ethanol?

By [Rob Nikolewski](#)

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It's possibly the most controversial mandate on the books — a requirement under the [Renewable Fuel Standard](#) that billions of gallons of ethanol be mixed into the gasoline American consumers put into their tanks.

But there's a new Congress in Washington, D.C. Does that mean the ethanol mandate may be eliminated?

“It's possible,” said one of the mandate's harshest critics, [Patrick Michaels, director of the Center for the Study of Science at the Cato Institute](#), a libertarian think tank based in D.C. “Don't give up on hope and change.”

The fiscal impact of the ethanol mandate is huge — Michaels estimated it totals “billions, easily” in direct and indirect money — but it has come under attack by liberals as well as conservatives and appears to have lost some of its clout on Capitol Hill.

For example, the Environmental Protection Agency — which administers the Renewable Fuel Standard — is [considering a cut](#) to the amount of ethanol blended into the nation's gasoline supply.

But that doesn't mean the mandate is in the legislative intensive care unit, either.

Last year, two of the most well-known and influential members of the Senate didn't get anywhere. Sen. Dianne Feinstein, D-Calif., and Sen. Tom Coburn, R-Okla., [introduced a bill](#) that would strike the ethanol mandate from the Renewable Fuel Standard, known as the RFS. But the legislation [died in committee](#).

Through the first week of the current congressional session, no one in the Senate or House has introduced anything similar.

“We think the voters sent a clear message to Washington last November. They want action,” [Carlton Carroll, spokesman for the American Petroleum Institute](#), told Watchdog.org.

“The RFS is a flawed policy that needs to be fixed. There’s support for RFS repeal on both sides of the aisle. We think the votes are there.”

“We think the RFS is a groundbreaking and very successful public policy,” said [Bob Dineen, president and CEO for the Renewable Fuels Association](#). He accused the petroleum industry of ginning up opposition. “At its core, this is a dispute over market share. The oil guys have lost 10 percent on the barrel to a bunch of farmers in the Midwest. It galls them.”

But a growing number of environmentalists want the ethanol requirement eliminated, too.

[Craig Cox, senior vice president at the Environmental Working Group](#), has called [ethanol an “ecological disaster.”](#) [Friends of the Earth](#) has called the mandate “senseless” and “rather than giving us clean energy, it’s incentivizing biofuels like corn ethanol that are exacerbating our economic and environmental problems.”

The Renewable Fuel Standard [came into existence in 2005](#) as a way [to reduce greenhouse gases](#).

In 2007, Congress passed and President George W. Bush signed into law an [updated version of the RFS](#), requiring an increasing amount of biofuels mixed into gasoline — starting at 9 billion gallons in 2008 and increasing to [36 billion gallons by 2022](#).

Ethanol was part of the mix and, in 2013, the EPA required fuel companies to mix in 14 billion gallons of corn-based ethanol. The RFS is supposed to increase that to 15 billion gallons this year, but the EPA has debated reducing the number, which [some observers described as a potential death blow](#) to the industry.

The requirements have had a huge effect on farming in the nation’s heartland. It’s estimated [40 percent of the corn raised in the U.S. goes to ethanol](#).

“If we took all the corn that was diverted to ethanol and used it for its other normal uses for feed grains and foods, etc., the price of corn would be much, much lower than it is now,” Michaels said.

[Monte Shaw, executive director at the Iowa Renewable Fuel Association](#), disputes that.

“There’s this little thing called a hundred year historic drought that happened in 2012 and, lo and behold, corn prices today are below the price of the day the 2007 RFS was enacted,” Shaw said in a telephone interview.

Ethanol mandates — not only in the U.S. but also in the European Union — have also come under fire by activists who say they complicates efforts to reduce world hunger.

“The mandates have proven an awful way to help the planet,” [Charles Kenny, a senior fellow at the Center for Global Development](#), wrote last year in [a column for BusinessWeek](#). “To produce ethanol you have to farm corn using fertilizers and tractors, then transport the crop and process it

into fuel. That all takes energy. And in some cases the land used for farming had been forest that was burned down to cultivate biofuel crops.”

Ethanol is knocked by [critics who say the fuel can hurt car engines](#) — particularly those built before the RFS went into effect — as well as smaller gasoline-powered engines, such as lawnmowers and weed trimmers.

The fuel’s [defenders point to their own studies](#), refuting those claims.

Last month, the [Renewable Fuels Association, released a report challenging](#) conclusions made by researchers at the University of Minnesota that ethanol is more harmful to humans and the environment than gasoline.

“The modeling that those folks in Minnesota had done was just not borne by the facts,” said Dineen. “You can put anything you want to into a model.”

Corn ethanol has its defenders on Capitol Hill — especially members of Congress from where corn grows in abundance. In Iowa, for example, [90 percent of the land is farm acreage](#).

[Sen. Charles Grassley, R-Iowa](#), has developed a reputation in his [34 years in the Senate](#) as being a fiscal hawk. But he’s a rock-ribbed supporter of the ethanol mandate.

“Pure and simple, the policy is good for America’s energy supply, as well as its environmental and economic stability,” Grassley said [on his Senate website](#).

Iowa also happens to be the home of the Iowa caucus, the first test for potential candidates for president.

In 2010, Al Gore told a green energy business conference he [regretted his earlier support for ethanol subsidies](#) and tied it to his presidential ambitions at the time.

“It’s hard once such a program is put in place to deal with the lobbies that keep it going,” [Reuters quoted Gore](#) saying, adding, “One of the reasons I made that mistake is that I paid particular attention to the farmers in my home state of Tennessee, and I had a certain fondness for the farmers in the state of Iowa because I was about to run for president.”

“There are so many constituencies that do not like ethanol in their gasoline,” said Michaels. “I would think it would be smart politics for someone, perhaps without presidential aspirations, or even someone who has presidential aspirations like Rand Paul, to introduce a bill ... to get rid of the ethanol mandate.”

But ethanol supporters say they’re confident the mandate will remain.

“I think there are lots of concerns out there, but if you really looked at it, those concerns are unfounded,” Dineen said, adding, “Only since the adoption of the RFS has there been an opportunity for consumers to have some choice.”

