



**An Open Letter from the American Coalition for Ethanol to Candidates for President of the United States
and Invitation to Participate in an Energy Policy Forum August 24, 2011**

On behalf of the members of the American Coalition for Ethanol (ACE) I am writing to explain our position regarding the ethanol tax incentive and invite you to participate in an energy policy forum on Wednesday, August 24 in Des Moines, Iowa.

The ethanol tax incentive has been part of recent media reports concerning energy policy and the race for the 2012 Republican nomination for President of the United States. Unfortunately, some of these reports have blindly accepted the conventional wisdom that the U.S. ethanol industry supports the status-quo extension of the tax incentive. To the contrary, the U.S. ethanol industry has been proactively focused on reforming the tax incentive by reducing the taxpayer cost, emphasizing next-generation biofuels, and prioritizing market access policies, such as the deployment of Flexible Fuel Vehicles and blender pumps, enabling consumers to have meaningful and affordable fuel choices.

ACE believes it is important that presidential candidates become familiar with the ethanol industry's plan because it essentially sacrifices the existing tax incentive in order to catalyze next-generation biofuels and level the playing field with oil. This plan is based upon several pieces of legislation that have been introduced in Congress and ACE and others are working with Republicans, Democrats, and the White House to enact it before the tax incentive expires at the end of the year.

We are willing to responsibly reform and reduce the cost of the ethanol tax incentive. However, ACE does not believe budget cuts should disproportionately discriminate against American ethanol while leaving taxpayers on the hook for hundreds of billions of dollars of subsidies for oil companies. Indeed we challenge the oil industry to follow our lead and urge you to make clear that oil tax subsidies need to be reformed as well.

The U.S. needs job growth, American families pay unnecessarily high pump prices and our country remains dangerously addicted to foreign supplies of oil. American-made ethanol is the one alternative fuel creating American jobs, easing pain at the pump, and reducing U.S. dependence on foreign oil. The ethanol industry supports 400,000 American jobs, and, will create additional jobs as policy is adopted to allow consumers to use even more biofuels. That will also help families save money. According to an analysis by the Center for Agricultural and Rural Development (CARD) at Iowa State University, the use of ethanol reduced wholesale gasoline prices by an average of 89 cents per gallon in 2010, thereby reducing the average American household's gasoline bill by \$800 last year.

We appreciate the opportunity to clarify our position regarding the ethanol tax incentive. ACE also invites you to participate in an energy policy forum we are hosting during our 24th annual ethanol conference taking place in Des Moines, Iowa, on August 24. This forum will provide candidates the opportunity to share viewpoints on energy policy and interact with the grassroots farmers, investors, businesses, and entrepreneurs of the U.S. ethanol industry. We look forward to hearing from you.

Sincerely,

Brian Jennings, Executive Vice President
American Coalition for Ethanol (ACE)