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**EPA Recognizes the Facts of Ethanol's Economic Benefits,
Rules against RFS Waiver Request**

Sioux Falls, SD (August 7, 2008) – Stephen Johnson, Administrator of the U.S. Environmental Protection Agency (EPA), today announced the agency's decision to deny the request by the Texas Governor for a waiver from the Renewable Fuels Standard. The American Coalition for Ethanol (ACE) applauded the EPA for its thorough review of the facts in the case.

"From the start we have welcomed a fact-based discussion about ethanol's role in feed, food, and fuel prices, and with this decision the EPA has acknowledged the overwhelming evidence of ethanol's benefits to the nation's economy and to the budgets of Americans who are struggling to pay for fuel. It is a fact that ethanol is saving motorists money at the pump, and those fuel price benefits far outweigh the small increase in food prices," said Brian Jennings, Executive Vice President of ACE.

Gas prices have dropped for several days in a row, and ethanol's downward pressure on gas prices is well-documented. An Iowa State University study shows that the availability of ethanol has given fuel price relief to motorists in all regions of the country by an estimated 29-40 cents per gallon at retail. Merrill Lynch analysts state that if ethanol producers weren't expanding their output, the price of oil and gas would be 15 percent higher. And the U.S. Departments of Agriculture and Energy found that without ethanol, motorists today would be paying 20-35 cents more at the pump.

"Just because Big Food companies feel they are entitled to cheap corn forever does not justify their politically-driven effort to dismantle ethanol policy. Today's ruling by EPA sets a precedent for others who would try to influence ethanol policy relying upon dishonest PR attacks instead of science and hard data," Jennings said.

Independent economic experts agree that biofuels-related feedstock demand has very little to do with retail food prices, the USDA and DOE stating that 96-97 percent of the food price increase has nothing to do with ethanol. Though much of the media attention has been focused on increasing food prices, the increase in gas prices has a far bigger impact on Americans' pocketbooks. Figures from the [Bureau of Labor Statistics](#) show that since January 2002, American families have seen their food price expenditures increase by \$13 a week, while they are spending an additional \$58 a week to fuel their cars – that's a 23 percent vs. a 335 percent increase.

"Despite a multi-million-dollar PR campaign by Big Food and Big Grocery to convince consumers otherwise, ethanol has very little to do with what we pay for food at retail. Now that corn prices have dropped by 30 percent and there are forecasts of a large corn crop, we'd like consumers to keep an eye on their grocery bills and start asking questions if their prices don't go down accordingly," Jennings added.

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The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national trade association for the ethanol industry with nearly 1,600 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.