



FOR IMMEDIATE RELEASE

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Americans are paying \$83 per week for gas, a 335% increase from 2002

Sioux Falls, SD (July 2, 2008) – Americans will pay \$1.13 more per gallon to travel to their Fourth of July celebration than they did last year, and \$2.60 more per gallon than they did just five years ago, according to data from the Energy Information Administration.

(Source: Energy Information Administration http://www.eia.doe.gov/oil_gas/petroleum/data_publications/wrqp/mogas_home_page.html)

“I think we’ve all become numb to constant gas price increases, but a look at the numbers should make people take notice. An average household pays \$4300 a year now for gasoline instead of the \$1200 they paid just five years ago,” said Ron Lamberty, Vice President / Market Development of the American Coalition for Ethanol (ACE). “Just six years ago, a twenty dollar bill would fill your tank for your Fourth of July holiday trip and you’d have enough left over to buy snacks, but today that same trip will cost you more than \$60.”

ABC News has reported that some cities are canceling Fourth of July festivities due to high gas prices and the general downturn in the economy (<http://abcnews.go.com/Video/playerIndex?id=5276667>).

“It’s sobering to realize that our dependence on foreign oil may even be threatening our celebration of Independence Day,” Lamberty said. “Ethanol’s opponents will tell you that the cost of the Fourth of July picnic is slightly higher this year, but the cost of the picnic is irrelevant if Americans can’t afford to drive to the celebration,” Lamberty said.

While much recent media attention has focused on increased food prices, a look at the Consumer Price Index from the U.S. Bureau of Labor Statistics shows that the gas price increase is by far the heavier burden for American households.

- In January 2002, an average household paid \$102 a week for food (groceries and eating out) and \$25 a week for gas.
- By June 1 of this year, a household paid \$124 a week for food (an increase of 23.1%) and \$83 a week for gas (an increase of 335.8%).
- If gas prices had increased at the same rate as food prices during that time, the pump price would be \$1.39 per gallon.

(Source: U.S. Bureau of Labor Statistics, May 2008 Consumer Price Index <http://www.bls.gov/cpi/cpid0805.pdf> and Consumer Expenditure Survey 2000-2006 <http://ftp.bls.gov/pub/special.requests/ce/standard/y0006/multiyr.txt>)

ACE published a fact sheet today with more food price and gas price information, highlighting data from the U.S. Bureau of Labor Statistics. Download at: http://www.ethanol.org/pdf/contentmgmt/ACE_Fuel_Food_Fact_Sheet_7_2_08.pdf

“Ethanol is here today as a clean and cost-effective alternative to expensive oil. Increasing the availability of ethanol, and increasing the amount of ethanol in each gallon of gas, will continue moving the U.S. down the path to energy independence,” Lamberty said.

Domestically produced ethanol is helping to keep gas prices from going even higher. Here’s what experts are saying:

- The U.S. Departments of Agriculture and Energy note that gas prices would likely be 20 to 35 cents higher per gallon if ethanol were not available.
- Merrill Lynch analysts believe oil and gas prices would be 15% higher if ethanol producers weren’t expanding their output, which would mean \$21 per barrel more for oil and 61 cents more per gallon for gas.
- Iowa State University found that between 1995 and 2007, Americans in all regions of the country spent less on gas – between 29 and 40 cents a gallon – than they would have if ethanol had not been available.

Using the low and high estimates of ethanol’s savings – 20 cents to 61 cents per gallon – ethanol is saving American households between \$210 and \$642 per year.

By growing the production and consumption of ethanol in the U.S., and taking basic conservation measures, the nation can fuel its own energy needs for nearly six months out of the year.

- America currently produces enough oil (49 billion gallons) and enough ethanol (9 billion gallons) to provide 149 days of energy independence – or up to May 29 each year.
- Expanding ethanol production to 14 billion gallons, and taking basic fuel conservation measures that would reduce each driver’s gas consumption by 21 gallons a year, would result in a true “Energy Independence Day” – or the U.S. being able to fuel its own energy needs through July 4 each year.

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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.