

***Response from Senator Norm Coleman (June 16, 2003)
to Real World Economics column
Politics fuel proposals for ethanol reserve (June 12, 2003)***

**Facts about ethanol, biofuels are murder on
skeptics' theories**

Ed Lotterman's recent diatribe (business page column, June 12) against renewable fuels such as ethanol and biodiesel reminds me of President Reagan's take on economists. He said something to the effect that a regular person sees a theory and then wonders how it works in practice, while an economist sees something working in practice and then wonders whether it works in theory.

Let's get down to the facts. In real life practice, renewable fuels advance economic development, energy independence and environmental protection. The Renewable Fuels Standard amendment we successfully added to the Energy Bill, which doubles the use of renewable fuels over the next 10 years, would build on this success story.

In terms of economic development, Minnesota already benefits from more than a half billion dollars in economic activity as a result of our 14 ethanol plants – 13 of which are owned by Minnesota farm families. It also adds between 30 and 50 cents per bushel to the price of corn, making little difference in the price consumers pay for breakfast cereal but making all the difference to our farm families and the rural communities.

So, when studies indicate that the Renewable Fuels Standard amendment I co-authored will, on a national level, create 214,000 new jobs, expand household income by more than \$51 billion, increase U.S. Gross Domestic Product by \$156 billion, and reduce our trade deficit by more than \$34 billion over the next decade, I think about what it will do for a state that is on the front line of renewable fuels.

On energy independence, let me quote a joint letter from Adm. Thomas Moore, former chairman of the Joint Chiefs of Staff, and Robert McFarlane, former national security advisor to President Reagan: "The RFS is essential to the advance of biorefinery technologies that will convert abundant, domestic supplies of biomass to ethanol and other biofuels. It would be an egregious error to take the wrong turn on America's transportation fuels road by failing to pass the RFS into law and thereby deepening America's dependence on imported oil."

Given recent warnings about natural gas shortages and resulting price hikes, we ought to be looking into the feasibility of expanding the use of renewable fuels, such as biodiesel, beyond transportation fuels into meeting other power needs as well.

Regarding environmental protection, if Lotterman can't find support for renewable fuels among those concerned about our environment, he is not looking very hard. Groups ranging from the American Lung Association to the Minnesota Project, for example, support the Renewable Fuels Standard.

Why? Because renewable fuels like ethanol have proven to reduce tailpipe emissions of carbon monoxide, particulate matter, oxides of nitrogen and other ozone forming pollutants. They also displace gasoline additives like benzene, a known human carcinogen, and toxic aromatics.

Renewable fuels also help reduce greenhouse gas emissions, including carbon monoxide, methane and other gases.

Adding to the good news is a recent study that concludes the RFS will reduce the retail price for conventional gasoline by 5 percent, or 6.6 cents a gallon, for an annual savings to consumers of \$3.3 billion, and reduce the cost to the taxpayer of the farm safety net by more than \$10 billion over the next decade.

On the need for a Strategic Renewable Fuels Reserve, Lotterman misses the point entirely. If we are going to double the use of renewable fuels in this country — which we will do — I believe we maximize the economic benefits to Minnesota communities when the plants meeting this rising demand are locally and farmer-owned. But, I am concerned that, in a drought or flood year, these plants could fall on hard times and be closed down or sold out. A Strategic Renewable Fuels Reserve could serve to keep these facilities operating at full capacity and off the auction block.

As to my motives for supporting renewable fuels, Lotterman's conspiracy theory — which must necessarily implicate other supporters of renewable fuels including President Bush, a bipartisan majority of the U.S. House of Representatives, two-thirds of the U.S. Senate, and two-thirds of all Americans according to polls — is enough to make Oliver Stone blush.

Speaking of blushing, I went to a Web site to find another good quote from Dorothy Parker to throw back at Lotterman and add a little spice to my column. But, after reviewing the options, I think LaRoche foucauld will have to do: Lotterman, "There is nothing more horrible than the murder of beautiful theory by a brutal gang of facts."

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