



ENERGIZING AMERICA: Farmers Fueling Our Energy Independence

**House Democratic Rural Working Group
www.HouseDemocrats.gov
May 11, 2006**

As gasoline prices skyrocket, Americans are feeling the pain at the pump, and are worried about the security of our nation and our growing dependence on foreign oil. While these are serious and long-term challenges, the answer to this problem is right here at home.

Investing in America will lead us to energy independence. America has the technology and the resources to make our own fuel from the crops we grow in our fields. From corn-based ethanol in the Midwest, to biodiesel from soybeans in North Carolina, our fields abound with crops that can be converted into biofuels to power our cars and trucks.

While the challenge of the energy crisis is real, American innovation and know-how can be put to work to achieve energy independence from Middle East oil in the next 10 years. America can develop emerging technologies to process homegrown alternative fuels. A sustained investment in research and development is crucial to creating cutting-edge technologies that allow us to develop these clean, sustainable energy alternatives and capitalize on America's vast renewable natural resources.

Unless we make these critical investments in America's heartland and ingenuity, our economy and our national security will continue to be subject to volatile world oil markets and the whims of countries like Saudi Arabia. It simply doesn't make sense to depend on foreign countries for our energy needs, when we can control our own energy supply through homegrown renewable fuels. Not only will a strong American-made biofuels industry provide a stable source of fuel, but it will have the added benefit of creating good-paying jobs in rural America.

In his 2006 State of the Union speech in January, President Bush called for "an energy independent America." Unfortunately, his budget does not match his ambitious rhetoric. And more recently, he has proposed importing ethanol from other countries as the answer to our energy crisis. Depending on foreign sources of energy got us into this situation – do we really want to go down that road again with biofuels?

The Democratic Rural Working Group plan is a commitment to America and its vast resources and ingenuity. Our comprehensive plan provides tax incentives to encourage increased biofuels production, increases the number of flex fuel vehicles on the road, and expands the ethanol and biodiesel pumps at gas stations. It would increase research and development to create cutting-edge technologies for biofuels, including new refining processes and new vehicle technologies -- so that this emerging renewable energy source will be successful in ending our dependence on foreign oil.





ENERGIZING AMERICA: FARMERS FUELING OUR ENERGY INDEPENDENCE

Increase Production of American-made Biofuels

Doubles the percentage of renewable fuels sold in America in six years.

Makes sure that biodiesel and cellulosic sources, such as switch grass, are a key part of that increase.

Extends tax credit for ethanol and biodiesel through 2015 and increases tax benefits to small biofuel producers.

Expand the Market for and Distribution of Biofuels

Increases the percentage of “flex-fuel” vehicles that run on ethanol, or gasoline.

In seven years, 75 percent of all cars made in America would be flex-fuel cars.

Increases the number of gas stations offering ethanol (E-85) and biodiesel through new incentives and requirements.

Research and Development to Improve Use of Renewable Energy

Invests in biofuels research to make biofuel production more efficient, and environmentally sound.

Spurs cutting-edge research to develop new processes for turning other farm products, such as switchgrass and woodchips, into biofuels.

Fosters new vehicle efficient technologies through research and development.

Encourage Local Domestic Ownership

Provides federal incentives to smaller ethanol and biofuel plants, so that independent, locally-owned facilities that produce biofuels can grow and thrive, improving our rural communities.