

In Nebraska, we are well aware of the importance of biofuels to America's energy future. Our state is a leading producer of renewable, home-grown fuel, benefitting all Americans as we work to lessen our reliance on foreign oil and protect the environment. It is important we advance these important goals in a fiscally responsible manner while further integrating renewable fuels into national energy strategy.

Recently, I introduced legislation that would redesign existing biofuels policy by incentivizing increased production while saving taxpayer money. Today, oil companies receive a 45 cent "blenders' credit" for each gallon of ethanol they blend with gasoline. This subsidy to the blenders is paid on all ethanol they blend, even while another policy, called the Renewable Fuel Standard, requires that a certain amount of ethanol be produced each year in America.

My bill, the Renewable Fuels for America's Future Act (H.R. 5757), reshapes the existing policy to make the blenders' tax credit available only for ethanol produced beyond mandated levels. H.R. 5757 effectively discontinues the credit paid to companies for blending required amounts of ethanol, saving an estimated \$5.67 billion of taxpayer money in the first year of the bill's enactment.

The legislation also extends important incentives for the growth of so-called "second generation" biofuels, including cellulosic-based ethanol. Additionally, it proposes ways to build much-needed renewable fuels infrastructure across America. Similar to provisions in legislation introduced in the U.S. Senate, it would require dual-fueled vehicles and create incentives for ethanol fuel blend infrastructure, such as blender pumps and storage tanks.

Economists Dr. Ernie Goss of Creighton University and Dr. Bruce Babcock of Iowa State University have conducted analyses of H.R. 5757. Dr. Goss has noted the measure would reduce taxpayer outlays and increase incentives for biofuels producers above required levels. Dr. Babcock concluded, "The primary economic impact of this proposal is that taxpayers would no longer pay the blenders credit on mandated volumes. In 2011, this would save taxpayers \$5.67 billion, assuming that the \$0.45 per gallon tax credit is paid on 12.6 billion gallons of ethanol."

I have long supported renewable fuels production as a sensible, responsible approach to increasing America's energy self-sufficiency and promoting a cleaner environment. Biofuels are playing a crucial role in building a bold, new energy vision in America. Governmental policies can help advance the growth of clean energy - in a way that is sensitive to budgetary restraints and accountable to the taxpayer.

I believe this bill is a winner for farmers, for the environment, and for the American taxpayer.