

I want to let you know that I have introduced bipartisan legislation today, known as the Ethanol Subsidy Repeal Act, to immediately repeal the Volumetric Ethanol Excise Tax Credit (VEETC), as well as the tariff on imported ethanol. These federal subsidies provide the ethanol industry with an unfair and undeserved advantage in the energy market and food pricing and are among the worst examples of special-interest politics in the government. The subsidies distort the economy by diverting corn away from feedstock, raising costs for farmers and ranchers and ultimately for consumers. Not surprisingly, both the Government Accountability Office and the Congressional Budget Office have concluded that the ethanol tax credit is wasteful and duplicative.

At a cost to taxpayers of \$5 billion per year, ethanol consumes forty percent of the U.S. corn crop. According to Iowa State University, the year extension of the ethanol blenders credit only created a little over 400 jobs in 2011, at the cost of over \$14 million per job. By contrast, the livestock industry alone is expected to lose many thousands of jobs due to higher feed costs brought on by corn ethanol policies. Another Iowa State study reveals that the subsidies are increasing corn prices by 17% in 2011. This costs jobs across the country. Any industry touched by higher corn prices, from grocery stores, farms, ranches, and many others, is forced to cut back in other areas. Many of these industries have a strong presence in the North State and we need to level the playing field. Groups that oppose the ethanol tax credit include Americans for Prosperity, the American Meat Institute, Citizens Against Government Waste, Grocery Manufacturers Association, National Cattlemen's Beef Association, numerous anti-hunger groups, and dozens of others.

I believe that abolishing the wasteful ethanol subsidy is a key aspect of moving toward a simpler and fairer tax system. I'm very pleased that the Senate voted 73-27 to repeal the ethanol tax credit on June 16. Meanwhile, the Ways and Means Committee has been examining how best to pursue comprehensive tax reform that eliminates special tax breaks and lowers the tax rate for everyone. Whether through passage of the Ethanol Subsidy Repeal Act or through broader reforms under consideration at Ways and Means, I will continue to fight to ensure that Congress eliminates the ethanol giveaways once and for all.

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