



MISSOURI SENATE

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PRESS RELEASE

Missouri Senate Sends 10% Ethanol Standard to Governor's Desk to be Signed Into Law

Cauthorn Champions Missouri Renewable Fuels Legislation During Floor Debate

JEFFERSON CITY, MO – Missouri motorists will soon use a cleaner burning, renewable fuel lowering prices at the pump and supporting Missouri's farmers. The Missouri Senate has truly agreed and finally approved House Bill 1207, handled by Sen. John Cauthorn, R-Mexico, requiring gasoline sold in Missouri to contain a 10 percent ethanol blend.

The bill now goes to the governor's who is expected to swiftly sign it into law.

"Today we are ten percent closer to relying on ourselves for our energy needs," said Cauthorn. "Instability in foreign nations can raise the cost of oil, making the market very unstable. Missouri's corn growers are reliable and will deliver renewable fuels we can depend on year after year."

Cauthorn's legislation requires all gas sold in Missouri to contain 10 percent ethanol beginning January 1, 2008. Previously the language contained a January 1, 2007 implementation date. Moving the date back provides adequate time for retailers while ethanol production continues to increase. Consumers wanting to buy higher-octane gas may still do so.

Minnesota, Montana, Washington and Hawaii all have 10 percent requirements. Minnesota will enact a 20 percent requirement soon.

Any time the price of ethanol is higher than the cost of gasoline, the 10 percent ethanol standard will be suspended.

"Every time a tanker comes to America to drop off oil, it loads our dollars on board and goes back over seas," said Cauthorn. "It's time we keep our dollars here in the Midwest."

Ethanol is a clean-burning, renewable product made from fermented agricultural products such as corn. Ethanol contains oxygen, which provides a cleaner and more efficient burning fuel. When used in vehicles, ethanol reduces carbon dioxide, a major contributor to global warming.

All motor vehicles manufactured since the 1970s can run on a 10 percent blend. Engines do not need to be modified. Many local gas pumps already provide this blend.

Missouri ranks ninth in U.S. corn production with approximately 315 million bushels produced annually. Over 1,500 Missouri farm families have invested cooperatively in the three established ethanol plants.

Missouri will need 315 million gallons of ethanol to meet this requirement. Currently, Missouri's three ethanol plants produce 115 million gallons annually. Two more plants are being constructed, including Missouri Ethanol, LLC in Laddonia. By 2008 enough ethanol will be produced in the state to meet this need. Missouri, Illinois, Nebraska and Iowa currently produce 2.5 billion gallons of ethanol.

A recent economic analysis by the University of Missouri found the four ethanol plants in Missouri would maintain 2,784 jobs providing \$92 million in wages. These plants will annually create \$178 million in value added income to Missouri's economy. Nearly \$400 million in economic activity will be generated in our state. Additionally, the four plants bring in \$31 million in tax revenues per year.

"Once again we are facing high gas prices, and the Missouri Renewable Fuels Standard is a big part of the solution," said Cauthorn.

According to a United States General Accounting Office study, from 1968 to 2000 tax incentives to the oil industry outnumbered ethanol incentives nearly 13 to 1. Ethanol's incentives were \$11.6 billion, while during that time period the oil industry received \$150 billion.

Sen. Cauthorn represents Missouri's 18th Senate District. He can be reached at his capitol office at (573) 751-6858. You can also visit his web page by going to www.senate.mo.gov/cauthorn.