Making progress on renewable fuels

By Thomas Ewing - Since the oil embargo of the 1970s, policy-makers from both political parties have agreed on the need to reduce America's dependence on oil. In recent years, Americans have collectively experienced a defining moment as worldwide economic growth coupled with geopolitical instability and tightening oil markets, have driven up the cost of gasoline — again exposing America's energy insecurity.

America has chosen a path of increased security through the use of renewable fuels to displace foreign oil. The progress we are making is being attacked in a coordinated campaign being conducted by a variety of private interest groups. With disregard for our national security, they are spreading misinformation and fear in hopes of ending development of the renewable fuels industry.

In 2005 and 2007, understanding that there was no immediate solution to our energy challenge, Congress responsibly increased the amount of renewable fuel required in gasoline from 4.7 billion gallons to 36 billion gallons by 2022. While no one has suggested that the increased use of renewable fuels is a silver bullet that miraculously solves overnight the challenge of oil dependence, there is widespread agreement that displacing billions of gallons of foreign oil is a step in the right direction.

In fact, the Department of Energy's Oak Ridge National Laboratory predicts that, as next-generation ethanol technologies mature, the United States will be able to produce the fuel for less than $1 per gallon. This has the potential to displace more than one-third of the nation's gasoline in a relatively short time.

As a result of these policies, and the development of Flex Fuel vehicles and E85 technology by the auto industry, individual consumers are being empowered to make a measurable difference. It is worth noting that last year alone, the production and use of ethanol in the United States reduced oil imports by 228 million barrels.

Furthermore, approximately 1,500 E85 pumps have been opened. At the same time, active investment in the development of cellulosic technologies that rely on a variety of raw materials (e.g., grasses, wood chips and various wastes) are rapidly yielding results which will lessen the strain on our national corn supply.

In recent months, however, ethanol has become an easy target for a variety of opponents wishing to raise doubts among consumers and policy-makers. Most notably, ethanol has been attacked overtly by the food industry with claims that increased food prices are a result of ethanol production.
The Federal Reserve asserts that other costs such as energy, packaging, labor, and growing world demand play a much greater role in determining the price of food. In short, the recent campaign against ethanol is largely based on conjecture, misperception and politics rather than fact.

More disturbing is the fact that in October 2007, Business Week reported that the oil industry — despite record profits — is actively engaged in an "anti-ethanol information campaign" that leverages academia, industry-funded studies and cooperative third parties to further perpetuate misleading ethanol myths. These efforts to some degree have been successful as evidenced by Texas Gov. Rick Perry's effort to reduce the fuel mandate by half and by Texas Sen. Kay Bailey Hutchison's federal legislative proposal that would freeze the further phase of biofuel development. With all due respect, both of these proposals take our country in the wrong energy direction.

Given OPEC's pronouncements that oil could reach $200 a barrel before the end of the year, calls by the governments of Iran and Venezuela for reductions in global oil production, and rising prices at the pump, it is clear that America needs additional fuel options that displace oil — not fewer. While corn-based ethanol may not present the only solution in the longer term, it is here, it works, and it is a definitive step in the right direction. It is also a bridge to America's next generation of renewable fuels.

America needs to stay the course.

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