

Ethanol infrastructure:

A bad investment for taxpayers and the environment

For over 30 years, taxpayers have been funding the corn ethanol industry through a handful of expensive subsidies, including tax credits, an import tariff, and a federal mandate. Now the industry is looking for even more handouts from taxpayers, through subsidies for infrastructure to ship and store ethanol around the country. Ethanol transportation requires costly new infrastructure like pipelines, gas stations, and storage tanks because ethanol is much more explosive and corrosive than gasoline, and actively degrades existing equipment.¹ Congress should be using taxpayer dollars to protect the public and the environment, not to subsidize dirty fuels and line the pockets of corporate agribusiness.

We, the people, should not be forced to foot the bill for corn ethanol infrastructure. Subsidizing ethanol infrastructure promotes the use of dirty corn ethanol, diverts investments intended for truly renewable fuels, and endangers public health and the environment.

Locking in corn ethanol:

Building ethanol infrastructure would **promote corn ethanol use and lock the nation into the least efficient and most environmentally destructive biofuels** — ethanol produced from corn or corn byproducts.² EPA data shows that corn ethanol is actually worse for the environment than gasoline,³ and even if we converted all of America's farmland into corn for ethanol, we still wouldn't make a dent in our fuel needs.⁴ Funding for ethanol infrastructure wastes scarce tax dollars and **diverts funding away from truly clean energy** projects like solar, wind and energy efficiency.

Threatens public health and the environment:

Corn ethanol is **more corrosive and prone to fires than gasoline.**^{5,6} Even in new infrastructure, corn ethanol has proven to corrode metals and lead to cracked, leaky storage tanks.⁷ And, if corn ethanol leeches into the ground, it will lead to **poisonous water, toxic soil and fire hazards.**⁸ The production of corn for ethanol already increases pollution in our air, water, and soil; promoting its use with more infrastructure will only worsen these public health and environmental risks.

Manipulating Congress and taxpayers:

The corn ethanol industry is unfairly influencing Congress to subsidize the dirty fuel. The biofuels industry spent \$12.5 million in campaign contributions in the last three Congressional election cycles, and \$31 million on lobbying Congress in 2011 alone.⁹ This lobbying has resulted in the corruption of government programs like the USDA's Rural Energy for America Program, which is supposed to fund clean energy projects, but since April 2011, has appropriated \$2.3 million for more than 100 ethanol infrastructure projects. Senator McCain (R-Ariz.) remarked that “[ethanol] lobbyists have convinced the USDA to change its rules...to pay for new ethanol-blending gas pumps.”¹⁰ Senator Chambliss (R-Ga.) also criticized ethanol infrastructure funding, stating that “the REAP program was not designed for this purpose.”¹¹

What now?

It's time for Congress to stop funding dirty biofuels. In this period of fiscal uncertainty, taxpayers should not be forced to fund the corn ethanol industry at the expense of public health, the environment and a truly sustainable energy future.



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Endnotes

- 1 Government Accountability Office. "DoE Lacks a Strategic Approach to Coordinate Increasing Production with Infrastructure Development and Vehicle Needs." June 2007. <http://www.gao.gov/new.items/d07713.pdf>
- 2 Sheila Karpf. "Locking in Corn Ethanol Locks Out Alternatives." Environmental Working Group. April 7 2011. <http://www.ewg.org/agmag/wp-content/uploads/2011/04/Final-ethanol-infrastructure-report2.pdf>
- 3 Kate McMahon and Victoria Witting. "Corn Ethanol and Climate Change." Friends of the Earth. July 2011. http://www.foe.org/sites/default/files/Corn_%20ethanol_and_climate_change.pdf
- 4 Hill, et.al. "Environmental, economic, and energetic costs and benefits for biodiesel and ethanol biofuels," Proceedings of the National Academy of Sciences, 2006: 103; 111206-111210. <http://www.pnas.org/content/103/30/11206.abstract>
- 5 Brent D. Yacobucci and Randy Schnepf. "Ethanol and Biofuels: Agriculture, Infrastructure, and Market Constraints Related to Expanded Production." CRS Report for Congress. March 16, 2007. <http://www.nationalaglawcenter.org/assets/crs/RL33928.pdf>
- 6 Sheila Karpf. "Locking in Corn Ethanol Locks Out Alternatives." Environmental Working Group. April 7 2011. <http://www.ewg.org/agmag/wp-content/uploads/2011/04/Final-ethanol-infrastructure-report2.pdf>
- 7 Government Accountability Office. "Challenges to the Transportation, Sale, and Use of Intermediate Ethanol Blends." June 2011. <http://www.gao.gov/new.items/d11513.pdf>
- 8 Patricia Ellis. "New England Interstate Water Pollution Control Commission." December 2010.
- 9 Sheila Karpf. "Locking in Corn Ethanol Locks Out Alternatives." Environmental Working Group. April 7 2011. <http://www.ewg.org/agmag/wp-content/uploads/2011/04/Final-ethanol-infrastructure-report2.pdf>
- 10 Sheila Karpf. "The Corn Ethanol Subsidy Wagon Loses a Wheel." Environmental Working Group. June 22, 2011. <http://www.ewg.org/agmag/2011/06/the-corn-ethanol-subsidy-wagon-loses-a-wheel/>
- 11 Amanda Peterka. "Farm-state senators attempt to root out duplication, fraud in USDA programs." E&E News. June 24, 2011.



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