

Gen. Clark: Open up U.S. biofuel markets

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INDIANAPOLIS, Ind. — Sharing a last name and an interest in advancing the production and use of biofuel in the United States, retired U.S. Army Gen. Wesley K. Clark and Indianapolis Colts tight end Dallas Clark headlined an ethanol promotional event July 7 at the Indiana Farm Bureau Football Center.

But both were part of an even larger effort by Growth Energy to rally voters to urge Congress to include ethanol – specifically corn-based – as part of the clean-energy legislation it will continue debating (and possibly vote upon) before recessing for mid-term elections this year. On July 6, Ohio Gov. Ted Strickland hosted a much smaller event at the Statehouse in Columbus, and Gen. Clark also spoke at an event in Ames, Iowa, two days later.

“Any clean-energy legislation should include support for domestic ethanol,” Strickland told reporters last week, invoking the spreading BP oil slick in the Gulf of Mexico. “We are facing in this country a catastrophe, a real catastrophe,” he said, adding the situation is costly and a threat to businesses that depend on those waters.

Mandate more ethanol

Chiefly, Strickland has written to U.S. Environmental Protection Agency Administrator Lisa Jackson asking for a bump in the blend wall from 10 to 15 percent, which would allow service stations to sell E15 instead of E10 and increase the market for ethanol producers.

This is one of Growth Energy’s goals, too, as well as getting Congress to reauthorize a tariff on imported ethanol, extend the ethanol blender’s tax credit, enact a mandate for the manufacture of flex-fuel vehicles and require country-of-origin labeling at the pump for petroleum.

“So far as I know, nobody’s ever fought (a war) for corn-produced ethanol,” said Wesley Clark, former NATO (North Atlantic Treaty Organization) Supreme Allied Commander, Europe, and co-chair of Growth Energy, a Washington, D.C.-based association of businesses with interests in renewable energy.

Tom Buis, CEO of Growth Energy, returned to his native Indiana to talk about the importance of enacting national policies/ laws to make it easier for ethanol production and sales to take place.

There are 160,000 fueling stations in the country, he said; only a fraction offer E85 (nearly all gasoline is E10). Ethanol manufacturers need a wider market, he explained, but can’t make the fuel without somewhere to sell it – and retailers won’t go to the expense of installing the pumps without enough customers to sell the fuel to. And, without more flex-fuel vehicles existing to make them affordable to more drivers, Americans can’t buy the E85. (A flex-fuel vehicle can burn petroleum gasoline or E85.)

“Somehow, we have to get (retailers and manufacturers) to hold hands and walk down the aisle,” Buis said, indicating federal mandates may be the best way.

According to him, it only costs a manufacturer another \$100 per vehicle to manufacture it as flex fuel-capable, so they shouldn’t be prohibitively expensive to customers. The problem with getting legislators to enact mandates, he explained, is financing the federal credits and tax breaks for their adoption.

Right now, he said Congress is operating on “pay as you go” for crafting next year’s budget, meaning funding for anything new must come out of another part of the federal budget.

There’s also a need for public support. For the last two years, at least, corn ethanol has suffered an image problem – opponents have leveled various charges against farmers and processors, everything from ethanol taking corn from the hungry and driving up food prices; to increased planting and the drive for higher yield resulting in more fertilizer runoff in water sources, as well as conversion of more land overseas from forest to cropland, increasing global-warming emissions; to mega-farms getting fat on corporate welfare in the form of taxpayer subsidies for corn.

Buis’ and Growth Energy’s assertion is that much of the anti-ethanol sentiment has been financed or encouraged by petroleum and related businesses, or “Big Oil.” To that end, he said Growth Energy

welcomes the opportunity to draw these opponents out for direct confrontation, rather than having to fight the groups Big Oil uses to shield itself.

Clark said Big Oil has a reason to fight. "We're going after somebody else's rice bowl," he said of the ethanol industry, with respect to the gas market.

He believes the U.S. has the ability to compensate for the oil it buys from OPEC (Organization of the Petroleum Exporting Countries) with domestic biofuel. According to the U.S. Energy Information Administration as of June 2009, the U.S. was importing 4.28 billion barrels of crude oil and products annually; of this, 1.75 billion barrels, or just under 41 percent, came from OPEC nations. "Just by moving to E15 ... that would create half a million construction jobs (nationally) and 136,000 permanent jobs" in renewable energy, Clark said. Strickland added these are jobs that would not be outsourced, either.

As for the U.S. retaining the option of domestic offshore oil drilling, especially in the face of the growing BP Gulf slick, Clark would only say the country needs to be careful "that we don't do something we can't recover from." He added the nation buys its oil from many sources; in his opinion, there is plenty of oil left in the world, but the problem is, what environmental impact will particular methods of extracting it render?

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