

## **ETHANOL POLICY CASE STUDY**

I have long been a strong advocate for renewable fuels. I believe it is in Minnesota's best interest, as well as our nation's, to move towards greater energy independence. We already have renewable sources of energy in our farmlands, and it seems to me that we ought to be taking better advantage of that resource.

There is no question that Minnesota has pioneering in its use of renewable fuels. And I am pleased to say that as Chairman of the Biofuels caucus in the Senate, I have seen increasing interest in the Senate to move the nation towards renewable fuels as a means to greater energy independence. But the question has always been, how can those of us who believe strongly in the need for renewable fuels project this vision more broadly and comprehensively throughout our country?

That question led me to Brazil. Brazil leads the world in ethanol use, and is well on its way to energy self-sufficiency. It seems to me that if Brazil can power its vehicles on ethanol and achieve energy self-sufficiency, we in the United States ought to be able to do the same.

In my recent travel to Brazil as Chairman of the Western Hemisphere Subcommittee, one of my objectives was to learn about the public policies Brazil pursued to achieve its global leadership on renewable fuels. To that end, I met with American and Brazilian officials, as well as the private sector, to see what lessons our country can take away from Brazil's ethanol experience. I sat down with General Motors executive to try to understand what Brazil was doing right and what we in the U.S. should draw from their experience.

I was briefed on the ups and downs of Brazil's experience through the years with vehicles powered by ethanol. Ethanol's availability in Brazil was significantly impacted by fluctuations in the price of gasoline, in both positive and negative ways that the U.S. would be wise to understand. I had good discussions about the policies Brazil pursued to provide incentives for ethanol use, ranging from tax incentives to mandates for government vehicles. I was briefed on Brazil's aggressive actions to promote ethanol production, invest heavily in infrastructure to distribute the fuel, and achieve a large flex fuel vehicle fleet. An additional lesson I took away was that Brazil's current energy model succeeds because it offers vehicle choices to consumers.

After returning from this trip, I put these lessons into practice in a number of ways. I have continued the fight for increased ethanol production incentives, armed with information and lessons learned from Brazil. I have pushed more aggressively for a Renewable Fuels Standard requiring ethanol use. I have encouraged my colleagues in the Senate – both those who understand the potential of renewable fuels and those who do not – to also look at Brazil's experience as a vision for where U.S. energy policy can be headed.

Perhaps most concretely of all, what I learned in Brazil helped to shape legislation I have co-authored, the Vehicle and Fuel Choices for American Security Act (S. 2025). This bill includes policies that I know worked for Brazil, including heavy investment in E-85 infrastructure such as fuel pumps, a new sugar-to-ethanol standard on top of the RFS, and flex fuel vehicle requirements.

During my trip in Brazil, I met with government and private sector leaders on a range of important issues related to U.S. relations with Brazil and Latin America, issues critical for the oversight I must conduct as Subcommittee Chairman. But one of the most important things I took away from the trip was a better understanding of the path to energy self-sufficiency.