

Ethanol Is a Never-Ending Gravy Train for Corn Farmers and Ethanol Producers. But What About the Rest of America?

Like most people I've spoken with, I have no innate, inflexible antipathy to ethanol in gasoline. What upsets me are the deceptive claims used to justify adding mostly corn-based ethanol to this indispensable fuel; the way seriously harmful unintended consequences are brushed aside; and the insidious crony corporatist system the ethanol program has spawned between producers and members of Congress.

What angers me are the legislative and regulatory *mandates* that *force* us to buy gasoline that is 10% ethanol – even though it gets lower mileage than 100% gasoline, brings none of the proclaimed benefits (environmental or otherwise), drives up food prices, and damages small engines. In fact, in most areas, it's almost impossible to find E-zero gasoline, and that problem will get worse as mandates increase.

My past articles lambasting ethanol ([here](#), [here](#), [here](#) and [here](#)) addressed these issues, and said ethanol epitomizes federal programs that taxpayers and voters never seem able to terminate, no matter how wasteful or harmful they become. That's primarily because its beneficiaries are well funded, motivated, politically connected and determined to keep their gravy train rolling down the tracks – while opponents and victims have far less funding, focus, motivation and ability to reach the decision-making powers.

Ethanol got started because of assertions that even now are

still trotted out, despite having outlived their time in the real-world sun. First, we were told, ethanol would be a bulwark against oil imports from unfriendly nations, especially as the USA depleted its rapidly dwindling petroleum reserves. Of course, the fracking (horizontal drilling and hydraulic fracturing) revolution has given America and the world at least a century of new reserves, and the US now exports more oil and refined products than it imports.

Second, renewable fuels would help prevent dangerous manmade climate change. However, with the 2015-16 El Niño temperature spike now gone, average global temperatures are continuing the 20-year no-increase trend that completely contradicts alarmist predictions and models. Harvey was the first major hurricane in a record twelve years to make US landfall. And overall, the evidence-based scientific case for “dangerous manmade climate change” has become weaker with every passing year.

Moreover, the claim that ethanol and other biofuels don’t emit as much allegedly climate-impacting (but certainly plant-fertilizing) carbon dioxide as gasoline has also been put out to pasture. In reality, over their full life cycle (from planting and harvesting crops, to converting them to fuel, to transporting them by truck, to blending and burning them), biofuels emit at least as much CO₂ as their petroleum counterparts.

Ironically, the state that grows the most corn and produces the most ethanol – the state whose Republican senators had a fit when EPA proposed to reduce its 2018 *non-ethanol* biodiesel requirement by a measly 315 million gallons, out of 19.3 billion gallons in total renewable fuels – [buys less ethanol-laced gasoline](#) than do average consumers in the rest of the USA. That state is Iowa.

In fact, Iowans bought more ethanol-free gasoline in 2016 than what EPA projects the entire United States will be able to buy in just a few more years, as the E10 mandates ratchet higher

and higher.

And so this past week, after months of battles, debates and negotiations, President Trump hosted a White House meeting with legislators. The purpose was to address and compromise on at least some of the thorny issues that had put Ted Cruz, Joni Ernst and other politicians at loggerheads, as they sought to reform some aspects of the Renewable Fuel Standards (RFS) system while protecting their constituents.

In an effort to expand the reform agenda, by making legislators and citizens better informed in advance of the meeting, 18 diverse organizations wrote a joint letter to EPA Administrator Scott Pruitt, underscoring why they believe broad and significant RFS reform is essential. Signatories included major national meat and poultry producers and processors, restaurants, marine manufacturers, small engine owners, consumer and taxpayer organizations, and conservation and environmental groups. They were especially worried about the prospect that the Congress and Administration might allow year-round sales of 15% (E15) ethanol blends in gasoline, but they raised other pressing concerns as well.

- * As large shares of domestic corn and soy crops are now diverted from food use to fuel production, poultry, beef, pork and fish producers (and consumers) face volatile and increasing prices for animal feed.

- * Ethanol wreaks havoc on the engines and fuel systems of boats, motorcycles and lawn equipment, as well as many automobiles, which are not capable or allowed to run on E15. Repair and replacement costs are a major issue for marine and small engine owners (as I personally discovered when I owned a boat).

- * Consumers and taxpayers must pay increasing costs as biofuel mandates increase under the RFS.

- * Millions of acres of native prairie and other ecosystems

have been turned into large-scale agricultural developments, because the RFS encourages farmers to plow land, instead of preserving habitats. This endangers ecosystems and species, exacerbates agricultural run-off and degrades water quality.

- * Biofuel demand promotes conversion of natural habitats to palm oil and other plantations overseas, as well as domestically. Their life-cycle carbon dioxide emissions rival or exceed those of oil and gas.

- * Expanding markets for corn ethanol by increasing E15 sales ignores and exacerbates these problems – while benefiting a small subset of the US economy but negatively impacting far more sectors, including the general public and the industries and interests represented by signatories to the Pruitt letter.

Following the meeting, several signatories expanded on these concerns – and noted that the compromise did increase E15 sales, while reducing the RFS [impact on small refineries](#) that were being forced to buy paper biofuel certificates because they weren't making enough gasoline to need mandated real biofuel.

Requiring every American to buy ethanol gasoline “isn't good enough” for biofuel companies anymore, the National Council of Chain Restaurants remarked. “Now they want a waiver from federal clean air laws so they can sell high blends of ethanol, which pollutes the air in warm weather months, year round.”

“Arbitrarily waiving the E15 [ozone emissions] restriction and permitting year-round E15 sales, without comprehensive reform of the RFS,” merely boosts ethanol sales and justifies future government-imposed increases to the ethanol mandate, the National Taxpayers Union noted. These “hidden taxes,” damage to small engines, and lower gas mileage are “a direct hit” on family budgets, especially for poor families.

The new year-round E15 policy will “cause serious chaos for

recreational boaters,” the National Marine Manufacturers Association stated. Over 60% of consumers falsely assume any gasoline sold at retail gas stations must be safe for their equipment. It is essential that EPA launch “a public awareness campaign, improved labeling standards, and new safeguards at the pump that protect American consumers.”

“Granting a Clean Air Act waiver for the corn ethanol industry ... would mean doubling down on a policy that has already been a disaster for the environment,” the National Wildlife Federation said. Congress needs to ... reform the ethanol mandate before it does more damage.”

“US farmers are in a severe crisis and millions of people around the world are forced to go without food,” ActionAid USA pointed out. “We need policies that guarantee everyone enough food to eat, fair prices for farmers, and protect our environment. Biofuels don’t do that.” In fact, they make the situation far worse.

Unfortunately, a deal was struck. The noisiest and best-connected warring factions got what they wanted. These other pressing concerns were ignored, as the can once again got kicked down the road.

Refiners will now save hundreds of millions of dollars a year, by not having to buy ethanol that they don’t need to blend into the smaller quantities of gasoline they are refining. Corn farmers and ethanol producers will rake in hundreds of millions more a year. All that is good for those industries, their workers and investors, and the politicians who get their campaign contributions.

But what about the rest of America? The Congress, White House and EPA need to address our environmental and pocketbook concerns, too. When will the next negotiating session be held?

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