

“Ethanol is - has got the largest potential for immediate growth. Most people may not know this, but today, most of ethanol produced in America today is from corn. Most vehicles can use 10 percent ethanol in their automobiles.

What's interesting that Americans don't realize, with a little bit of expenditure, we can convert a - kind of the standard automobile to what's called a flex fuel automobile. And that flex fuel vehicle can use ethanol that is - or fuel that is 85 percent ethanol. It's amazing, isn't it? Without much cost, your automobile can be converted to be able to burn fuel with 85 percent ethanol, or a product made from corn grown right here in America.

Ethanol is a versatile fuel and the benefits are - the benefits are easy to recognize when you think about it. One, the use of ethanol in our automobiles is good for the agricultural sector. I'm one of these people who believes when the agricultural sector is strong, America is strong. The way I like to put it, it would be a good thing when a President can sit there and say, gosh, we've got a lot of corn, and it means we're less dependent on foreign sources of oil”.

“Ethanol is good for the environment. I keep emphasizing that we can be good stewards of our environment, and at the same time, continue with our economic expansion. And ethanol will help meet that strategy. You don't have to choose between good environment and good economics. You can have both by the use of technology. And ethanol is an example of what I'm talking about. And ethanol is good for drivers. Ethanol is homegrown.

Ethanol will replace gasoline consumption. Last year America used a record 4 billion gallons of ethanol. There are now 97 ethanol refineries in our country, and nine of those are expanding. And 35 more are under construction. The ethanol industry is on the move, and America is better off for it.

Many of these refineries are in the Midwest - the Midwest because that is where the source of that the feedstock for ethanol comes from. That happens to be corn. But what's really interesting is there are new plants springing up in unexpected areas, like the Central Valley of California, or Arizona, or, of course, in the sugar fields of Hawaii. After all, sugar is also an important - can be used for ethanol. As a matter of fact, it's a very efficient feedstock for ethanol.

Ethanol required our support. In other words, to get this new industry going, it required a little nudge from the federal government. Since I took office, we've extended the tax credit to 51 cents per gallon for suppliers. We've created a new 10cent per gallon tax credit to provide extra help to small ethanol producers and farmers; provided \$85 million of loans and grants for the ethanol business ventures.

In other words, this is a collaborative effort. The federal government has got a role to play to encourage new industries that will help this nation diversify away from oil. And so we're strongly committed to corn based ethanol produced in America. Yet there you

just got to recognize there are limits to how much corn can be used for ethanol. After all, we got to eat some. And the animals have got to eat.

And so I am committed to furthering technology research to find other ways, other sources of ethanol. We're working on research strong research to figure out cellulosic ethanol that can be made from wood chips, or stalks, or switch grass. These materials are sometimes waste products and are just simply thrown away. Doesn't it make sense for us? I think it does - to use taxpayers' money to determine whether or not we can use these new - these raw materials to make something out of nothing, so that we continue the advance of ethanol, so the market for ethanol expands throughout the United States.

We're spending - I proposed, and I'm working with these members of the Renewable Caucus - \$150 million in next year's budget for research in advanced forms of ethanol. And that's a significant increase over previous levels". President George W. Bush, April 25, 2006 to the Renewable Fuels Summit 2006