Today Congressman Blumenauer attended the Ethanol Policy Forum, a conference discussing subsidies for the ethanol industry. He addressed their impact on the US economy, the budget, and world food prices. Blumenauer emphasized the harmful nature of these subsidies which include tax credits, a mandated use of ethanol fuel, and tariffs on foreign supplies of ethanol. Policies like the Volumetric Ethanol Excise Tax Credit (VEETC) are misguided and counterproductive, increase government spending, decrease national food production, and amplify the global effect of commodity price shocks.

Speaking at the Ethanol Policy Forum

Blumenauer also stressed the conflicting nature of spending 17 billion dollars of taxpayer money on subsidies that only reduce oil expenditures by 1.1 billion dollars, an idea that both Republican and Democratic panelists presented as undermining efforts to address the budget deficit.

Panelists also confirmed the global impact of ethanol subsidies which increase food prices worldwide, leading to higher poverty rates in already impoverished nations. Instead of continuing these policies, Blumenauer proposed cutting subsidies for ethanol and other biofuels

as a way to responsibly reduce the deficit while leveling the playing field for more sustainable forms of alternative energy.