

Background Information on EPA Proposed Ethanol Rule

- Following the Clean Air Act amendments of 1978, the EPA arbitrarily classified dry mill ethanol plants similar to chemical processing plants that are subject to a 100 ton-per-year threshold, without data supporting such a classification. Meanwhile, wet mill ethanol plants were classified under a less stringent 250 ton-per-year threshold, even though both dry and wet mill plants utilize the same fermentation process to produce ethanol. As a result, dry mill ethanol plants have been constrained from producing more ethanol, despite having the capability and capacity to produce more.
- Senator Thune first raised the need to update ethanol plant classification to then-incoming EPA Administrator Stephen Johnson last spring. After Hurricane Katrina and the ensuing gasoline price spikes, Senator Thune felt strongly that efforts needed to be made to increase renewable production and further diversify our nation's fuel sources. Thune followed up on his original request with a formal letter to Administrator Johnson on September 14, 2005 (a copy of the letter is attached), asking the EPA to re-classify dry mill ethanol plants.
- Today, after months of review concerning the issues raised by Senator Thune, the EPA has honored this request and issued a proposed rule that seeks to update the Clean Air Act to reclassify dry mill plants so they can produce more ethanol.
- The proposed changes by the EPA will not in any way adversely impact the environment or the public health and safety of Americans due to the existing stringent emission control requirements that ethanol plants must now abide by.
- This proposed rule will greatly benefit the ethanol industry, farmers, and consumers. Once final, this rule would allow dry mill ethanol plants, which account for roughly 75 percent of the country's production of ethanol, to purchase more corn from our nation's agriculture community and produce higher amounts of ethanol at lower costs to American consumers.
- This proposed rule will also help accelerate our efforts to meet the 7.5 billion-gallon-per-year Renewable Fuel Standard that was signed into law last year, along with meeting President Bush's goal of replacing more than 75 percent of our oil imports from the Middle East by 2025.