



## NEWS RELEASE

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### **Ethanol Industry Bright Spot in Cloudy Economic Picture**

WASHINGTON, DC – With President Bush set to deliver his final State of the Union, early indications suggest a speech focused in part on the economic condition of the nation. The president is also likely to focus on ways the country can achieve greenhouse gas reductions while ensuring economic growth. Renewable fuels like ethanol are already achieving both.

In an overall environment of slowing economic growth the U.S. ethanol industry stands out in sharp contrast. According to a report set to be released in late February from economist John Urbanchuk of LECG, LLC, the American ethanol industry is a job creating engine. The increase in economic activity resulting from ongoing production and construction of new ethanol capacity supported the creation of 238,541 jobs in all sectors of the economy during 2007. These include more than 46,000 additional jobs in America's manufacturing sector -- American jobs making ethanol from grain produced by American farmers.

In addition, the use of ethanol is reducing greenhouse gas emissions from the more than 200 million cars on American roads. An early analysis of the recently passed energy bill shows that increasing the use of ethanol and other renewable fuels to 36 billion gallons annually by 2022 could reduce greenhouse gas emissions by some 180 million metric tons.

“The emerging ethanol industry in the country is turning environmental stewardship into economic opportunity at a time when our economy desperately needs a shot in the arm,” said Renewable Fuels Association President Bob Dinneen. “By investing our resources in developing domestic, renewable alternatives to foreign oil, we can begin reducing this nation's global warming footprint and create jobs and economic activity at home rather than transferring our nation's wealth to oil-rich countries around the globe. Renewable fuels like ethanol are demonstrating that when it comes to the environment and the economy, it is possible to have it both ways.”

In order to provide more economic stability in the future, diversifying away from a monopolistic reliance on oil cannot happen soon enough. In a January 11 story in the *Washington Post*, economic professors William Nordhaus and Kenneth Rogoff, of Yale and Harvard respectively, detailed the economic impact of oil rising to \$100 a barrel.

Specifically, Mr. Rogoff noted, **“The price of oil rising even from \$80 to \$100 a barrel is like adding \$150 billion in taxes. It’s quite a wallop.”** [“Stimulus Unlikely to Counter Rise in Oil Prices,” *Washington Post*, 1.11.08]

Milton Copulos, President of the National Defense Council Foundation, concludes in a report released in January 2007:

“It is clear that America’s continuing reliance on imported crude oil and refined petroleum products is imposing an enormous financial burden on the nation’s economy – a burden that is a threat to the nation’s economic and military security.” [“The Hidden Cost of Oil: An Update,” National Defense Council Foundation, January 8, 2007. [www.ndfc.org](http://www.ndfc.org).]

Based on oil prices at the time, Copulos estimates that America’s oil addiction is costing the economy more than \$500 billion of economic opportunity and depriving the country of more than 2.2 million potential jobs. With global oil prices significantly higher today than they were a year ago, the negative impacts on the nation’s economy are far greater.

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For more information, visit the Renewable Fuels Association website at: [www.ethanolRFA.org](http://www.ethanolRFA.org).