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The American Coalition for Ethanol (ACE), National Corn Growers Association (NCGA), Growth Energy (GE), the Renewable Fuels Association (RFA) and others* support the Volumetric Ethanol Excise Tax Credit (VEETC, aka the blenders' credit) and the following principles as a long term policy road map for ethanol:

- Accelerate the deployment of Flexible Fuel Vehicles (FFVs) and blender pumps to allow market access and a level playing field for ethanol while reducing reliance on foreign oil
- Return long-term policy certainty to the ethanol industry to stimulate investment, rural development, and job creation
- Reward energy efficient technologies and practices that reduce greenhouse gas emissions at ethanol production facilities so that sustainability helps define the future of ethanol

Specifically, we support legislation that extends VEETC for one year and reforms the tax incentive thereafter as long as provisions to accelerate the deployment of FFVs and blender pumps are part of the legislation. The legislation should include the following components:

1. Extend the existing VEETC at the highest level possible for one year through December 31, 2011, to provide time to complete rulemaking and transition to a new program set forth below.
2. Reform the existing tax incentive thereafter for no less than four years (for example, a credit for domestic ethanol producers, in a manner in which they could use it, regardless of tax liability, i.e. it must be monetized) in a manner that:
 - a) Reduces the value of the new incentive from the current \$.45 blenders' credit
 - b) Rewards investment in sustainable, "low carbon" technologies and performance by providing a step-up in the credit to ethanol producers that use energy efficient technologies and practices that reduce greenhouse gas emissions (need to provide more details)
 - c) Eliminates the secondary ethanol import tariff on January 1, 2012 (in the event the reform results in a domestic ethanol producer incentive)
3. Implement a national program that will for the first time empower consumers with meaningful fuel choices by accelerating the deployment of FFVs and blender pumps. Bipartisan, bicameral legislation has been introduced to make more FFVs and blender pumps available and we support this legislation, as well as a combination of incentives and requirements to accomplish national biofuel infrastructure development.
4. Establish a loan guarantee program for ethanol pipeline projects.
5. Enable corn-starch ethanol to qualify as an advanced biofuel under RFS2.
6. Suspend so-called international indirect land use change penalties on corn ethanol until a scientifically-based, transparent, reliable and verifiable metric is created to determine the lifecycle greenhouse gas emissions of all fuels in the U.S. transportation marketplace.

**others to be determined*