



<http://finance.senate.gov>
Press_Office@finance-rep.senate.gov

Opening Statement of Senator Chuck Grassley
Committee on Finance Hearing, “Grains, Cane and Automobiles”
Thursday, April 19, 2007

First of all, I would like to thank Chairman Baucus for calling this hearing today, titled “Grains, Cane and Automobiles.” Although the title may be somewhat tongue in cheek, the topic is very important. Today we will hear from a diverse panel of experts, all of which have come to the same conclusion. Our panel members today are national security experts, technology investors, scientists, inventors and pillars of the rural economy. Even though they have all approached this problem from totally different backgrounds, they are offering similar conclusions. They have concluded we need to invest in the science, technology and infrastructure to empower the American people with their own choice to free themselves from the grip of foreign petroleum.

Everyone wants to talk about shaking our growing dependence on foreign fossil fuels, but we will never have that opportunity in our lifetimes and maybe not in our children’s lifetimes if we do not aggressively identify domestic energy options. The Finance Committee has jurisdiction over all of the potential tax and trade provisions that can help create a consistent sustainable energy policy for this nation.

As a long-term member of this committee and the previous chairman of this committee, I have aggressively proposed utilizing the tax code to help level the playing field between traditional fossil fuel-powered automobiles and the petroleum-based fuel refineries. In fact, for years, I have worked to decrease our reliance on foreign sources of energy and accelerate and diversify domestic energy production. I believe public policy ought to promote renewable domestic production that uses renewable energy and fosters economic development.

Specifically, the development of alternative energy sources should alleviate domestic energy shortages and insulate the United States from the hostile governments that dominate oil supply. In addition, the development of renewable energy resources that supplement and expand our existing fuel inventory conserves existing natural resources and protects the environment. Finally, alternative energy development provides economic benefits to farmers, ranchers and forest land owners, such as those in Iowa who have launched efforts to diversify the state’s economy and to find creative ways to extract a greater return from abundant natural resources.

Diversification of fuel and automobiles is important to our future energy policy. Studies show that biomass crops could produce between \$2 billion and \$5 billion in additional farm income for American farmers. If you consider the recent success of ethanol since the Energy Policy Act of 2005 was signed into law, this number may be low.

In addition, marginal farmland incapable of sustaining traditional yearly production is often capable of generating native grasses and organic materials that are ideal for biomass energy production. Turning tree trimmings and native grasses into energy provides an economic gain and serves an important public interest. I hope our continued review of energy policy will promote our research and success in utilizing biomass not only for electricity production but for the alternative fuel market.

And finally, I have continued concerns that our U.S. trade deficit has been substantially impacted by our continued reliance on foreign fossil fuel and U.S. reliance on foreign technology. I will be very wary of proposals that would only substitute our dependence on foreign oil for just another dependence on foreign fuel alternatives and technology. Our continued economic security depends on the ability to have energy choices not tied to a particular government or technology. I am pleased the Finance Committee energy hearing schedule has chosen to review the state of fuel and automobile technology.