

**An 80 Percent Market Share is Not Enough...Really?**

Four out of every five gallons of gasoline sold in Iowa are ethanol-blended products, according to the most recent Iowa Department of Revenue figures. Yet, in recent weeks, Iowa state legislators are considering a statewide mandate that would make ethanol Iowa's only fuel option.

**The legislation, they say, is necessary to save Iowa's renewable fuels industry... really?**

Iowa ethanol plants are celebrating a record year in 2009, with 3.1 billion gallons of ethanol product, 39 ethanol plants up and running and renewable fuels accounting for 8 percent of the state's Gross Domestic Product. In 2010, ethanol will account for one-third of Iowa's corn production, which is expected to exceed last year's record breaking levels. Do these figures represent an industry that needs to eliminate supplier competition and consumer choice at the pump in order to force all Iowans to use only their product?

**Advocates for this fuel mandate claim that with the new legislation ethanol-blended prices would be "5-7 cents lower" than straight gasoline...really?**

Ethanol-blended gasoline in Iowa currently is priced competitively only because of more than seven cents per gallon in federal and state tax credits and reduced excise taxes. If ethanol is mandated, there is no need to offer those incentives. Without the tax credits that retailers pass along to consumers, fuel costs escalate. With a mandate, Iowans have no choice but to pay.

Mandates also eliminate competition. Competition keeps prices low. Iowans currently enjoy lower fuel prices because of the competitive marketplace created by thousands of independently owned and operated convenience stores throughout the state. These Iowa retailers buy fuel directly from Iowa ethanol plants (and Iowa biodiesel plants) as well as from the major oil refineries. Major oil refiners do not own any retail locations in Iowa. The ability to supply our market demands with various fuel options ensures competitive pricing approaches from all the sources.

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Broadway Flying J Travel Plaza | Casey's General Stores | Hy-Vee, Inc. | Iowa 80 Truck Stop | Iowa Association of Business & Industry | Iowa Association of School Boards | Iowa Automobile Dealers Association | Iowa Good Roads Association | Iowa Grocery Industry Association | Iowa Motor Truck Association | Iowa Rural Water Association | Iowa Section of the American Water Works | Keck Energy | Kum & Go, LC | Kwik Star | Petroleum Marketers & Convenience Stores of Iowa | Pilot Travel Centers, LLC | Teamsters Local 238 | The American Petroleum Institute

## **Mandate proponents tout the legislation for economic impact...really?**

According to those in favor of the mandate, eliminating lowans choice at the pump would generate an additional 25 million gallons of annual ethanol sales – or less than one percent of last year’s production totals. That’s approximately one-fourth of a single ethanol plant’s annual production. This minor growth certainly does not justify forcing lowans to give up their freedom of choice at the pump.

We need to maintain our fair and free market system, and we cannot afford to assume the burden of those select few investors that claim they cannot survive with 80 percent market share. With federal biofuel mandates already in place and the 2006 Iowa Renewable Fuels Standard supporting these requirements, there is absolutely no need for an ethanol mandate in Iowa...really.

### **Submitted by:**

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### **ABOUT IOWANS FOR CONSUMER FUEL CHOICE:**

The Iowans for Consumer Fuel Choice (ICFC) is a coalition of public, private, business and labor organizations that support renewable fuels, but stand opposed to product mandates that manipulate our free market system and drive up fuel costs in our state. Our mission is to protect the rights and interests of all Iowans by serving as the voice of reason for a responsible and fair marketplace.

ICFC charter member organizations include: Broadway Flying J Travel Plaza; Casey’s General Stores; Hy-Vee, Inc.; Iowa 80 Truck Stop; Iowa Association of Business & Industry; Iowa Association of School Boards; Iowa Automobile Dealers Association; Iowa Good Roads Association; Iowa Grocery Industry Association; Iowa Motor Truck Association; Iowa Rural Water Association; Iowa Section of the American Water Works; Keck Energy; Kum & Go, LC; Kwik Star; Petroleum Marketers & Convenience Stores of Iowa; Pilot Travel Centers, LLC; Teamsters Local 238; and the American Petroleum Institute.

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