

# Please stop the genetically modified (GM) corn fuel ethanol welfare for Big oil refiners and Government Motors.

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## Senate Rejects Effort to Cut Ethanol Subsidy

*By Siobhan Hughes, Wall Street Journal, June 14, 2011*

WASHINGTON—A Senate effort to take away ethanol subsidies came up short Tuesday but exposed weakened support for a \$6 billion tax break, suggesting that the incentive could be eliminated.

The Senate didn't reach the 60 votes needed to proceed to a vote, undermined by Democratic leaders frustrated at the procedural maneuver used to bring the measure to the floor. But in the process of reaching the 40-59 vote, a coalition of conservatives and environmentalists challenged the legitimacy of the subsidies as their peers became entangled in a larger debate over tax breaks in an age of deficits.

"Even though I've supported this tax credit, for all of the years that I have served in both the House and Senate, I think the time has come," said Sen. Saxby Chambliss (R, Ga.), in a sign of the changing political climate. "I do not intend to support an extension of that tax credit

beginning from the expiration at the end of this year."

The domestic industry is protected by a host of federal policies. Sens. Tom Coburn (R., Okla.) and Dianne Feinstein (D., Calif.) on Tuesday sought to eliminate two of those, a tariff of 54 cents a gallon on imported ethanol and a separate tax credit that gives refiners a 45-cent-a-gallon tax credit for blending ethanol into gasoline.

Sens. Coburn and Feinstein will get a clearer picture of the level of support for their measure next week. Senate Majority Leader Harry Reid (D., Nev.) said Tuesday that he would hold a vote next Friday on their measure.

"If it weren't for the process, we would have 60 votes," Ms. Feinstein said. Mr. Coburn forced a vote by gathering enough signatures, angering Senate Democratic leaders by using a procedure that the leaders felt trampled over their

ability to control the agenda. Democratic leaders then worked against the ethanol measure, lining up 45 Democrats to vote "no."

Sen. John McCain (R, Ariz.) has repeatedly tried to end the subsidy, with each of three votes in the 1990s roundly defeated, according to Senate records. But by the time he ran for president in 2008, more lawmakers were on his side, and Congress cut back the tax credit from 51 cents a gallon. Congress last year agreed to extend the credit for one more year, through 2011, and the arrival of tea-party conservatives has intensified the opposition.

"This whole issue has been eroding," said Benjamin Salisbury, an analyst at FBR Capital Markets. "Last year there was a pretty good chance it would go away. The deficit-consciousness of the electorate and their representatives is off the charts."

<http://online.wsj.com/article/SB10001424052702803714704576385902303763720.html>

Will GM corn affect the beef?

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