

Gov't Wants More E-85 Fuel At Pumps Nationwide

Michael J. Crumb, Associated Press

DES MOINES, Iowa (AP) — The federal government wants to increase production and use of a higher blend of ethanol fuel by giving financial help to gas stations that install more pumps for the fuel, U.S. Agriculture Secretary Tom Vilsack said in advance of a formal announcement planned for Friday.

Vilsack planned to announce the program at a plant in Greensboro, N.C., that makes pumps for the fuel, known as E-85, which is a blend of 85 percent ethanol and 15 percent gasoline. Current ethanol blends contain 10 percent ethanol.

Vilsack told The Associated Press the government will use funds from the Rural Energy for American Program to provide financial assistance to gas station owners who install E-85 pumps. The assistance would be through grants and guaranteed loans, he said.

He said President Barack Obama wants the U.S. Department of Agriculture to help ensure 10,000 flex-fuel pumps are available across the country within the next five years. Currently, there are 8 million flexible fuel vehicles on the nation's roads and 2,300 stations where people can get E-85, Vilsack said.

"The president was pretty clear that he wants to reduce our nation's net dependence on foreign oil by one-third by 2025," Vilsack said. "One way to do that is to increase production and increase use of renewable biofuels."

He said the program will help the U.S. in its effort to achieve the goal of producing 36 billion gallons of biofuels by 2022. The nation currently produces about 13 billion gallons, Vilsack said.

Vilsack said he believes the U.S. has enough production capacity to meet the demand of the expansion effort. "But the more demand we create the more opportunity there will be for those who make the pumps," he added. "There is the side benefit, I believe, for additional job growth."

Vilsack also said Obama has instructed the USDA to finance four biorefineries to produce biofuels from a variety of sources, not just corn. Other possible materials that could be used are agricultural waste, such as corn cobs or husks, switch grass and animal waste, Vilsack said.

"We want to spread this industry to all four corners of the country and not just have it focused in the Midwest," he said.

The funds for the biorefineries will come from existing energy programs contained in the 2008 Farm Bill.

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Vilsack planned to make the announcement after touring the Gilbarco Veeder-Root plant in Greensboro on Friday morning. The plant makes E-85 pumps.

The announcement comes a day after the Alliance of Automobile Manufacturers, the leading advocacy group for the auto industry, testified before the Senate Energy and Natural Resources Committee that it is willing to work with the ethanol industry to increase ethanol use.

Bob Dineen, chief executive of the Renewable Fuels Association, said using higher ethanol blends "is critical to our national energy goals.

"That means more flexible fuel vehicles, more conventional vehicles using blends about E10, and more blender pumps at gas stations," Dineen said in a written statement.

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