May 3, 2011

Senator Saxby Chambliss  
416 Russell Senate Office Building  
Washington, DC 20510

Senator Tom Coburn  
172 Russell Senate Office Building  
Washington, DC 20510

Senator Kent Conrad  
530 Hart Senate Office Building  
Washington, DC 20510-3403

Senator Mike Crapo  
239 Dirksen Senate Building  
Washington, DC 20510

Senator Richard Durbin  
711 Hart Senate Building  
Washington, DC 20510

Senator Mark Warner  
459A Russell Senate Office Building  
Washington, DC 20510

Dear Senators:

As you continue your deliberations and discussions regarding the fiscal year 2012 budget, the livestock and poultry groups signing this letter request that you consider adopting a measure that would save the taxpayers more than $6 billion per year. More specifically, gasoline fuel blenders receive a 45 cents per gallon tax credit for each gallon of ethanol they blend. The undersigned organizations believe this post tax revenue is unnecessary.

The Volumetric Ethanol Excise Tax Credit (VEETC) will sunset at the end of this calendar year, and we want to bring this to your attention as a savings for FY2012 even though an adjustment will need to be made in timing. VEETC is projected to cost the federal government over $6 billion in fiscal year 2012. A number of studies by well-respected economists have confirmed that eliminating the VEETC would only minimally impact the quantity of ethanol manufactured as the quantity relates to the Renewable Fuels Standard.

Not only would saving the U.S. Treasury $6 billion in lost revenue be a prudent budgetary decision, such action would also be a good and strong signal that it is now time for the 30-year old ethanol industry to begin to compete in the marketplace without the aid of government subsidies.

The undersigned organizations appreciate your willingness to consider our request. We look forward to helping you reduce the federal government deficit and move the energy policy toward a more rational situation.

Sincerely,

American Meat Institute  
National Cattlemen’s Beef Association  
National Chicken Council

National Meat Association  
National Pork Producers Council  
National Turkey Federation