

## February 2007 Alternative Fuels Legislation Outlook

This year there seems to be a race to see how many bills can be introduced proposing various ideas to produce more alternative fuels (see Bio-Fuels - Congress section for bills and summaries). An additional indicator that "something" will happen is that the Chairman of the Senate Agriculture Committee, Sen. Harkin (D-IA) announced at the beginning of the year that a core piece of the farm bill will be significant energy title. The Senate Energy and Natural Resources Committee Chairman and Ranking Member, Sen.'s Bingaman (D-NM) and Domenici (R-NM) have also publicly expressed great interest in increasing the use of alternative fuels. The House leadership has also expressed their intent to include a major alternative fuels title.

In addition, the Department of Agriculture (USDA) submitted its [proposal](#) for a farm bill to Congress which calls for a major new initiative to develop bio-fuels from alternative feedstocks. The USDA proposal, as set out in the President's State of the Union address, sets a goal of producing 35 billion barrels of alternative fuels (primarily ethanol) by 2017. The proposal also calls for spending \$1.6 billion on research for further development of cellulosic technology. (See more in the "Administration" section.)

Some stakeholders repeatedly mention pipeline transportation as a feasible method citing the Brazilian experience. Specifically citing the Brazilians, in the last Congress Sen. Harkin introduced legislation, [S. 4003](#) the Ethanol Infrastructure Expansion Act of 2006, directing the Department of Energy to study the feasibility of transporting ethanol by pipeline from the Midwest to the East and West coasts.

The Senate Energy Committee held a [workshop](#) to receive views on the outlook of alternative fuels from various stakeholders including Mike Mears who spoke on behalf of Magellan Mid-Stream Partners who discussed the outlook for moving alternative fuels on Magellan's pipeline system.

The overall outlook for the passage of a farm bill is very uncertain at this time. The current authorization expires on September 30, 2007. However, there are many contentious issues that must be worked out by a wide range of constituencies. Some stakeholders, like the corn growers, directly impacted by the farm programs want major changes to current programs while others, e.g. cotton, rice growers, prefer the existing programs.

Unlike previous Farm Bills, other Committees are expected to weigh in on a variety of issues and that will also slow the process. Inclusion of a major energy title will lead to extended debate before all parties can reach agreement.