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Governor Doyle Directs Agency to Suspend Enforcement of Minimum Markup Law on Ethanol

Says Consumers Should Benefit From Lower Prices of Ethanol at the Pump

Governor Jim Doyle said today that ethanol based fuel is not subject to minimum markup law enforcement and directed the Department of Agriculture, Trade and Consumer Protection to not pursue any actions against sellers of ethanol blended fuel.

"Wisconsin is emerging as a leader in ethanol and other renewable fuels, and we need to build on that momentum," Governor Doyle said. "I want to send a clear message to producers and consumers of ethanol that the State of Wisconsin will not do anything to artificially drive up the price. More and more drivers are turning to ethanol-based fuels because they are cheaper, and that is a trend we want to continue."

The minimum markup law, passed in the 1930s, sets a minimum price at which motor fuels can be sold in Wisconsin, but makes no distinction between fuel derived from petroleum and fuel derived from ethanol. Governor Doyle said this has the effect of artificially inflating the cost of ethanol blended fuels such as E-85 and E-10. Ethanol is selling wholesale at \$1.37 a gallon (accounting for a federal ethanol tax credit), while the price of petroleum is \$2.60.

A report earlier today said that the Badger State Ethanol coalition was told by the Department of Agriculture, Trade, and Consumer Protection that it couldn't offer E-85 at a lower price. In fact, the Department did investigate a complaint made against Badger State Ethanol but found that no violation occurred. Nevertheless, Governor Doyle wanted to remove any confusion that might exist and make it clear that the Department will not work to make ethanol blended fuels more expensive.

"Governor Doyle is a great friend of ethanol producers, and more importantly, consumers who will benefit from the lower prices of ethanol at the pump," said Gary Kramer, President and General Manager of Badger State Ethanol. "At a time when the legislature has been hostile to ethanol, Governor Doyle has shown incredible backbone in the fight to make our state and our country more energy independent. I applaud his action today."

"The big oil companies have reaped obscene profits in the last year at the expense of our consumers," Governor Doyle said. "Ethanol can break the stranglehold the big oil companies have on us. If a cornfield in Monroe is competing against an oil field in Saudi Arabia, that's a very good thing for Wisconsin."