

After moving to Bakersfield, California with his wife, Billie Jo, and their two children, Clarence worked for the Bakersfield City School District in various capacities for three decades. As a teacher, Clarence made sure his students received a quality education and understood the fundamentals. As a principal, Clarence was passionate about ensuring that his students were well-educated, and relentlessly worked with teachers, parents, and students to create an environment where his students could excel, both in the classroom and as young people. While Clarence received great recognition for his work, he did not measure his body of work by the accolades and awards he received; he measured it by the success of the students he taught, embraced, and advocated for.

Clarence devoted himself to the lives of Bakersfield's youth, but he also found time to serve the community he so loved. He served as Bakersfield City Councilman, held a leadership role in the League of California Cities, and was elected Mayor of Bakersfield in 1989. As Chairman of the Kern County Republican Central Committee, Clarence also worked to raise awareness of local and national issues with the community and involved his peers and neighbors in politics. In these different capacities, Clarence served with integrity, a plain-spoken straight-shooter that counseled and led with the convictions and strength of his heart. The enthusiasm to serve others is a quality shared by Clarence's family. His wife Billie Jo has been on my staff for the length of my career in the House, and I have always been grateful to Clarence for sharing her with me and with the thousands she has helped.

Bakersfield will miss this wonderful man who shared a rich legacy of accomplishment with his neighbors and students. More personally, I will miss Clarence. Clarence Medders was first and foremost a family man. He leaves behind his wife, his two loving daughters, Emily and Pam, and a large family that grieves an extraordinary loss.

Today, Mr. Speaker, I join many of my neighbors in mourning the loss of a close friend, Clarence Medders. A patriotic American, he embodied our country's best ideals: love for family and a dedication to public service.

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INTRODUCING THE RENEWABLE  
FUELS AND TRANSPORTATION  
INFRASTRUCTURE ENHANCE-  
MENT ACT OF 2003

**HON. JAMES L. OBERSTAR**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 17, 2003*

Mr. OBERSTAR. Mr. Speaker, I join the gentleman from Missouri, [Mr. HULSHOF], and my distinguished colleagues, in introducing the Renewable Fuels and Transportation Infrastructure Enhancement Act of 2003. A companion bill entitled, the Volumetric Ethanol Excise Tax Credit Act of 2003, has already been introduced in the Other Body.

I have long been a supporter of ethanol, which blended with gasoline, results in a cleaner automotive fuel that reduces harmful vehicle emissions. In addition, ethanol is generally made from corn; it is produced domestically; and it provides our farmers with an addi-

tional market for their goods. Further, and perhaps most importantly, the production and use of ethanol and other alcohol-blended fuels help reduce our country's debilitating dependency on foreign oil.

Ethanol production has increased steadily over the past several years. Today, there are 68 ethanol production facilities in 20 states. In 2002, these facilities produced 2.13 billion gallons of ethanol—a 45 percent production increase within the last three years. And there are proposals currently pending in the Conference Committee on the Energy bill to increase that production amount to 5 billion gallons of ethanol over the next decade. These ethanol successes are due in large part to the various tax incentives that encourage ethanol production and use.

To promote the use of ethanol-blended and other alcohol-blended fuels, these fuels are taxed at a lower rate than gasoline. It appears, however, that we have become a victim of our own success. As the production and use of ethanol has increased, it has had a deleterious effect on the Highway Trust Fund. Without the change authorized by this legislation, the current system is projected to cost the Highway Trust Fund more than \$2 billion in fiscal year 2004 and more than \$25.7 billion over the next ten years.

This bill provides the needed "ethanol fix." By providing an alternative tax credit system to the current system of reduced excise taxes for gasohol, the bill continues to encourage the production and use of ethanol, while at the same time protecting the revenues of the Highway Trust Fund.

Currently, ethanol-blended fuel receives a partial exemption from excise taxes. The current excise tax on gasoline is 18.4 cents per gallon. In contrast, ethanol- and other alcohol-blended fuel (10-percent blend) receive a 5.2-cent exemption from this tax. As a result, the excise tax on these fuels is 13.2 cents per gallon. Tax receipts deposited into the Highway Trust Fund are further reduced because 2.5 cents of that 13.2 cents is transferred to the General Fund. This combination of a partial excise tax exemption and transfer of 2.5 cents into the General Fund severely reduce the amount of funds coming into the Highway Trust Fund, challenging our ability to provide necessary maintenance and improvement to our Nation's highways and bridges.

Not only does the current system of taxation have a detrimental effect on the Highway Trust Fund, but it also disproportionately hurts those states—mostly the Midwestern states—that are the largest producers and consumers of ethanol. The minimum guarantee formula is based in part on a state's contributions to the Highway Trust Fund. Because states that use large amounts of ethanol under the current system contribute less to the Highway Trust Fund than states that use comparable amounts of gasoline, the states' apportionments are comparably reduced.

This bill addresses these issues by eliminating the current reduced excise tax rate for alcohol-blended fuels and introducing a tax credit for ethanol- and other alcohol-blended fuels. Under this proposal, alcohol-blended fuels would be taxed at the same rate as gasoline (18.4 cents per gallon), however producers of these fuels would receive a tax credit of 52 cents per gallon. Amounts claimed for the tax credit would be deducted against General Fund revenues—not Highway Trust

Fund revenues. Therefore, the bill continues to provide alcohol-blended fuel producers with the same economic incentives they have under the current tax system, while protecting the receipts of the Highway Trust Fund. The bill also eliminates the 2.5-cent tax transfer to the General Fund and directs all tax revenue on these fuels to the Highway Trust Fund.

Further, the bill introduces a credit for biodiesel fuels. Like ethanol, biodiesel is derived from farm products, most often soybeans. Although biodiesel provides many of the same benefits as ethanol, there currently are no tax incentives for the production and use of biodiesel fuels. This bill would remedy that omission by instituting a 50-cent credit for producers of biodiesel fuel. Accordingly, under the bill, biodiesel fuel would be taxed at the same rate as diesel fuel (24.4 cents per gallon), but producers of the fuel would be eligible to receive a tax credit of 50 cents per gallon of biodiesel fuel.

By substituting these tax credits for the current scheme of varying rates of excise taxes, this bill establishes a simpler, more straightforward approach to providing important incentives for the production and use of ethanol and biodiesel fuels. At the same time, it protects the revenues of the Highway Trust Fund. Highway Trust Fund revenues are dedicated revenues that go directly to pay for the maintenance and improvement of our Nation's highway system. At a time when we should be investing more funds in the improvement of Nation's highways—funds that will improve safety and reduce congestion—we can not afford Highway Trust Fund revenues to be adversely effected by the current system of varying excise tax rates.

As we move forward in crafting the successor to the landmark Transportation Equity Act for the 21st Century legislation, this bill is particularly important to ensure that those states at the forefront of producing and promoting the use of these cleaner, alternative fuels are not punished by receiving reduced highway funds from the Highway Trust Fund, and to ensure that the Highway Trust Fund continues to receive the funds necessary to maintaining and improving our Nation's highway system.

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TRIBUTE TO MARGARET LAMB

**HON. SCOTT MCINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 17, 2003*

Mr. MCINNIS. Mr. Speaker, I rise before this body of Congress today to pay tribute to an outstanding citizen from my district. Margaret Lamb is a lifelong resident of Creede, Colorado and a fixture of her community. She is extensively involved in the local community and gives freely and selflessly of her time to many different organizations. I am honored to recognize her selfless service here today.

Margaret has twice served as the Creede Postmaster, once in 1941, and then again in 1956. Margaret has given freely of her time for many years, serving as the secretary and treasurer for many organizations, including the Mineral County School Board, Creede's St. Augustine Episcopal Church, and the Order of the Eastern Star. She also helped found the Creede Community Church Board of Christian Education.