



September 15, 2011

Dear :

As the Joint Select Committee on Deficit Reduction begins its work on ways to further reduce our nation's growing budget deficit, the National Council of Chain Restaurants and the below-signed NCCR member companies write to urge your support for ending three decades of taxpayer subsidies for the corn ethanol industry. As you know, the Volumetric Ethanol Excise Tax Credit (VEETC) is scheduled to expire on December 31, and we are asking lawmakers to resist efforts to extend the subsidy beyond this date. The ethanol import tariff is also set to end on December 31, and we believe that should occur as well.

Our interest in this issue is due to the high food commodity costs facing all consumers and all channels of the food service industry, including food retailers such as chain restaurants. Strong empirical evidence shows a direct link between U.S. policy to subsidize and support the corn ethanol industry and increased demand for corn, which is the dominant ingredient in livestock feed in the United States. Higher corn demand leads to higher corn prices, which in turn leads to higher soybean meal prices. These higher prices reverberate throughout the animal livestock industry, causing higher wholesale and retail food prices.

This long-term phenomenon is taking place not only in the United States, but also around the world as a result of the biofuels policies of the U.S. and a handful of other developed countries, with adverse and disruptive consequences not only for the livestock and foodservice industries, but also for food consumers globally, including the world's poor and most vulnerable.

As you know, the U.S. Senate recently voted by an overwhelming margin to immediately end the VEETC and import tariff. However, we are concerned that the narrow interests of a single industry will again seek to extend these taxpayer subsidies, as has been done in recent years, or that they will seek to create new subsidies and supports to build out an infrastructure for an older, food-based, conventional ethanol fuel at the expense of both the taxpayer and the more-promising next generation of advanced, non-food-based biofuels. We implore you to avoid that result through your work on the Joint Select Committee on Deficit Reduction.

Long-term food commodity inflation is a concern for all consumers, especially in this time of continued economic uncertainty. Please support an end to the VEETC and the ethanol import tariff and oppose the creation of new taxpayer subsidies for conventional ethanol infrastructure.

Thank you for considering our views.

Sincerely,

Arby's
Brinker International, Inc.
Burger King Corporation
Carlson Restaurants Worldwide
CKE Restaurants
Cracker Barrel Old Country Store
Darden Restaurants, Inc.
DineEquity Inc.
Domino's Pizza Inc.
Dunkin' Brands Inc.
International Dairy Queen, Inc.
McDonald's Corporation
OSI Restaurant Partners, LLC.
The Wendy's Company
White Castle System, Inc.
Yum! Brands, Inc.

cc: Members of Congress, U.S. House of Representatives
United States Senators