



February 5, 2019

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232 The Capitol  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230 The Capitol  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
H-204 The Capitol  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
S-221 The Capitol  
Washington, D.C. 20510

The Honorable Richard Neal  
Chairman  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Chuck Grassley  
Chairman  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Leader McConnell, Speaker Pelosi, Leader Schumer and Leader McCarthy, and Chairmen Grassley and Neal:

On behalf of the entire biodiesel supply chain – including biodiesel producers, feedstock providers, blenders, fuel marketers and consumers – we urge you to maintain and extend the biodiesel blenders' tax credit as soon as possible. In light of Congress's past practice of retroactively extending the tax credit after it lapses, our industry has been compelled since January 1, 2018 to operate on the assumption that the credit would be extended, effectively pricing the credit's value into our costs of doing business. It is essential that the businesses that have priced product

artificially low are made whole. In addition, we urge Congress to extend the credit prospectively, thereby augmenting consumer benefits and encouraging additional investment in clean-burning biofuels.

The blenders' credit has worked successfully to build a robust biodiesel and renewable diesel industry in the United States. As a result, the U.S. biodiesel and renewable diesel market has grown from roughly 100 million gallons in 2005 to nearly 2.6 billion gallons in 2017. The tax credit is an important demand stimulus, which improves plant efficiencies, encourages investment in U.S. distribution infrastructure, and supports high-paying jobs throughout the country, all while incentivizing consumption of fuels that significantly reduce greenhouse gas emissions. The biodiesel tax credit lowers the price that truck drivers pay for fuel, and lowers the price that heating oil customers pay to heat their homes.

Extending the biodiesel blenders credit will allow us to continue to provide these economic and environmental benefits.

Unfortunately, the uncertainty caused by the “on-again, off-again” tempo of legislative extensions, including the Bipartisan Budget Act of 2018 which retroactively extended the biodiesel tax incentives through the end of 2017, has somewhat frustrated our sector’s ability to anticipate the availability of the incentives and make the necessary investments. This severely disrupts access to capital, as well as the ability to hire and expand.

Since the credit's inception, the market responded as Congress intended. The undersigned trade associations are united in urging Congress to act on a multiyear extension of this successful program and provide our industry long-term certainty as expeditiously as possible.

Sincerely,

Advanced Biofuels Association  
American Farm Bureau Federation  
American Trucking Associations  
National Association of Convenience Stores  
National Biodiesel Board  
National Renderers Association  
NATSO, Representing America's Travel Centers and Truckstops  
New England Fuels Institute  
Petroleum Marketers Association of America  
Society of Independent Gasoline Marketers of America