



June 25, 2018

The Honorable Paul D. Ryan
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 Nancy Pelosi
Democratic 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 Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

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

Dear Leader McConnell, Speaker Ryan, Leaders Schumer and Pelosi, and Chairman Hatch and Brady:

On behalf of a diverse community of biodiesel producers, feedstock providers, blenders, fuel marketers and consumers, we are pleased to announce that we have united around a single position – to maintain and extend the biodiesel tax credit at the blender level.

The blenders credit has worked successfully to build a robust biodiesel and renewable diesel industry. 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, while providing fuels that significantly reduce greenhouse gas emissions. On top of this, it has afforded customers such as the trucking industry and heating oil users fuels that are more economic and environmentally competitive. Extending the biodiesel blenders credit will allow us to continue to provide the economic and environmental benefits associated with the program.

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. Given that Congress has frequently extended the credit retroactively, market participants have come to reasonably rely on the credit being retroactively extended when undertaking business and investment decisions. Accordingly, the undersigned trade associations and companies urge Congress to restore the tax credit as soon as possible.

To provide certainty in planning, we believe Congress should extend the full \$1.00 per gallon tax credit for 2018 and 2019. Beyond that, we are seeking long-term certainty, including a permanent tax incentive at a level that will continue to foster growth in the domestic biodiesel market.

Since the credit's inception, the market responded as Congress intended. We urge Congress to extend this successful program.

Sincerely,

Advanced Biofuels Association
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