

March 25, 2010

United States House of Representatives  
Washington, DC 20515

Dear Member of Congress:

As proponents of the domestic biofuels industry, we are writing in support of the bipartisan Renewable Fuels Reinvestment Act, introduced by Representatives Pomeroy (D-N.D.) and Shimkus (R-Ill.). This important legislation includes a number of provisions that are vital to the success and viability of the biofuels industry and we strongly urge you to cosponsor and support the United States' renewable fuels industry.

The Volumetric Ethanol Excise Tax Credit (VEETC) and ethanol import tariff, both of which are slated to expire December 31, 2010 are extended for five years at their current levels under this legislation. The Small Ethanol Producers Tax Credit would also be extended for five years to continue providing an incentive to producers of 60 million gallons or less. Finally, the legislation extends the Cellulosic Ethanol Production Tax credit for three years to ensure stability for this emerging segment of the industry. Without appropriate long-term signals from the federal government, the cellulosic industry will be unable to begin commercial production.

The net effect of allowing the VEETC to expire is to raise taxes on American consumers and motorists and cost hundreds of thousands of jobs, many of which are in rural communities that can least afford such a loss. Based on current U.S. fuel consumption, consumers would pay up to \$5.4 billion more at the pump each year if VEETC is not extended. Additionally, 112,000 Americans would be forced from their jobs and nearly 2 out of every 5 ethanol biorefineries operating today would be forced to shutter.

Similarly, extending the import tariff is a matter of common sense, to ensure American taxpayers are not subsidizing ethanol production in countries like Brazil. Allowing the ethanol import tariff to expire would have a devastating impact on overall total commodity values, plummeting nearly \$18 billion during the first three years according to IHS Global Insight.

As our nation continues to climb out of the greatest economic recession in a generation, it is incumbent upon the federal government to provide long-term market stabilizers, as this legislation does, for an industry as critical to our future as the biofuels industry. Ensuring a continued strong foundation of first-generation ethanol includes the promise for an economically viable future for the next generations of production.

Policy makers have the ability to not only talk about reducing America's dependence on foreign oil, you have the opportunity to take action. Support and pass the Renewable Fuels Reinvestment Act now so that the American biofuels industry can continue creating green jobs at home, enhance our national and economic security and improve the environment.

Sincerely,

American Coalition for Ethanol  
Growth Energy  
Renewable Fuels Association  
National Corn Growers Association  
National Sorghum Producers  
National Farmers Union