

Congresswoman Abby Finkenauer (IA-01) Testimony
House Ways and Means Committee Member Day
June 4, 2019 – 1100 Longworth House Office Building

Chairman Neal and Ranking Member Brady, thank you for the opportunity to testify today. I was elected to bring the voices of Iowans to DC, so I truly appreciate the opportunity to do just that today.

There are many issues pending before this committee that are important to my constituents, but I want to focus my testimony today on what should be a bipartisan effort, and should have been done in the last Congress, which is the biodiesel tax credit.

Unfortunately, the biodiesel tax credit lapsed in 2018 to the detriment of the biodiesel industry, consumers, farmers, gas station and truck stop owners, truckers, airlines and others that rely on the tax credit to expand their businesses and bring down energy costs.

Being from Iowa, the largest producer of biodiesel, I understand the importance of biodiesel, and other biofuels, firsthand. It is imperative that we extend the biodiesel tax credit and work with the Senate Finance Committee to get something done quickly.

We must also move forward with an extension of the Second-Generation Biofuels credit, which supports our most innovative biofuel technologies like cellulosic ethanol and makes existing plants more efficient. I recently led a letter with nearly twenty of my democratic colleagues to the Chairman and Speaker of the House urging renewal of this credit as well.

I'm proud to have introduced the bipartisan Biodiesel Tax Credit Extension Act of 2019, HR 2089, with support from a number of members of this committee including Rep. Mike Kelly (R-PA), Rep. Ron Kind (D-WI) and Rep. Adrian Smith (R-NE). Support for the legislation continues to grow with 50 co-sponsors from coast to coast who recognize the economic and environmental benefits of this policy.

To start, we know this credit has been effective in helping the industry develop despite the well-established fossil fuel industry. The biofuels industry generates more than \$11 billion in economic activity each year. There is now a biodiesel plant in every state. Every 100 million gallons supports 3,200 jobs. That's 60,000 jobs across the country.

Not only is biodiesel an efficient use of our renewable natural resources, every gallon of biodiesel that displaces traditional diesel represents at least a 50% reduction in lifecycle greenhouse gas emissions. Homeowners in the Northeast are now using up to 20 percent biodiesel-blends to heat their homes, improving the region's energy security and regional air quality. It also helps California and other states meet their stringent low-carbon fuel requirements.

Furthermore, biodiesel lowers prices at the gas pump. In fact, truckers and consumers saved at least 17 cents on every gallon of diesel in 2017.

Unfortunately, Iowa farmers and communities have also taken the brunt of the trade war. When the major markets for soybeans shrink, prices go down, and when you combine that with an expired biodiesel policy, and actual ongoing severe storms in the Midwest: it's a perfect storm for soybean farmers.

In fact, my sister and brother-in-law are farmers. They are sitting with silo full of soybeans that are worth thousands less than they were just a year or two ago. Farmers are not looking for a handout. They want trade, but until an agreement is reached, biodiesel can strengthen demand for their beans.

I recently invited a soybean farmer to testify before the Small Business Committee from Iowa. He farms, runs a seed business, and recently started a trucking company. During this downturn in the agriculture economy, biodiesel is helping keep his operation strong. Biodiesel adds \$0.63 cents to every bushel of soybeans, generating an extra \$12,000 a year that he can use to invest in his farm and support other local businesses and manufacturers.

It's a shame that the biodiesel credit has expired. Agriculture and related industries agree.

I would like to submit for the record letters in support of extending the credit biodiesel tax credit from the American Trucking Association, Agricultural Retailers Association, American Farm Bureau Federation, American Soybean Association, Corn Refiners Association, National Biodiesel Board, National Council of Farmer Cooperatives, National Farmers Union, National Association of Convenience Stores, and NATSO - representing America's travel centers and truck stops.

Additionally, I'd like to submit a letter of support for the Second Generation Biofuels credit from the Advanced Biofuels Business Council, Algae Biomass Organization, Biotechnology Innovation Organization, Growth Energy, the National Biodiesel Board, and the Renewable Fuels Association.

Biofuels have become a national industry—one that is increasingly important to our economy. We must act now to extend these tax credits because our farmers and workers need certainty when it comes to biofuel production.

I thank you all again for the opportunity to testify, and I respectfully urge your timely work to extent the biodiesel tax credit.