

United States Senate

WASHINGTON, DC 20510

April 6, 2020

The Honorable Sonny Perdue
Secretary
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Perdue,

We are concerned about our nation's biofuel sector during the unprecedented economic circumstances brought on by the national pandemic of COVID—19.

As the country follows the advice of local and state governments and remain at home, motor fuel use has rapidly decreased. This dynamic comes on top of EPA's failure to implement the RFS in accordance with the law, including the issuance of illegal small refinery waivers and the recent failure to enforce ethanol blending requirements. As the consumption of motor fuel continues to decrease in response to COVID—19, it is important to note that most U.S. gasoline contains at least 10 percent ethanol.

We are concerned for the many farmers and producers who will bear the impact of this decrease in consumption, further damaging an already hurting rural economy and resulting in the closing of production facilities that employ many people in rural communities in our home states.

As the U.S. Department of Agriculture (USDA) considers the allocation of additional funds provided to the Commodity Credit Corporation (CCC) by the Coronavirus Aid, Relief, and Economic Stabilization (CARES) Act we ask that you use the authority provided to assist the biofuel industry.

The decrease in fuel consumption has left production facilities little choice but to idle production or close completely. Since March 1, industry sources show more than four billion gallons of ethanol production has ceased production. The CCC was created to stabilize, support, and protect farm income and prices while also maintaining balanced and adequate supplies of agricultural commodities and aids in their orderly distribution.

Farm income and prices for corn and other crop commodities are directly linked to the health of the renewable fuel industry. Ethanol plants use 40 percent of all corn grown in the United States. Among other feedstocks, biodiesel and renewable diesel producers currently use over 8 billion pounds of soybean oil a year, creating demand that adds 13 percent to the cash price of a bushel of soybeans. We have seen a significant drop in the price of corn and soybeans because of the decline in demand. Keeping plants open is vital for our states and we ask that you use the authority given by Congress to assist the biofuel industry during extremely difficult times. We are supportive of the proposals the biofuel industry has put forward to reimburse feedstocks and also believe that adding additional CCC funds to the Higher—Blends Infrastructure Incentive Program will drive future biofuel demand.

Thank you for considering our request and for your dedication to rural America. We look forward to working with you on deploying the additional resources that Congress gave you in the CARES Act.

Sincerely,

Chuck Grassley
United States Senator

Tammy Duckworth
United States Senator

Joni K. Ernst
United States Senator

Tammy Baldwin
United States Senator

Deb Fischer
United States Senator

Amy Klobuchar
United States Senator

Roy Blunt
United States Senator

Richard J. Durbin
United States Senator

M. Michael Rounds
United States Senator

Tina Smith
United States Senator

Josh Hawley
United States Senator

Sherrod Brown
United States Senator

Ben Sasse
United States Senator

Jerry Moran
United States Senator

John Thune
United States Senator

*The Senators listed above support the contents of this letter. Due to COVID-19, physical signatures for this letter were not collected.