



GOVERNORS' BIOFUELS COALITION

- **South Dakota** Gov. Kristi Noem, Chair • **Minnesota** Gov. Tim Walz, Vice Chair
- **Executive Director**, Larry Pearce

May 28, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, U.S. Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
S-220, U.S. Capitol
Washington, DC 20515

Dear Madam Speaker, Leader McConnell, Leader McCarthy, and Leader Schumer:

Covid-19 is hurting all of America. The states in the Governors' Biofuels Coalition are facing unique challenges. We are heartened that both the House and the Senate are working to mitigate these hardships.

While farmers continue to produce the livestock and grain necessary to feed and fuel the nation, processing facilities have closed or dramatically curtailed production. Stay-at-home orders across the country slashed gasoline consumption, causing demand for ethanol to plummet, forcing more than 50 percent of the states' ethanol production to shut down.

Nearly three-fourths of the nation's 204 ethanol plants are fully or partially idled, resulting in worker layoffs, lost markets for farm commodities, and constrained supplies of critical ethanol co-products like animal feed, corn distillers' oil used to make biodiesel, and captured carbon dioxide used in medical equipment, food and beverage processing, refrigeration, wastewater treatment and other applications. The ethanol industry estimates Covid-19 will result in at least \$10 billion in losses in 2020. Rural America — with the ethanol industry's 350,000 direct and indirect jobs — is facing an economic crisis of historic proportions.

We were pleased to see that two bills were recently introduced in both the Senate and House. The Senate's Renewable Fuel Feedstock Reimbursement Act of 2020 introduced by Senator Grassley and Senator Klobuchar, and the Renewable Fuel Reimbursement Program

provision included in the HEROS Act passed by the House, provide critical emergency relief to renewable fuel producers. These initiatives provide responsible and much needed economic relief to the states' biofuel producers.

These proposals will allow important agricultural processing facilities to retain their employees, resume production when warranted by market and health conditions, and support farmers by increasing commodity demand. In addition to producing ethanol, livestock and poultry feed, biodiesel feedstock, and captured carbon dioxide, ethanol producers have also stepped forward to help address the Covid-19 public health crisis. Many facilities are now producing the high-grade ethanol used in hand sanitizer. The states' ethanol industry has become an irreplaceable contributor to our nation's economy, and it must be preserved.

As the chair and vice chair of the Governors' Biofuels Coalition, we urge you to support these relief initiatives and ensure that relief for the biofuels industry is included in phase 4 of the Covid-19 emergency relief package that is currently making its way through Congress. Preserving this critical industry is essential to our health and economic recovery from the coronavirus pandemic.

Sincerely,



Kristi Noem, Chair
and Governor of South Dakota



Tim Walz, Vice Chair
and Governor of Minnesota