



CIVITAS INSTITUTE

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20515

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The undersigned public policy organizations encourage you to oppose the \$100 million bailout of the American Biofuels Infrastructure, as proposed by the United States Department of Agriculture under the Higher Blends Infrastructure Incentive Program (HBIIP).

Although some would like to use the recent arrival of the Coronavirus Disease 2019 (COVID-19) as a reason to secure a cash infusion into their failed business model, the federal government should reject this temptation. The decrease in biofuel demand has more to do with cheap oil driven by an increase in American and international oil production than the COVID-19 pandemic.

The challenges facing biofuels in the U.S. are also not due to a lack of government intervention with taxpayer subsidies. If that were the case, biofuels and the demand for them would be through the roof in correlation with the tax dollars of hard-working Americans invested through the years. Biofuels received more than \$60 billion in subsidies between 2003 and 2019, more than any other American energy resource. Any further bailout, in addition to the millions already available through several subsidy programs, including grants, loans, and other benefits at this point, would equate to nothing more than continuing to redecorate the ballroom on an ever-sinking Titanic.

If Congress desires to help the American consumer and agriculture sector, then the answer is in a total repeal of the failed government experiment known as the Renewable Fuel Standard (RFS), a move that would let market demand and emerging technologies prevail over a “thumb on the scales” approach from Washington D.C.

The RFS was sold to the American people as a home-grown solution for energy independence and environmental progress. However, the evidence is clear that this mandate disregards the preferences of hard-working Americans and undermines the environment. Advocates for the RFS also ignore that, since 2007, domestic oil and gas production has been the key to energy independence.

If COVID-19 is to have any legacy on the American energy sector, let it be in the form of resetting and dissolving the past’s poor decisions. A cash infusion would be nothing more than a sugar rush that will last only until the next time the biofuel industry is at our door, asking for more.

Donald Bryson, President and CEO
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Annette Meeks, CEO
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Nathan Benefield, Vice President and COO
Commonwealth Foundation | Pennsylvania

Amy Cooke, CEO
John Locke Foundation | North Carolina

Connor Boyack, President
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Doug McCullough, Director
Lone Star Policy Institute | Texas

Jason Hayes, Director of Environmental Policy
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