



July 22, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

On behalf of the members of the American Coalition for Ethanol (ACE), I write to request that the next COVID-19 economic relief package include S. 3756, bipartisan legislation introduced by Senators Grassley and Klobuchar to reimburse biofuel producers for a share of feedstocks they purchased and processed into renewable fuel during the first quarter of the year.

While Congress has enacted three-phases of stimulus to respond to the economic downturn caused by the coronavirus pandemic, the renewable fuel sector has so far been left behind.

Ethanol use declined by 50 percent because of the social distancing, stay-at-home, and shelter-in-place orders instituted across the country to fight COVID-19, a catastrophic and unprecedented demand shock for domestic biofuel producers. Ethanol usage remains well-below pre-COVID levels and is not expected to recover through 2021. The Renewable Fuels Association estimates losses for the ethanol industry already exceed \$3 billion.

The House of Representatives acknowledged the need to provide emergency relief to biofuel producers when it included a direct compensation program like the Grassley-Klobuchar bill in its May 15 stimulus package. With COVID-19 numbers on the rise and talk of future shutdowns intensifying, renewable fuel producers could see the economic damage more than double current levels. Action is needed now.

The Grassley-Klobuchar legislation would establish the Renewable Fuel Feedstock Reimbursement Program to aid ethanol producers who have taken a direct hit from the sudden and severe drop in fuel demand as a result of COVID-19. This relief is critical to helping the U.S. biofuel industry survive this unimaginable economic downturn and remain a key part of rural America's future.

Thank you for your attention to this matter.

Sincerely,

Brian Jennings, CEO
American Coalition for Ethanol