



December 16, 2009

The Honorable Max Baucus, Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

The Honorable Charles Grassley, Ranking Member
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

One Year Extension urgently needed for the \$1 per gallon Federal Biodiesel Tax Credit

Dear Chairman Baucus and Ranking Member Grassley:

The Petroleum Marketers Association of America (PMAA) and the New England Fuel Institute (NEFI), on behalf of the nation's independent petroleum marketers, including gasoline and heating oil dealers, **urge you to expedite passage of a one-year extension to the \$1 per gallon federal biodiesel blenders' tax credit before it expires at the end of this year.**

In order to avoid the expiration of these taxes on December 31, 2009 the U.S. House of Representatives approved a one year extension to the \$1 per gallon credit, as well as the ten cents per gallon production credit for small producers, as part of the Tax Extenders Act of 2009, H.R.4213. The bill was approved by the House by a vote of 241-181 on December 9, 2009. **Despite its busy schedule, it is vital that the U.S. Senate do the same.**

Many of our members market biodiesel at wholesale and retail in order to meet growing U.S. consumer demand. In order to maintain consumer demand as well as incentives for continued investments in biodiesel production, transportation and retailer infrastructure and storage, immediate renewal of the tax credit is essential.

It is also vital for the U.S. heating oil industry in light of the growing demand for BioHeat[®], a blend of biodiesel and home heating oil. ASTM and oilheat equipment manufacturers have certified five-percent blends for use in existing heating systems and the industry is currently experimenting with higher blends of 10 percent or more. These goals are consistent with Congressional, regional and state policy goals to increase domestic energy and environmental security and reduce nation-wide greenhouse gas emissions.

Federal policies that support the biodiesel industry, such as the \$1 per gallon tax credit, are needed to promote consumer interest and financial investment in biodiesel and Bioheat[®]. Please act quickly in renewing this important financial incentive.

Thank you for your consideration and we look forward to working with you.

Sincerely,

Dan Gilligan, President
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Shane Sweet, President & CEO
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cc: The Honorable Jeff Bingaman, Chairman and the Honorable Lisa Murkowski, Ranking Member
U.S. Senate Committee on Energy & Natural Resources
The Honorable Blanche Lincoln, Chairman and the Honorable Saxby Chambliss, Ranking Member
U.S. Senate Committee on Agriculture, Nutrition and Forestry
The Honorable Jack Reed and the Honorable Olympia Snowe, Co-Chairs
The Northeast-Midwest Senate Coalition