

June 18, 2025

The Honorable Mike Crapo
Chairman
Senate Committee on Finance
United States Senate
239 Dirksen Senate Office Building
Washington, D.C. 20510

## Dear Chairman Crapo:

We write to express concern regarding the current Senate language for the Section 45Z Clean Fuels Production Credit. We appreciate the time and attention that has been devoted to preserving and improving this credit, which is so important to American agriculture. As drafted, this provision distorts the intent of President Trump's *Unleashing American Energy* executive order by enabling U.S. tax dollars to subsidize the importation of foreign feedstocks including tallow and 'used cooking oil' from China and ethanol from Brazil, directly contradicting the energy, agricultural, and economic objectives championed by this Administration.

The Senate's revised language represents a significant departure from the House-passed version and threatens to undercut American farmers and biofuel producers at a time when rural communities are still recovering from years of regulatory instability. Notably, the House Ways and Means Committee explicitly stated that its version of the 45Z credit was designed to "Protect Rural America's ability to help deliver fuels for America" by ensuring that "American farmers are not crowded out by Chinese cooking oil and other foreign imports in liquid fuel production markets." That clarity and intent must not be lost in final negotiations.

We urge the Senate to align its version of 45Z with the U.S.-Mexico-Canada Agreement (USMCA) ringfence adopted in the House-passed version. Maintaining the full value of the credit and limiting eligibility to feedstocks sourced from the United States, Canada, and Mexico ensures that the credit supports American producers and our closest trading partners, while upholding the goals of energy security, agricultural competitiveness, and fair trade.

Moreover, the Senate language directly conflicts with the Environmental Protection Agency's proposed Renewable Volume Obligations (RVOs) for 2026–2027, which aim to reduce reliance on imports by cutting the RIN credit generation value for imported feedstocks and fuels, the EPA referenced the feedstock availability study conducted by NOPA and S&P Global, which

demonstrates that the U.S. has sufficient domestic feedstock to meet ambitious biomass-based diesel blending targets of over five billion gallons per year. This acknowledgment reinforces that U.S. producers can deliver, and federal incentives should reflect that reality.

As the EPA's RFS fact sheet explains:

"Specifically, EPA is proposing to amend RFS regulations so that foreign biofuels and feedstocks would only generate 50 percent of the RIN value relative to domestic biofuels and feedstocks. By reducing the value of the RIN for foreign biofuels and feedstocks, it will decrease America's reliance on imports, promote U.S. production, strengthen support for rural agricultural sectors, and increase American energy security."

EPA Administrator Lee Zeldin reinforced this point:

"We are creating a new system that benefits American farmers while mitigating the impact on gas prices and ensuring the continued existence of liquid fuels. We can no longer afford to continue with the same system where Americans pay for foreign competitors."

Secretary of Agriculture Brooke Rollins emphasized the Administration's commitment:

"This move by Administrator Zeldin is the boldest proposal ever and will provide certainty in a much-needed market for our producers... America's national security depends on our energy security, and biofuels are a crucial asset that brings more jobs and helps farmers in rural America."

We were pleased to see this direction from the EPA, which sends a strong signal in support of American agriculture. However, it is important to recognize that this is still a proposal and will not be finalized until later this year. Furthermore, it only applies for a two-year period, while the tax policies being negotiated would extend through 2031. For this reason, it is vital that Congress take action to codify a durable, long-term policy framework that protects U.S. agriculture from being displaced by imported feedstocks. Aligning the 45Z credit with the House-passed USMCA ringfence will provide the necessary certainty for producers and uphold the Administration's commitment to American energy security.

We strongly urge the Committee to revise the Senate language to align with the House-passed USMCA ringfence and uphold the Administration's commitment to unleashing American energy dominance, protecting rural communities, and prioritizing U.S. farmers and producers.

We stand ready to work with you to ensure Section 45Z fulfills its purpose. Thank you for your attention to this critical matter.

Sincerely,

American Soybean Association
National Corn Growers Association
National Sorghum Producers
U.S. Canola Association
National Oilseed Processors Association

Renewable Fuels Association

**Growth Energy** 

**Great Plains Canola Association** 

Illinois Corn Growers Association

Indiana Corn Growers Association

Indiana Soybean Alliance

Iowa Corn Growers Association

Iowa Soybean Association

Kansas Corn Growers Association

Kansas Soybean Association

Kentucky Corn Growers Association

Kentucky Soybean Association

Michigan Corn Growers Association

Michigan Soybean Association

Minnesota Corn Growers Association

Minnesota Soybean Growers Association

Missouri Soybean Association

Nebraska Corn Growers Association

Nebraska Soybean Association

North Dakota Corn Growers Association

North Dakota Soybean Growers Association

Northern Canola Growers Association

Ohio Corn and Wheat Growers Association

Ohio Soybean Association

**PNW Canola Association** 

South Carolina Corn & Soybean Association

South Carolina Farm Bureau

South Dakota Corn Growers Association

South Dakota Soybean Association

Tennessee Soybean Association

Texas Soybean Association

Virginia Soybean Association

Wisconsin Soybean Association