



COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Lamar Smith, Chairman

For Immediate Release
July 25, 2017

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Statement of Chairman Andy Biggs (R-Ariz.)

Examining Advancements in Biofuels: Balancing Federal Research and Market Innovation

Chairman Biggs: Good Morning and welcome to today's Joint Subcommittee hearing entitled "Examining Advancements in Biofuels: Balancing Federal Research and Market Innovation. Today, we will examine federal biofuel funding and the effects of federal mandates on the market. We will also examine basic research in biology and biochemistry and the ways that it can be best utilized by industry to spur private innovation.

First, I would like to thank our witnesses for being here today. Some of you have traveled a good distance, and we sincerely appreciate you taking the time to share your expertise on this important subject.

For far too long the federal government has been picking winners and losers in the American energy market.

These federal policies prop up unsuccessful or mediocre business ventures, limit opportunities for new or different business ideas, and stifle innovation in the private sector.

It is time we focus on and pursue more market-friendly policies. Rather than spending taxpayer dollars on misguided subsidies and inefficient commercial scale projects, we should avoid intervening in the free market and focus instead on supporting federal funding for basic research that supports technological advances in biofuels and provides tools for businesses to deploy new technologies.

As an initial reform, I will be introducing the FUEL Reform Act tomorrow to fully eliminate the biofuel subsidies and related programs in title IX of the farm bill. The "FUEL" in that bill title is an acronym that stands for "farewell to unnecessary energy lifelines," and I very much hope that our nation will follow that policy directive.

Over the last 30 years, the American taxpayer has paid out billions of dollars in federal biofuel subsidies. For instance, the 2014 farm bill energy titles alone cost taxpayers \$879 million, funding things like the Bioenergy Program for Advanced Biofuels. This program provides subsidies to advanced biofuels producers to increase their production levels without taking into account such basic market principles as real world demand.

Senseless policies like this distort the market by forcing businesses to improvise rather than innovate, and the American energy consumer foots the bill. By continuing to force technologies into the market that are not competitive or in demand, we are doing the American people a disservice. Simply put, we don't get out of these programs what we are putting into them.

Furthermore, the federal government's biofuel policies have had an unintended adverse effect on food costs. The price of corn, soybeans, and related retail food products have all increased. Land is drawn away from competing crops, and input prices for livestock producers have gone up.

I am, however, encouraged that research is underway to improve our ability to generate biofuels more efficiently, both from traditional sources like corn and soybeans as well as from new sources like poplar trees and switch grass.

We will hear today about research conducted by the BioEnergy Science Center at Oak Ridge National Laboratory, one of the Department of Energy's Bioenergy Research Centers. Researchers at Oak Ridge are discovering ways to generate advanced biofuels from new sources that are not also food stock. Partnering with industry stakeholders, they will pursue fundamental science that supports new technologies to increase the sustainability and economic viability of advanced biofuels.

While I would stress very strongly once again that we should be working toward the goal of fully eliminating energy subsidies, I am interested in learning more about how current taxpayer dollars can be used more effectively and efficiently, particularly when it comes to basic and early stage biofuels research. The sooner this type of research comes to fruition and can be commercialized by the private sector, the better. When the free market operates, innovation breaks through, and the economy thrives.

I look forward to learning more from our distinguished witnesses and have no doubt that this will be a wide-ranging and fascinating discussion.

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