

News from the Committee on Small Business

Nydia M. Velázquez, Chairwoman



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Small Renewable Energy Firms Fueling Development in Rural America

WASHINGTON – Renewable fuels are transforming the small business economy—more than 70 percent of producers are themselves small businesses, most employing 50 or fewer people. The roles these small firms are playing in various industries are transforming rural America. The biodiesel industry alone puts an additional \$627 million into American households annually. Experts and leaders from the renewable fuels industry told the House Committee on Small Business today that promoting expansion in their industry will encourage job creation and investment in small businesses and rural communities.

“Small business owners are leading the way to a cleaner, more independent energy future,” said Chairwoman Nydia M. Velázquez. “Furthermore, their success improves not just the lives of their families and employees, but their whole communities. Renewable fuel plants can represent a new direction for an entire area, spurring expansion and growth in rural economies where all kinds of entrepreneurship stand to benefit from rising local demand.”

Recent concerns over global climate change and the rising cost of traditional energy sources have increased interest in biofuels that can be derived from domestically grown sources. Small businesses have led the way in the development of these non-petroleum fuels. These fuels are generally cleaner and more reliable than petroleum from parts of the world whose supply can fluctuate and are derived from sources that can be replaced annually. Ethanol and biodiesel are currently being produced by a booming sector of small producers. Last year, 250 million gallons of biodiesel were produced—the top providers being small businesses. Small firms are also blazing the trail for the development of the next generation of renewable fuels, including cellulosic ethanol that holds the potential to expand the biofuels boom beyond rural America.

“Small businesses are already leading the economic growth in my rural western North Carolina district through research, development, and production of renewable energy,” Rep. Heath Shuler, chairman of the subcommittee on Rural and Urban Entrepreneurship. “These firms are showing that in the 21st Century expanding the economy and protecting the environment go hand-in-hand.”

During the hearing, witnesses from a broad cross section of the renewable fuels industry stressed that more needs to be done to assist small businesses in this sector, including stimulating competition, growth, and development. They emphasized that many of the programs that have been important in creating the current momentum in the industry are set to expire and must be extended in order to continue the economic development that is revitalizing rural areas. Investments in technological innovation are needed to enhance the industry’s economic competitiveness, extend its benefits around the country, and allow small firms to continue developing new alternatives.

“Entrepreneurship in the biofuel industry has been a success story for small business owners and their communities,” said Chairwoman Velázquez. “Now, we must promote additional small business leadership as this sector matures and ensure that we have given entrepreneurs the tools to make these technologies competitive.”

This hearing on renewable fuels is the first in a series on small business participation in the energy industry. In the coming weeks, the committee will examine broader renewable energy issues, as well as legislation impacting small business’ energy needs.

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