

News from the Committee on Small Business *Subcommittee on Urban & Rural Entrepreneurship* Heath Shuler, Chairman



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Subcommittee Explores Role of Small Businesses in Expanding Biofuels Production

WASHINGTON, D.C. — With gasoline costing more than four dollars a gallon, Americans are looking to alternative sources of energy. Small businesses have already proven their leadership in the traditional renewable energy sector, and they are poised to do the same where second-generation biofuels are concerned. Today, the Subcommittee on Rural and Urban Entrepreneurship held a hearing to discuss production of biodiesel from alternative inputs as well as cellulosic ethanol. Members heard from a panel of entrepreneurs who outlined revolutionary bio-sources and production methods that offer new energy options.

“U.S. entrepreneurs have always been at the forefront of timely innovation. Fuel supply is no different,” said Chairman Heath Shuler (NC-11). “Cellulosic ethanol and biodiesel can have an enormously positive impact on domestic fuel availability, rural communities, and small firms. They can also provide the nation with cleaner energy.”

Most of the nation’s current ethanol production is derived from corn. But cellulosic ethanol can come from inedible materials, such as corn stalks, wood chips and switch grasses. Biodiesel production has also seen a transformation where energy can now be harnessed from cooking grease and non-virgin oils—essentially waste materials that are readily available from restaurants and other commercial operations. While these production methods hold considerable promise, obstacles persist to small businesses engaging in large scale production of these second-generation biofuels. Witnesses called for a range of small business-friendly federal policies to spur development of technologies and the removal of barriers to producing this clean energy.

“Small firms should be given the opportunity to innovate in this critical area of the economy,” said Chairman Shuler. “Supporting biofuel production by family farmers and other entrepreneurs is not a novelty. It’s a win-win proposition for the U.S. taxpayer.”

Earlier this Congress, Chairman Shuler introduced H.R. 2389, *The Small Energy Efficient Business Act* (SEEBBA). Among other things, his legislation provides loans, education and investment for small ventures to help them produce renewable energy. The measure was incorporated into the Energy Independence Act, which was signed in December of last year. The House also recently passed the Energy and Tax Extenders Act of 2008, which prolongs the biodiesel tax incentive for twelve months.

“SEEBBA and other measures offer entrepreneurs important tools, but there is more than can and should be done to allow small firms to revolutionize the industry,” said Chairman Shuler. “Family farmers and small businesses are unquestionably committed to working in service of U.S. consumers. Their world class innovation has never disappointed, and they deserve our continued support.”

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Click [here](#) to view witness testimony.

Click [here](#) to view video of the hearing.