



Manitoba Trucking Association
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MEDIA RELEASE

For Immediate Release

AMENDMENTS TO MANITOBA BIOFUELS ACT WILL CREATE CROSS SUBSIDY

Winnipeg, MB – April 8, 2010 - While Manitoba wants to be a Canadian leader in biofuels it is creating a cross-subsidy in the process, says the Manitoba Trucking Association (MTA).

In a media release today Minister Chomiak introduced amendments to the Biofuels Act which would establish a new grant program to subsidize biodiesel production.

These amendments will replace the 14 cent per litre fuel-tax exemption that road users, utilizing biodiesel, previously enjoyed with a new grant program that will subsidize biodiesel producers.

While the Minister stated that this shift will be more effective in making producers competitive and encourage the local production of biofuels, the reality is that with Manitoba's biodiesel mandate the major fuel companies will be importing biodiesel into Manitoba to satisfy the mandated average blend.

This shift will create a cross subsidy. Road users will be subsidizing biodiesel producers with the taxes they pay when they burn biodiesel.

In response to the Minister's announcement MTA Executive Director Bob Dolyniuk said, "*It is truly unfortunate that the Manitoba Government has chosen to take tax dollars generated by road users and will use those dollars to subsidize another industry. If Manitoba truly wants to subsidize an industry it should subsidize it from general revenues. Tax dollars generated by road users should be re-invested in our highway and road infrastructure and not other areas.*"

This shift will redirect \$14 million dollars to biodiesel producers when those dollars should be invested into our highway and road infrastructure.

Serving the needs of the trucking industry and its interested parties by the promotion of a healthy business environment and the advocacy of safety, education, and responsibility.

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