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President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

May 21, 2014

Dear President Obama:

I am writing as the national representative for the biodiesel industry to convey my urgent concerns about the pending volume proposal for biodiesel (Biomass-based Diesel) under the Renewable Fuel Standard (RFS).

It appears that the 2014 RFS Final Rule may be sent to OMB later this week, and we have received indications suggesting that the EPA and the Obama Administration are considering leaving the Biomass-based Diesel program at 1.28 billion gallons while perhaps adopting a small increase in the initial proposal for the overall Advanced Biofuels standard. **You need to know that this decision would have lasting, damaging consequences for the jobs and economic activity supported by the U.S. biodiesel industry, while undermining your efforts to boost U.S. energy security through clean, domestic energy production.**

To be clear, such a decision would serve only to encourage large volumes of imported biofuels from overseas, while crippling the U.S. biodiesel market. According to a survey we conducted of our membership, the proposal alone has already affected the biodiesel market in such a way that at least half of the nation's biodiesel plants have had to stop producing and lay off workers. To finalize a rule that would hold the volume at 1.28 billion gallons would further this damage to the biodiesel industry, while drawing in hundreds of millions of gallons of imported biofuels. Aside from sending American jobs overseas, this would undermine the fundamental goals of the RFS of boosting U.S. energy security while creating new domestic energy production. It was never the intent of Congress, nor, I'm confident, of your Administration, that the RFS would serve to stimulate additional imports of foreign fuels. In fact, one of the primary goals of the RFS was to lessen our dependence on imported fuels and diversify the domestic energy supply, including in the diesel fuel pool.

I remember vividly your leadership as a Senator in introducing the American Fuels Act of 2006, which was the initial policy proposal that ultimately became the RFS-2. It proposed adding a renewable requirement to the diesel fuel pool which the original RFS did not have. It proposed requiring 2 billion gallons of Biomass-based Diesel by 2015. The biodiesel industry nearly achieved that level of production in 2013, making the Advanced Biofuel category of the RFS a huge success story. However, the EPA's proposal would undercut that success. In writing the RFS, Congress envisioned a steady increase of renewable components in both the gasoline and diesel fuel pools, unless industry is incapable of producing the biofuels (at which time EPA would then invoke the waiver authority). While most domestically produced advanced biofuels have struggled to meet their RFS requirements, the biodiesel industry has surpassed the RFS requirements.

Therefore, we are extremely perplexed as to why the Administration would seek to undermine the only EPA-approved advanced biofuel that has reached commercial production nationwide.

Should EPA fail to raise the biodiesel volume *and* increase the Advanced Biofuels program in 2014, we would see a significant retreat in biodiesel production from 2013. In addition, given current markets, it would lead to Brazilian imports of sugar cane ethanol. The consequences of this policy would be the closing of at least 50 biodiesel plants. A recent survey of U.S. biodiesel producers found that more than half (57 percent) of US biodiesel producers have stopped producing altogether since the proposed rule came out and 78 percent have reduced production.

Mr. President, the implementation of this policy in this manner is fundamentally inconsistent with Congressional intent, contrary to the goals of this Administration, and does not appear to serve your priorities. After all, until this year, you have consistently stated your strong support of domestically produced biodiesel.

Regrettably, I am confident that if finalized, this EPA proposal will increase the use of carbon-based fuels, reverse the trend of using more climate-friendly, clean-burning fuels, and ultimately jeopardize the legacy of this Administration.

This is bad policy. It is bad for the Administration, it's bad for producers, it's bad for investors, it's bad for the environment, and it's particularly bad for those of us who took cues from Congress and your Administration and made the commitments to build a U.S. renewable fuels future. We urge you to stand behind your consistent support for renewable fuels by approving a modest increase in both the biodiesel and overall Advanced Biofuel categories that have thus far proven successful under your stewardship of the RFS.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Jobe". The signature is fluid and cursive, with the first name "Joe" being more prominent than the last name "Jobe".

Joe Jobe

CEO, National Biodiesel Board

CC: EPA Administrator Gina McCarthy

USDA Secretary Tom Vilsack

OMB Director Sylvia Burwell