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November 16, 2017

The Honorable Donald J. Trump
President
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President:

Thank you again for your support of the Renewable Fuel Standard (RFS) and for working with the Governors and Members of Congress who raised concerns on potential changes to the RFS program. Some of the proposed actions by members of your Administration would have undermined the intent of this law and the positive effects it is designed to provide—in terms of the Nation's energy supply as a whole, as well as the prosperity and economic strength of rural America.

As directors of the National Biodiesel Board, we write now to ensure that your team has a more complete understanding of our view as it relates specifically to the Nation's biodiesel industry. We don't want complacency or misunderstanding on the part of Federal agencies and regulators to advance policies that fall far short of what we know from experience has to be done—and what *should* be done to keep this industry at the forefront of sustained job creation and growth.

Biodiesel supports roughly 64,000 jobs across the country, many in rural states, and has been a key source of tangible economic prosperity and development in these areas. To continue that economic growth, we urge your Administration to increase the volumes required by the RFS from last year's levels, preferably to at least 4.75 billion gallons for advanced biofuel for 2018 and at least 2.5 billion gallons for biomass-based diesel for 2019.

In an October 19 letter to Senators Ernst, Grassley and others, Environmental Protection Agency (EPA) Administrator Scott Pruitt stated that EPA does not anticipate cutting the Renewable Volume Obligations (RVOs) in the Agency's final rule below the volumes in its July proposed rule. There is no doubt that any reduction in these levels—as floated in EPA's earlier Notice of Data Availability (NODA)—would devastate the industry, costing thousands of jobs in rural areas and severely harming America's farmers.

But what is equally important to understand is that these base numbers contained in EPA's original, July proposal—4.24 billion gallons for advanced biofuels and 2.1 billion gallons for biomass-based diesel—are themselves so low that, if finalized, they will halt the growth of the biomass-based diesel industry. The 4.24-billion-gallon number is a *reduction* from the previous year's 4.28 billion gallons, which sends a starkly negative signal to the industry as a whole.

Similarly, the 2.1-billion-gallon volume for biomass-based diesel is a *static* number—the same as the previous year—again sending the wrong signal to an industry poised for robust, sustainable growth. The RFS program is fulfilled by both domestic and imported biodiesel, but the domestic industry *alone* can generate 2.6 billion gallons of biomass-based diesel *right now*. In other words, even if you excluded all imports, domestic producers alone are immediately ready to generate substantially more than the 2.1 billion-gallon volume in EPA's July proposal.

Therefore, we are urging the EPA to set volumes in its final rule at reasonably increased levels from the previous year—at least 4.75 billion gallons for advanced biofuel for 2018 and at least 2.5 billion gallons for biomass-based diesel for 2019. These are the numbers that farmers and related industries will be looking for in the final rule that is expected to be released later this month. These are the minimum numbers we believe are needed to uphold and support a proper reading of the clear intent of the RFS program and to fulfill the promises of those who have advocated in strong support of that program.

We also understand that some refiners are continuing to complain loudly about the RFS, about RIN prices and about what they see as the adverse impacts on their businesses. Yet strong Q3 refiner earnings reports seem to directly contradict those concerns. For example, PBF Energy, whose executives had earlier made strong statements about the potential negative impact of RIN prices on the company's earnings, just reported Q3 revenue of \$5.5 billion—a whopping 22 percent increase compared to the same period in 2016. The executives' prior statements were clearly overstated.

It is also important to know that many of the refinery owners who are begging for Congress to provide relief by changing or killing the RFS were fully aware of this law when they purchased their companies, and when the RFS was completely factored into their purchase prices. It is not as if the 10-year-old RFS law constitutes some big surprise. Other companies in this space have invested in blending and distribution infrastructure or employed other compliance strategies to minimize their costs.

Please know that we are prepared to meet with you and your team at any time to offer our experienced perspective on all of these issues and to ensure that only fully informed and wise decisions are made.

On a political level, we cannot overstate the significance of your support of the RFS program, both during last year's campaign, and also today in your role as President. You have been a superb champion for rural America and for keeping and bringing back jobs in communities across the Midwest and beyond.

We pledge to work with you and your team to continue fighting for the people we represent in the best way we know how. We offer these specific observations and recommendations with regard to biodiesel, because the industry plays such an important role in driving economic growth in rural America.

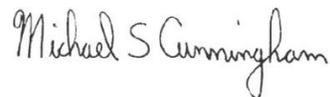
We especially don't want your Administration to be blindsided by any negative consequences that would inevitably result if EPA were to make a final RFS decision that is inconsistent with your support for the RFS, in particular, and for rural America more broadly.

We stand ready to answer any questions or provide more information.

Sincerely,



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Archer Daniels-Midland
Decatur, IL



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American Soybean Association
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