



<b>National Biodiesel Board</b> 605 Clark Ave. PO Box 104898 Jefferson City, MO 65110-4898 (800) 841-5849 phone (573) 635-7913 fax	<b>National Biodiesel Board</b> 1331 Pennsylvania Ave., NW Suite 505 Washington, DC 20004 (202) 737-8801 phone nbb.org   biodiesel.org
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**Prepared Testimony of Anne Steckel  
Vice President of Federal Affairs, National Biodiesel Board  
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Good afternoon, and thank you for having me. My name is Anne Steckel, and I am the vice president of federal affairs for the National Biodiesel Board. Founded in 1992, the National Biodiesel Board is the national trade association representing the biodiesel industry in the United States. NBB's members include state, national and international feedstock and feedstock processor organizations, biodiesel suppliers, fuel marketers and distributors, and technology providers.

NBB welcomes this opportunity to share our concerns with the growing, trade-in-goods deficit between the United States and Indonesia. This deficit is fueled in significant part by increasing volumes of unfairly traded biodiesel imports from Indonesia, which are injuring U.S. biodiesel producers and their workers, as well as American farmers who supply much of the feedstock for the industry.

The U.S. trade deficit with Indonesia is the highest it has ever been—reaching \$13.2 billion in 2016. For context, this is a 20 percent increase since only 2014. This growing trade imbalance results from Indonesian government policies that both discourage U.S. exports to Indonesia and stimulate Indonesian exports to the United States.

In 2016, the value of U.S. imports from Indonesia was more than three times the value of U.S. exports to Indonesia. Increased imports of biodiesel from Indonesia is a major factor in this trade imbalance. In fact, biodiesel is one of the top 14 products contributing to the trade deficit. Between 2014 and 2016, the trade imbalance with respect to biodiesel has grown 95 percent. The only other product that has contributed more to the growing trade deficit with Indonesia is sports footwear. So biodiesel is a product category that warrants close examination.

Unfair trade practices have caused this significant surge in biodiesel imports and growing trade deficit, such as massive subsidization by the Indonesian government and dumped pricing by Indonesian biodiesel producers and exporters. These practices have injured—and threaten to continue injuring—the U.S. biodiesel producers that we represent.

The Indonesian government maintains a biodiesel subsidy fund that provides grants to Indonesian biodiesel producers. This subsidy program has provided *more than \$600 million* in grants to handful of producers in 2015 and 2016 alone.

The Indonesian government employs other tactics to bolster its biodiesel industry, including high export taxes on crude palm oil, preferential financing from the Indonesian Export-Import Bank, and various tax incentives for biodiesel producers and supporters. By taking advantage of these various subsidies, Indonesian producers have become dominant exporters and taken an increasingly greater share of the U.S. market.

Unfairly traded Indonesian imports account for a substantial proportion of imported biodiesel. Forced to compete with Indonesian producers' dumped and subsidized prices, U.S. biodiesel producers' financial condition has declined significantly. This has caused U.S. producers to pull back on investments to expand production capacity in what continues to be a growing market.

The current situation caused by Indonesian biodiesel imports is untenable and likely to worsen. Low capacity utilization in Indonesia (roughly 34 percent) leaves substantial unused capacity for increased production that can be exported to the United States.

This threatens the U.S. biodiesel industry and its ability to contribute to America's energy security. Action must be taken. If the administration commits itself to rigorous enforcement of the antidumping and countervailing duty laws in the investigations recently initiated by the Commerce Department, it will not only help to protect American manufacturers and workers in the biodiesel industry, but also help to restore balance of trade with Indonesia.

Thank you for the opportunity to testify. We look forward to working with the administration on addressing this important issue.

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