United States Senate

WASHINGTON, DC 20510

July 20, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator McCarthy:

After significant delays in establishing biodiesel volumes under the Renewable Fuel Standard (RFS), we were pleased to see the Environmental Protection Agency (EPA) recently move forward with a new proposed rule. While the proposal is a positive step for biodiesel, we remain concerned that the proposed biodiesel volumes for 2016 and 2017 fail to adequately recognize the domestic biodiesel industry's production capacity and its ability to increase production.

This new four-year proposal for biodiesel volumes from 2014 through 2017 is a much needed step toward restoring stability and certainty to the domestic biodiesel industry. EPA's actions over the past year have led to tremendous uncertainty and hardship for U.S. biodiesel producers and thousands of their employees. As a result, many plants have been forced to reduce production and some have been forced to shut down, leading to layoffs and lost economic productivity.

While the proposal put forward by EPA is an improvement over the November 2013 proposal, it would only grow biodiesel volumes to 1.9 billion gallons by 2017 which is just slightly more than the industry's actual production of more than 1.8 billion gallons in 2013. We believe the domestic biodiesel industry is fully capable of additional growth and urge the EPA to revise the volumes in the final rule. Based on the biodiesel industry's projections for future capacity, growth, and demand, we believe increases to at least 2 billion gallons in 2016 and at least 2.3 billion gallons in 2017 would be reasonable and prudent.

Congress created the RFS to incentivize domestic production of clean renewable fuels, while still allowing imports to participate in the RFS. As a result, we have seen a steady stream of imported biodiesel participate in the program. Since EPA announced its new proposed rule, imports bound for the U.S. have increased significantly and are expected to keep growing. EPA's decision earlier this year to allow imports from Argentinean renewable fuel producers to participate in the RFS must be taken into account, and biodiesel volumes must be set at sufficient levels to prevent displacement of domestic production.

Biodiesel is the first EPA-designated advanced biofuel under the RFS to reach commercial scale production nationwide. It is exceeding the goals that Congress envisioned when it created the RFS with bipartisan support in 2005, while creating jobs, generating tax revenues, reducing pollution, and improving energy security. We urge you to support continued growth in the

domestic biodiesel industry by making reasonable and sustainable increases in the biodiesel volumes for 2016 and 2017 in the final rule.

Sincerely,

Charles E. Grassley
United States Senator

Patty Murray
United States Senator

Roy Blunt
United States Senator

Heidi Heitkamp
United States Senator

Claire McCaskill
United States Senator

Martin Heinrich
United States Senator

Sherrod Brown
United States Senator

Sheldon Whitehouse
United States Senator

Robert P. Casey, Jr.
United States Senator

Jack Reed
United States Senator

John Thune
United States Senator

Amy Klobuchar
United States Senator

Dianne Feinstein
United States Senator

Mark Kirk
United States Senator

Mazie K. Hirono
United States Senator

Dick Durbin
United States Senator

Joe Donnelly
United States Senator

Debbie Stabenow
United States Senator

Al Franken
United States Senator

Jeanne Shaheen
United States Senator

Joni K. Ernst
United States Senator

M. Michael Rounds
United States Senator

Barbara Boxer
United States Senator

Edward J. Markey
United States Senator

Ron Wyden
United States Senator

Kirsten Gillibrand
United States Senator

Tammy Baldwin
United States Senator

Angus S. King, Jr.
United States Senator

Gary C. Peters
United States Senator

John Hoeven
United States Senator

Richard Blumenthal
United States Senator

Pat Roberts
United States Senator

Bernard Sanders
United States Senator

Jeffrey A. Merkley
United States Senator

Maria Cantwell

Maria Cantwell
United States Senator

Susan M. Collins

Susan M. Collins
United States Senator

cc: The Honorable Tom Vilsack, Secretary, U.S. Department of Agriculture
The Honorable Shaun Donovan, Director, Office of Management and Budget