

National Biodiesel Board

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October 26, 2015

The Honorable Robert Goodlatte 2138 Rayburn Building Washington, DC 20515 The Honorable John Conyers, Jr. 2426 and B351 Rayburn Building Washington DC 20515

Re: H.R. 2834, To enact certain laws relating to the environment as title 55, United States Code, "Environment"

Dear Chairman Goodlatte and Ranking Member Conyers:

The National Biodiesel Board (NBB) is writing to you today to express concern over the mark-up of H.R. 2834, "a bill to enact certain laws relating to the environment as title 55, United States Code, 'Environment.'" This Judiciary Committee process would normally be expected to be a technical corrections process in which the Committee would not make substantive changes to current law but rather would fix typos, punctuation errors, and other miscellaneous issues.

NBB strongly opposes H.R. 2834. Biodiesel volumes, known as Biomass-based Diesel, are established separately from other fuel categories under the RFS. H.R. 2834 could potentially eliminate the RFS program requirements for the blending of biofuels into transportation fuels other than gasoline, with severely negative impacts on biodiesel production.

Biodiesel is a clear success story under the Renewable Fuel Standard (RFS), producing the vast majority of Advanced Biofuel under the program to date. Biodiesel is the first and only commercial-scale fuel produced across the U.S. to meet the EPA's definition as an Advanced Biofuel - meaning the EPA has determined that it reduces greenhouse gas emissions by more than 50 percent when compared with petroleum diesel.

The U.S. Environmental Protection Agency (EPA) has reviewed H.R. 2834 and determined that the proposed legislation would make dramatic changes to the current RFS. In a letter to Congressman Tom Marino (R-Penn.), the EPA has outlined the difficulties they anticipate should this bill be enacted (full letter attached):

"First, the restatement makes what appear to be minor structural changes to the Renewable Fuel Standard (RFS) program. Section 22111 I(o)(2)(A)(i) splits the general charge to the Administrator to promulgate regulations to implement the renewable fuel standard into two sub-clauses, one with the heading "Gasoline" and one with the heading "Transportation Fuel." The most natural reading of the restatement is that gasoline is not a transportation fuel, which in turn may mean that only the requirement for total renewable fuel content (and not for subcategories, such as advanced biofuel content [or Biomass-base Diesel]) apply to gasoline. In contrast, Section 211 (o)(2)(a)(i) of the existing Clean Air Act directs the Administrator to issue regulations to ensure minimum renewable fuel content of gasoline no later than August 8, 2006, and to revise those regulations to ensure minimum renewable fuel content (including separate requirements for advanced biofuel and other subcategories) for transportation fuel no later than December 19, 2008, (dates that were not included in the restatement). It is clear from the existing law (and with just a minimal knowledge of legislative history) that the direction to issue regulations for gasoline was in the Energy Policy Act of 2005, and that Congress expanded the RFS program in the Energy Independence and Security Act of 2007 to establish requirements for different categories of renewable fuels and apply them to other transportation fuels as well as gasoline.

We urge you to reject H.R. 2834, which could have devastating impacts on the U.S. Biodiesel industry.

We believe the evidence clearly shows that stable, growing biodiesel volumes will help achieve Congress' goals for strengthening the economy, reducing costly pollution and greenhouse gas emissions, and ultimately diversifying and strengthening fuels markets that are now dangerously dependent on petroleum. The RFS and specifically the Biomass-based Diesel program do this in a cost-effective way that benefits consumers through lower costs at the diesel pump.

The biodiesel industry is increasing domestic energy production, diversifying our fuel supplies and expanding domestic refining capacity so that we're not so vulnerable to global oil markets and associated refining bottlenecks. This improves U.S. energy security because despite increased U.S. oil production, petroleum is a global commodity, and U.S. consumers will continue to be at the mercy of heavily manipulated global petroleum prices until we have diversity in the market. Recent decisions from OPEC to steer those markets shows the continued danger to our economy and national security from our dependence on petroleum.

Looking forward, we can do more and we should do more. Biodiesel is the cleanest fuel available today on a commercial scale nationwide. It is without question the most successful Advanced Biofuel, and it has delivered the vast majority of Advanced Biofuel under the program.

Sincerely,

Anne Steckel

Vice President of Federal Affairs

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