

August 6, 2009

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We are writing to ask your assistance to ensure that America maintains a viable domestic biodiesel industry that is capable of producing renewable diesel replacement fuel.

The Energy Independence and Security Act (EISA) of 2007 provides for renewable content in U.S. diesel fuel as part of the program's Advanced Biofuels schedule. Specifically, the Renewable Fuel Standard (RFS-2) requires the use of 500 million gallons of biomass-based diesel in 2009; 650 million gallons in 2010; 800 million gallons in 2011; and 1 billion gallons in 2012 and thereafter. This policy, if implemented in a timely and workable fashion, will promote the significant economic, environmental and energy security benefits associated with the domestic production and use of biodiesel.

The RFS-2 program was to begin on January 1, 2009, and the Environmental Protection Agency (EPA) was required to revise the current regulations to ensure the mandated volumes are met, including the volumes for biomass-based diesel. Recently, the EPA announced a two month extension to the comment period for the new regulations. This extension will likely delay the implementation of RFS-2 well into 2010, causing further uncertainty and creating additional harm to biodiesel plants that have, as Congress intended, made substantial investments based on the volume goals provided for in the statute. The U.S. biodiesel industry desperately needs the market provided by the RFS-2 and cannot afford a significant delay in the implementation of the volume requirements mandated by EISA.

Domestic biodiesel producers face a practically non-existent domestic marketplace. Currently, 70% of U.S. biodiesel production capacity is idle. Domestic production is expected to be less than 50% of last year's levels and numerous bankruptcies loom for the industry. If this situation is not addressed immediately, the domestic biodiesel industry expects to lose 29,000 jobs in 2009 alone, and the nation's ability to meet the common-sense volume targets for biomass-based diesel provided for in RFS-2 will be compromised. A viable biodiesel industry is key to reducing U.S. dependence on foreign oil and meeting our nation's renewable energy goals.

Given the significant delays associated with RFS-2 implementation, the precarious state of the U.S. biodiesel industry, and the volume goals established by statute for biomass-based diesel, we believe this matter must be addressed immediately. While EPA appropriately increased the overall volume mandate to comply with EISA, it has, to date, failed to implement the specific biomass-based diesel mandate. Therefore, we request that the Administration exercise its authority immediately, either by Executive Order or through Agency action or guidance, to provide greater certainty for the 2009 and 2010 RFS-2 volume mandates for

biomass-based diesel. Prompt attention is critical to the survival of the biodiesel industry, will provide greater certainty in the marketplace, and is needed to further the energy security, environmental and economic interests of the country.

Thank you in advance for your consideration on this important matter.

Sincerely,
Kent Conrad
Chuck Grassley
Tom Harkin
Jon Tester
Sam Brownback
Max Baucus
Pat Roberts
Byron Dorgan
Amy Klobuchar
Kit Bond
Roland Burris
Blanche Lincoln
Tom Udall
John Thune
Debbie Stabenow
Dick Durbin
Ben Nelson
Maria Cantwell
Mike Johanns
George Voinovich
Patty Murray
Al Franken
Dick Lugar
Tim Johnson

cc: The Honorable Lisa P. Jackson
Administrator
United States Environmental Protection Agency