

June 24, 2009

*Lawmakers Ask EPA Administrator for Immediate Release of Biodiesel Rule*

WASHINGTON — U.S. Senator Tom Udall and U.S. Representatives Martin Heinrich and Ben Ray Luján are asking Environmental Protection Agency Administrator Lisa Jackson to act now “to protect the 29,000 jobs biodiesel provides and preserve the future benefits of this renewable fuel.”

In a letter to Jackson, the New Mexico lawmakers cite recent reports that show, “the U.S. biodiesel industry is in a state of crisis,” but say this trend could be reversed today if the EPA implements an interim rule that would protect the biodiesel industry and its employees by providing market certainty for 2009.

In 2007, Congress passed and the president signed legislation requiring the EPA to quickly produce rules that would require oil companies to purchase one billion gallons of biodiesel as part of the existing Renewable Fuel Standard (RFS). Contrary to the clear intent of Congress, the previous EPA Administrator failed to act, leading to the current industry crisis.

“Congress passed, and the President signed, the 2007 Energy Independence and Security Act (EISA) in part to ensure a reliable market for biodiesel of one billion gallons in the renewable fuel standard (RFS),” they wrote. “Unfortunately, the prior EPA Administration failed to issue the updated RFS rules, despite the fact that Congress required them to do so no later than December 19, 2008 under Sec. 202(a)(1) of EISA.”

Under Administrator Jackson, the EPA has written draft rules encouraging biofuels, but they are not expected to go into effect until 2010 due to their scope and complexity. In their letter, Udall, Heinrich and Luján asked Administrator Jackson to enact an interim rule that would provide the biodiesel industry and its employees with a certain market for their product in the interim period until a final rule goes into effect.

“Biodiesel is a proven technology, with a developed capacity, and the potential to grow and create jobs in the United States in fuel production and in agriculture. EPA should consider all responsible options to save these jobs, and we urge effective action as quickly as possible,” they said.

The full text of the letter to Administrator Jackson is below.

*June 24, 2009*

*The Honorable Lisa Jackson*

*Administrator*

*United States Environmental Protection Agency*

*1200 Pennsylvania Ave., NW*

*Washington D.C. 20460*

*Dear Administrator Jackson:*

*Recent reports show that the U.S. biodiesel industry is in a state of crisis. The U.S. Environmental Protection Agency (EPA) should take responsible action to protect the 29,000 jobs biodiesel provides and preserve the future benefits of this renewable fuel.*

*Domestic producers are faced with a lack of a market in the U.S., despite the clear intent of Congress to create one starting in 2009. Congress passed, and the President signed, the 2007 Energy Independence and Security Act (EISA) in part to ensure a reliable market for biodiesel of one billion gallons in the renewable fuel standard (RFS). Unfortunately, the prior EPA Administration failed to issue the updated RFS rules, despite the fact that Congress required them to do so no later than December 19, 2008 under Sec. 202(a)(1) of EISA.*

*Under your leadership, EPA produced the draft RFS rule several weeks ago, but under that draft rule the biodiesel standard will not be of any benefit to this struggling industry until the final rule is issued, perhaps well into 2010. Major oil companies reportedly will not purchase biodiesel until an RFS rule is final, and the European Union recently imposed a high tariff to restrict biodiesel imports, dealing a potential fatal blow to this U.S. renewable energy industry.*

*We recommend EPA consider an interim rulemaking to ensure a market for biodiesel in the U.S. until the issuance of final RFS rules. Without EPA action, industry participants believe that the 29,000 biodiesel jobs that are already at risk could be eliminated, including those in New Mexico. We recommend that EPA consider its authority to prevent a potential economic disaster in the U.S. biodiesel industry by issuing an interim rule under EISA, the interim rule provision of the Administrative Procedure Act, and the emergency provision of Executive Order 12866 on Regulatory Planning and Review.*

