

EPA RFS Hearing Testimony

Tom Brooks/

General Manager of Western Dubuque Biodiesel in Farley, Iowa

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- Good afternoon/ ladies/gentlemen. I am Tom Brooks, General Manager of Western Dubuque Biodiesel located in Farley, Iowa. Our company, a 30 million gallon biodiesel facility, celebrates 10 years of production today.
- In 2007 when we began production, we provided the first new hiring opportunity in 17 years in our town of 900. Currently we have a payroll of 1.65 million dollars for our 23 full time employees and 2.2 million for the leased drivers that support us.
- We are in discussions to double our plant capacity while creating more jobs. This could be done in less than six months if we had confidence and certainty from this administration holding these hearings today. This would further revitalize our small town in a rural area that needs it.
- Our company and its 557 local investors, are disappointed in the EPA proposed biodiesel RVO for 2019. EPA's most recent proposal is a step in the wrong direction and provides little to no growth for biodiesel. For the final rule, I am asking for additional growth to at least 2.75 billion gallons for 2019 and at least 5.25 billion gallons for the 2018 advanced biofuels category.
- On the face of it, the proposed cut is relatively small, reducing the amount of renewable fuel that refineries have to buy in 2018 to 19.24 billion gallons, from 19.28 billion gallons in 2017. But the cut sends a signal to the market—telling investors the U.S. renewable fuel industry will no longer grow—which could be devastating.

- Congress wanted Advanced Biofuels to continue rising, and it is biodiesel that has allowed that category to grow; now an industry that already struggles to make profits could be starved of fresh capital if growth is not permitted.
- Exacerbating the difficulties facing our industry, the EPA 2 years ago approved a streamlined approach for allowing imports of Argentinean biodiesel into the US – fast-tracking foreign imports under the RFS that are subsidized by Argentinean tax policy and they have undercut U.S. production. The decision to lower the RVO has been perceived by biodiesel producers and the domestic soybean industry as adding insult to injury given imports took over 33% of 2016 sales directly affecting markets and plant profitability.
- “We have done everything we can for years to help the EPA and the sitting White House Administration meet or exceed RFS policy for renewable fuels. We are saddened that there seems to be no indication that a growing RFS adheres to the 2007 Law actually exists.
- “I want to be clear that the influx of foreign-produced biodiesel we’ve seen in our market from places like Argentina and Southeast Asia is no indication that the U.S. cannot meet production demand. On the contrary, most biodiesel plants in Iowa and elsewhere are operating below capacity. The imports are pricing us out of our own market due to trade and other federal policies that need correction.
- These policies, however, are separate and apart from the RFS program and EPA’s obligations under the statute. To support domestic producers, EPA must increase the RVOs under the program, not stagnate them or reduce them. The recent D.C. Circuit decision shows that EPA’s general waiver authority is limited, and we strongly oppose any attempts by EPA to further reduce the RFS volumes.

- If these volumes stand, the U.S. could restrict one of its most powerful opportunities to support American manufacturing of energy. Iowa, as the nation's top biodiesel-producing state, has expanded capacity by 30+% in anticipation of better times ahead – but that is now looking bleaker.
- Our own plant, Western Dubuque Biodiesel, had hoped to expand significantly, helping energy security and creating more good paying jobs, in an area of rural Iowa that needs it. So much uncertainty makes that less likely for us and other plants – a lost opportunity for Iowa and the nation.
- The correct answer to this year's RFS levels will not be found in letting artificial market barriers set the parameters of the debate as the proposal appears to do. The correct answer lies in allowing the RFS to fulfill its promise as laid out a decade ago in the Law.
- Thank you for letting me share my concerns and offer comments.