Much of the focus within the Renewable Fuel Standard is on corn ethanol and the 15-billion-gallon conventional biofuel mandate. But less critically examined in this policy administered by the Environmental Protection Agency is the mandate for advanced biofuels, including biodiesel — and the record there is one of high costs and higher imports. For the sake of consumers and those obligated to comply with the RFS, this policy must change.

Biodiesel is the primary fuel used to satisfy the advanced biofuel mandate within the RFS. Beyond this, millions of gallons of biodiesel are used to attain marginal compliance with the mandate for conventional biofuels, as the market's ability to consume a full 15-billion-gallons of corn ethanol is restrained by limited consumer demand and vehicle/fuel infrastructure challenges (which is referred to as "hitting the blend wall"). At roughly $1.00 more per gallon than petroleum diesel, biodiesel is an expensive and uneconomic proposition. The biodiesel mandate amounts to a multi-billion-dollar fuel tax on American consumers.

And those costs are just the half of it. Contrary to the intent of the RFS detailed in the Energy Independence and Security Act of 2007, the true legacy of RFS is that its biodiesel mandate has made the United States more dependent on imported fuel. In fact, we're importing more biodiesel today than when the RFS was enacted more than a decade ago. About 30 percent of the advanced biofuel mandate is being met with imported fuel. While global free trade is important to securing the most competitive costs for consumers, mandating a fuel target that is only achievable through imports distorts the market.

Since 2014, annual volumes of biodiesel produced here in the United States have fallen short of the volumes required by the RFS mandate. This gap presents obligated parties no choice but to turn to imports to fill the balance. According to EPA data from last year, domestic biodiesel production fell about 123 million gallons short of the 2.1 billion-gallon mandate. And this year, U.S. production remains on track to under-deliver — a guarantee for additional imports of this higher-cost fuel.

So, what should be done?

AFPM supports transitioning the U.S. from a fuel market skewed by the RFS to a free, competitive fuel market at the earliest feasible date. In the meantime, there are common-sense policy fixes that should to be applied, particularly where biodiesel is concerned.

- EPA should set annual advanced biofuel mandates based on actual sustained domestic production. This will erase the gap that all but guarantees the purchase of expensive biodiesel from overseas. AFPM is not at all opposed to global trade, but rather recognizes the incongruency of a "home-grown fuels mandate" that's outpacing American production and sending business overseas when U.S. petroleum diesel is a more affordable option for consumers.
- The RFS conventional mandate should not exceed the blend wall. Mandating amounts of biofuel in the fuel supply beyond what the market can consume due to vehicle and infrastructure constraints is a disservice to American motorists — especially when expensive biodiesel is one of

the few options available to pick up the slack.

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