May 10, 2013

Via Electronic Filing

Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

ATTN: Docket ID No. USTR-2013-0019

Re: *Request for Comments Concerning Proposed Transatlantic Trade and Investment Agreement, 78 Fed. Reg. 19,566 (Apr. 1, 2013)*

Dear Sir or Madam:

Renewable Energy Group, Inc. (REG) appreciates the opportunity to present comments to the United States Trade Representative (USTR) on the proposed Transatlantic Trade and Investment Agreement (TTIP).

As a leading advanced biofuel producer, we have a strong interest in free and fair markets and support USTR efforts to improve and strengthen United States (U.S.) ties to the European Union (EU). REG currently has more than 225 million gallons of annual biodiesel production capacity at seven biorefineries and distribution capabilities at nineteen terminals across the country. We plan to build upon our leadership in the biodiesel industry and expand into the production of additional advanced biofuels. We believe the experience REG has gained over the last 17 years in the biofuels industry, makes us uniquely qualified to share comments with you on biodiesel issues associated with the potential TTIP.

On March 20, 2013, USTR notified Congress of the Administration's intention to enter into negotiations for a TTIP agreement with the EU aimed at achieving a substantial increase in transatlantic trade and investment. REG supports USTR's efforts to create a more open market for more than 800 million consumers encompassing both sides of the Atlantic. The EU is the world's largest market for biodiesel, which a TTIP could help U.S. biodiesel producers' access as well as create domestic jobs and strengthen our industry. REG, however, is concerned about the current treatment of U.S.-produced biodiesel in the EU. We believe that any TTIP should seek to create a level playing field between similar products in the U.S. and EU.

As was recently noted by Robert D. Hormats, Department of State Under Secretary for Economic Growth, Energy and the Environment, "tariffs between the U.S. and EU are already very low." One notable exception, however, is the tariff imposed on U.S.-produced biodiesel by the EU.[1] Since July 13, 2009, the EU has levied tariffs as high as €237 per ton ($312.64 as of May 1, 2013). Moreover, the European Council expanded the scope of the tariff on May 5, 2011 to include imports of biodiesel consigned from Canada (imposed by Regulations 599/2009 and

[1] Council Regulation 598/2009, 2009 O.J. (EC).

598/2009). The additional measure applied included an anti-dumping duty of €172.20 ($227.20 as of May 1, 2013) per ton. The duty is applied in proportion to the percentage of blended biodiesel content. The European Council also extended the definitive anti-dumping and countervailing duties to imports of biodiesel in a blend containing 20% or less of biodiesel originating in the U.S. REG anticipates that these penalties will be extended if the Blender's Tax Credit (BTC) is extended.

Although we do not agree with the European Council's decision to impose countervailing duties on U.S.-produced biodiesel, REG believes the landscape for U.S.-EU biodiesel has changed sufficiently to merit reconsideration of the these tariffs. First, IRS requirements associated with the BTC were amended to prevent the practice of "splash and dash." This practice was developed as the result of a loophole where foreign produced biodiesel was imported into the U.S., blended with petroleum-diesel and then exported abroad in order to claim a $1 per gallon BTC. Currently, biodiesel originating from outside the U.S. that is imported, blended and then exported cannot qualify for the BTC[2]. Second, it is uneconomical, and likely to remain so given incentives under the Renewable Fuel Standard (RFS), to export product to the EU. Under the RFS, biodiesel generates 1.5 Renewable Identification Numbers (RINs) per gallon, currently worth $1.40 per wet gallon according to Oil Price Information Service. If, however, that product is exported, the RINs are required to be retired thus U.S.-producers have an incentive to keep their product at home rather than export abroad.

On the contrary, EU biodiesel producers enjoy the benefits of U.S.-based incentives, such as the BTC, as well as the generation of RINs under the RFS. Ensuring a level-playing field for a fungible commodity like biodiesel will help consumers to enjoy the highest quality, lowest cost renewable fuels. REG believes that the U.S.-EU biodiesel market landscape should be a two-way street where if conditions change, U.S. producers should have an equal opportunity to access EU biodiesel markets just as EU producers do today.

REG appreciates the careful and thoughtful process USTR is utilizing to solicit stakeholder feedback from domestic companies on issues surrounding the TTIP negotiations. REG looks forward to continuing to work with all the stakeholders, public and private, to implement biofuel goals and requirements.

Please contact me at jonathan.hackett@REGI.com with any questions regarding these comments.

---

[2] I.R.C. § 40(b)(5).

Sincerely,

Jonathan W. Hackett
Director, Federal Affairs & Policy
Renewable Energy Group, Inc.