

# United States Senate

December 12, 2024

The Honorable Michael S. Regan  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue N.W.  
Washington, D.C. 20460

Dear Administrator Reagan,

We write today to follow up on our concerns expressed in a June 20, 2024, letter sent to four agencies including the Environmental Protection Agency (EPA) and U.S. Customs and Border Protection (CBP) regarding both the dramatic increase and the validity of used cooking oil (UCO) imports entering the United States—over half of which came from China. The negative economic impact on American farmers from UCO imports is very real and the questions being raised strike at the heart of the integrity of the Renewable Fuel Standard (RFS).

The EPA, unfortunately, has yet to address the original letter that was sent nearly six months ago. However, on September 4, 2024, we did receive a reply from Troy Miller, Senior Official Performing the Duties of the Commissioner of U.S. CBP. In his response, enclosed with this letter, Mr. Miller outlines what CBP does and does not consider when processing imports of UCO. As you know, UCO entering the United States is done so under the tariff classification 1518.00.4000. From our understanding, EPA staff rely on CBP to identify and verify UCO as, in fact, UCO, and further ensure CBP correctly categorizes imported oil under 1518.00.4000.

In August, EPA announced it was launching an investigation into some questionable renewable fuel imports. While that is a positive step, it is the duty of the EPA to confirm any gallon of renewable fuel generating a Renewable Identification Number (RIN) is from a qualifying feedstock. What the CBP response makes clear is that relying on the tariff code of 1518.00.4000 does not ensure UCO is a qualifying feedstock. Rather, CBP states that “there are no specific eligibility requirements for UCO materials” to be classified under this code:

“UCO that has been commingled (mixed) with virgin (clean/unused) cooking oil is classified in the identical subheading 1518.00.4000, because once virgin is blended with used oil the resulting product is rendered inedible. Therefore, UCO mixed with virgin cooking oils would technically be considered correctly classified under 1518.00.4000.”

While that may be the correct classification for purposes of applying the appropriate tariff, it is not correct for determining eligibility as an RFS feedstock. To be used under the RFS, a feedstock must be of 100-percent qualifying product. Yet, a mixture of 1 percent authentic UCO and 99 percent virgin vegetable oil would be classified as the same under 1518.00.4000. In other words, having an imported product classified under 1518.00.4000 is seemingly meaningless in determining its validity for the production of RIN-generating renewable fuels.

We understand shipments may arrive with additional paperwork proclaiming the “used” nature of the entire shipment. As noted in our letter of June 20, an EU-funded Transport & Environment report found that these claims necessitated greater scrutiny to prevent the mislabeling of UCO. Pivoting away from the restricted European market, UCO imports have been redirected to the United States.

Without a robust verification process, the credibility of the RFS is at risk, and American farmers are likely missing out on key market opportunities. For example, through August, the U.S. has imported a historic 3.2 billion pounds of UCO in 2024 according to the U.S. Census Bureau. This is enough product to displace approximately 270 million bushels of soybeans<sup>1</sup>—more than the average annual state production of all soybean-growing states with the exceptions of Illinois, Iowa, Minnesota, Indiana, Nebraska, and Ohio.

While we fully understand good actors are utilizing UCO as part of a diverse array of feedstocks in their renewable fuel production, we have significant concerns about the existing verification process for UCO imports.

We ask that you submit a response to the following questions:

- CBP’s response made clear that the tariff classification 1518.00.4000 does not distinguish between pure UCO and blends with virgin oil. Given the EPA is charged with both implementing and enforcing the RFS, what specific steps is the agency taking to verify that imported UCO qualifies as an eligible feedstock for generating RINs under the RFS?
- What measures does EPA have in place to trace the origin of UCO imports, particularly those coming from countries with limited oversight, such as China?
- Is the agency conducting spot-checks or on-the-ground inspections in exporting countries to verify the authenticity of UCO being imported to the U.S.? If so, what has been the result of these inspections?
- Considering your recent investigation into the supply chains of at least two biofuel producers, does EPA plan to monitor imports more closely in the future to ensure the validity of imported feedstocks, particularly UCO being used for fuel production? Can you speak to what your recent investigation has found so far?
- What changes, if any, does EPA plan to make to provide a more robust system for UCO import verification to protect the integrity of the RFS, particularly in light of the concerns raised?


Mr. Administrator, your swift attention is required on this matter. American farmers should not continue paying the price of an inadequate and incomplete foreign feedstock verification system. We ask you to transmit a response by no later than December 31, 2024.


Sincerely,

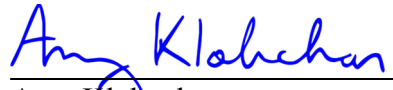
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<sup>1</sup> Calculation is based on an extraction rate of 11.93-pounds of oil per 60-pound bushel of soybeans.

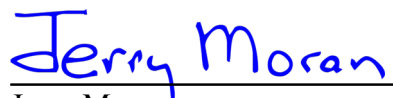
# United States Senate


  
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