



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR EXCISE TAX TERRITORY MANAGERS, GROUP MANAGERS,
AND SPECIALISTS

FROM: W. Ricky Stiff /s/ **W. Ricky Stiff**
Chief, Excise Tax Program

SUBJECT: Interim Guidance For Use of Fuel Compliance Officers (FCO) to
Secure Biodiesel Samples

The purpose of this memorandum is to issue interim guidance to excise tax agents conducting Form 637 biodiesel initial registration and compliance reviews. Fuel Compliance Officers (FCO) must be used in conjunction with such reviews. The FCO will obtain biodiesel samples from the biodiesel producer/importer applicant, as well as, current biodiesel registrants during compliance reviews. Request for FCO services will be initiated by the revenue agent group manager through the fuel compliance officer group manager. The results of biodiesel samples obtained by FCOs will support efforts in determining if the registrant/applicant meets the requirements of IRC 40A (d)(1) which defines biodiesel as *the monoalkyl esters of long chain fatty acids derived from plant or animal matter which meet the:*

1. *registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545)*
2. *requirements of the American Society of Testing and Materials (ASTM) D6751 to ensure that biodiesel producer applicants and registrants are adhering to the ASTM requirement for biodiesel.*

Approval of activity letters Agri-biodiesel (AB) producer, or Non agri-biodiesel (NB) producer, will be granted contingent upon positive results from lab testing of the biodiesel samples submitted by the applicant. Current registrants that do not receive positive results from lab testing will be subject to revocation of applicable activity letters.

These procedures will be incorporated in IRM 4.24.2 by June 3, 2009.

If you have any questions, please contact Excise Tax Fuel Policy Analyst(s) Richard Little or Michel Monconduit.

Cc: www.IRS.gov