

January 28, 2016



Dear Senators,



We, the undersigned organizations, write to urge the Senate to oppose language that would make the Renewable Fuel Standard (RFS) even more burdensome on Americans. The Toomey-Feinstein proposal aimed at eliminating the only cost-effective part of the RFS—the use of corn ethanol—would do significant undue harm to American families. Instead of allowing the use of corn ethanol to satisfy the RFS’ mandates, this language would mandate the use of expensive and unavailable “advanced” biofuels. We strongly oppose including this language in any legislation, including in the Energy Policy and Modernization Act of 2015, and urge you to do the same.



The Renewable Fuel Standard (RFS) mandates refiners blend increasing volumes of renewable fuels with motor fuels. Although there is no specific requirement for corn ethanol, [the vast majority of the RFS is met by corn ethanol](#). This is because corn ethanol is a viable product that is a cost-effective way to increase the octane in the fuel supply. However, the EPA also mandates the blending of expensive “advanced” biofuels like cellulosic ethanol, which are not produced in commercial volumes. By only repealing the implied-corn ethanol aspect of the mandate, the EPA will in turn mandate higher levels of these costly and scarce biofuels.



Since the EPA began mandating cellulosic biofuel blending in 2010, actual production has never surpassed more than [7 percent](#) of mandated levels in a given year. The future looks to be more of the same, as the [Congressional Budget Office](#) projects an increasing chasm between the mandated gallons of cellulosic biofuels and actual gallons produced. CBO indicates a potential shortfall of nearly 15 billion gallons by 2022. Ultimately, the costs of this discrepancy will be passed onto the consumer. When EPA realized that cellulosic ethanol production remained anemic, they [changed the definition of cellulosic biofuel](#) to call certain types of compressed natural gas and liquefied natural gas collected from landfills as “cellulosic biofuel.”



Ultimately, removing the corn ethanol mandate sets the country on a path towards a mandate resembling California’s low-carbon fuel standard. Requiring a reduction in energy intensity over the lifetime of the fuel, which a LCFS mandates, results in immense costs. [Boston Consulting Group](#) found that California’s LCFS could increase the price of gasoline by roughly \$2.50. In analyzing a possible Northeast/Mid-Atlantic LCFS, [SAIC](#) estimated a potential GDP reduction of \$27 billion and roughly 147 lost jobs.



The RFS is a broken and deeply flawed program. Corn ethanol does not need the mandate to survive in the market, and doing away with only the implied-corn ethanol part of the program would make the mandate worse by focusing it on expensive “advanced” biofuels. This would raise gasoline prices on Americans, who are currently enjoying much-needed relief in the form of low fuel prices.



Lastly, we want to make it clear that we do not support subsidies or mandates for any fuel. The RFS is fatally flawed, but the Toomey-Feinstein proposal does not fix the problem.



We urge you to oppose the Toomey-Feinstein proposal, or any language aimed at repealing the corn ethanol mandate and preserving the advanced biofuel, cellulosic biofuel, and biomass-based diesel requirements.

Sincerely,



Thomas Pyle, President - American Energy Alliance
Brent Wm. Gardner, VP for Government Affairs - Americans for Prosperity
Phil Kerpen, President - American Commitment
Harry Alford, President and CEO - National Black Chamber of Commerce
Matthew Kandrach, Vice President - 60 Plus Association
Craig Richardson, Executive Director - Energy & Environment Legal Institute
David Williams, President - Taxpayers Protection Alliance
George Landrith, President - Frontiers of Freedom
Seton Motley, President - Less Government
Kristin Fecteau, Co-Founder - Campaign to Free America
Judson Phillips, Founder - Tea Party Nation
Tom Brinkman, Jr., Founder - Coalition Opposed to Additional Spending and Taxes
Amy Ridenour, President - National Center for Public Policy Research
Marita Noon, Executive Director - Energy Makes America Great, Inc.
Rick Manning, President - Americans for Limited Government