



March 20, 2015

Dear Members of the House of Representatives,

We, the undersigned, write to urge you to co-sponsor H.R. 703, a bill introduced by Representative Goodlatte to repeal the Renewable Fuel Standard. This legislation deserves your full support. We, collectively and individually, continue to believe the best reform to this failed government mandate should be to repeal it. Repealing this mandate would bring certainty to the fuel markets and eliminate the harmful impacts this government program has had on businesses and consumers.

The RFS harms almost all sectors of the economy and saddles American taxpayers with higher fuel costs and higher food prices. Apart from increased food prices – which have been confirmed by both the United States Department of Agriculture and the World Bank – the RFS increased the costs of gasoline and diesel. A recent Congressional Budget Office report concluded that complying with the mandated volume levels would increase the price of diesel by 30 to 51 cents per gallon and regular gasoline by 13 to 26 cents by 2017.

We also want to express our concern over efforts to reform the RFS that fall short of complete repeal. Representative Goodlatte has also introduced H.R. 704, a bill that would primarily tackle the corn ethanol portion of the mandate. Legislation that would simply address the corn-based portion of the mandate is commendable, but it is a half-answer. A repeal of the corn-based ethanol mandate that leaves the other three mandates that exist in the statute – biodiesel, cellulosic, and advanced biofuels – in place would simply result in the substitution of other alternative fuels for the current reliance on corn-based ethanol.

The RFS has four different sets of mandates (total renewable fuels, advanced biofuels, cellulosic, and biodiesel). The implicit mandate for corn-based ethanol is derived by subtracting the advanced biofuel

mandate (which incorporates the cellulosic and biodiesel mandates) from the total renewable mandate. Eliminating, limiting or reducing only one of them leaves open the possibility that the others – and more troubling ones -- will take up the slack. The RFS is a disaster for consumers, drivers, boaters, livestock growers, and just about anyone who uses anything that is moved with trucks or cars. We need to address all components of this failed and costly program.

An elimination or reduction of only the corn-based ethanol mandate could bring us closer to the true goal of many of those who created and now administer the program – a low carbon fuel standard (LCFS). The advanced component of the current RFS mandate is easily converted into an LCFS, and a coalition of regulatory agencies and environmental agencies is already poised to push for that transformation. An LCFS would mean that EPA would essentially determine which fuels could be used based on the carbon emissions emitted throughout the lifecycle – including planting, growing, extraction, processing, and transportation – of the fuel.

An LCFS means higher fuel costs, gasoline shortages, job losses, and reduced economic growth. Let's look at California's LCFS. Boston Consulting Group recently examined it and concluded that it could impose costs as high as \$2.50 per gallon of gas and result in gasoline shortages as soon as 2015. SAIC took a look at a possible LCFS in the Northeast/Mid-Atlantic region and concluded it would result in the loss of 147,000 jobs, a \$27 billion decline in GDP, a decrease in disposable personal income of \$28.8 billion for Northeast families, and a doubling of gasoline prices.

Through its actions, even the EPA has acknowledged that this program is irretrievably broken. Their recent proposal outlining the volumes of alternative fuels mandated to be blended reduces the blending requirements below those contemplated in the statute, primarily because EPA knows that the statutory levels either cannot be produced (in the case of cellulosic biofuels) or cannot be sold (in the case of corn-based ethanol).

In short, changes to the program that lead to worse outcomes need to be avoided. The RFS imposes higher costs on consumers and small businesses, kills jobs, and harms both the economy and the environment. We need to remain focused on repealing the RFS entirely, rather than trying incremental "fixes" which may actually make things worse.

Let consumers and the marketplace determine how much ethanol should be blended with fuel.

Sincerely,

**American Energy Alliance**  
**60 Plus**  
**Americans For Prosperity**  
**E&E Legal Institute**  
**National Black Chamber of Commerce**  
**American Commitment**  
**Concerned Women of America**  
**Let Freedom Ring**  
**Energy Makes America Great**

**Colorado Women's Alliance**  
**Less Government**  
**I am Created Equal**  
**Taxpayers Protection Alliance**  
**Frontiers of Freedom**  
**Heartland Institute**  
**Tea Party Nation**  
**Campaign to Free America**