

# Congress of the United States

## House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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[www.science.house.gov](http://www.science.house.gov)

September 29, 2015

The Honorable Thomas Vilsack  
Secretary  
United States Department of Agriculture  
Whitten Building  
1400 Independence Ave SW  
Washington DC 20250-1301

Dear Secretary Vilsack:

The Committee on Science, Space, and Technology is conducting continuing oversight of the implementation and impact of the Renewable Fuel Standard (RFS) by the Environmental Protection Agency (EPA). To assist the Committee's oversight of these matters, we are writing to request related documents and information.

On September 10<sup>th</sup>, you announced that the U.S. Department of Agriculture (USDA) would provide \$100 million in grants through the Biofuel Infrastructure Partnership program, in order to "expand the infrastructure for distribution of higher blends of ethanol."<sup>1</sup> According to the announcement, these grants will provide matching funds to state and private sector organizations to assist in the construction of "fuel pumps and related infrastructure dedicated to the distribution of higher ethanol blends," including E15 and E85, and projects that the program will support the installation of nearly 5,000 new pumps around the country.<sup>2</sup> According to your statement after the announcement of this new spending initiative, you stated that USDA would "work hard to make consumers have access [to E15] because when they do, they buy it."<sup>3</sup>

However, according to testimony provided to the Committee during a July 23, 2015, Energy and Oversight Subcommittee hearing examining the impact of the cost, environmental impact, and technical challenges to the RFS, E15 and E85 face significant market challenges

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<sup>1</sup> U.S. Department of Agriculture, *USDA Announces State Finalists for the Biofuel Infrastructure Partnership*, September 10, 2015, available at

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=2015/09/0249.xml&navid=NEWS\\_RELEASE&navtype=RT&parentnav=LATEST\\_RELEASES&edeployment\\_action=retrievecontent](http://www.usda.gov/wps/portal/usda/usdahome?contentid=2015/09/0249.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent)

<sup>2</sup> Ibid.

<sup>3</sup> See Jenny Hopkinson, *USDA awards \$100 million to 21 states for e15 pumps*, Politico Pro, September 10, 2015. Available at <https://www.politicopro.com/agriculture/whiteboard/2015/09/usda-awards-100-million-to-21-states-for-e15-pumps-060207>

regardless of available infrastructure.<sup>4</sup> In written testimony provided to the Committee, industry experts referenced the significant challenge retailers face in selling both E15 and E85 to consumers, as well as the negative impact E15 can have when used inappropriately in small engines.<sup>5</sup>

Mr. Matthew Smorch, who testified on behalf of CountryMark, a farmer-owned integrated oil company located in Illinois, Indiana, and Kentucky, presented data specifically contradicting your statement about demand for higher blends of ethanol.<sup>6</sup> Specifically, Mr. Smorch testified that despite available infrastructure for delivery of E15 and E85 at over 15% of CountryMark retail stations, demand for higher blends of ethanol remained low, with E85 accounting for less than one percent of sales.<sup>7</sup> CountryMark's retail area also has a significantly higher percentage of flex fuel vehicles (FFV) than the national average, with 20% of vehicles capable of using E85.<sup>8</sup> Despite adequate infrastructure and more FFVs available in the region, demand for E85 at CountryMark retail locations has declined.<sup>9</sup>

Since data provided in the July 23, 2015, hearing directly contradicts your public statements, the Committee would like to request that USDA provide further background information regarding the Department's internal justification for policy decisions related to support for the ethanol industry. In order to assist the Committee with its oversight, please produce the following documents, in electronic format:

1. All research, reports, or assessments produced by USDA regarding nationwide demand for fuels with higher ethanol blends (E15 and E85), including but not limited to any documents used to justify your statement that if American consumers have access to higher ethanol blends "they buy it."<sup>10</sup>

We request that you provide the requested documents and information as soon as possible, but no later than noon on Friday, October 9, 2015. When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2321 of the Rayburn House Office Building and the Minority Staff in Room 394 of the Ford House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

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<sup>4</sup> House Committee on Science, Space, and Technology, Subcommittee on Energy and Subcommittee on Oversight. *The EPA Renewable Fuel Standard Mandate*. July 23, 2015. Available at <https://science.house.gov/legislation/hearings/subcommittee-energy-and-subcommittee-oversight-hearing-epa-renewable-fuel>

<sup>5</sup> Ibid.

<sup>6</sup> Mr. Matthew Smorch, *Statement of CountryMark Cooperative Holding Corporation as Submitted to the Subcommittee on Energy and the Subcommittee on Oversight*. *The EPA Renewable Fuel Standard Mandate*. July 23, 2015. Available at <https://science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-114-SY20-WState-MSmorch-20150723.pdf>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> See Jenny Hopkinson. *USDA awards \$100 million to 21 states for e15 pumps*. Politico Pro. September 10, 2015. Available at <https://www.politicopro.com/agriculture/whiteboard/2015/09/usda-awards-100-million-to-21-states-for-e15-pumps-060207>

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If you have any questions about this request, please contact Emily Domenech of the Committee Staff at 202-226-2179. Thank you for your attention to this matter.

Sincerely,



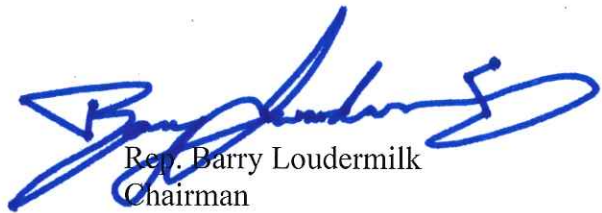
Rep. Lamar Smith  
Chairman



Rep. Randy Weber  
Chairman  
Subcommittee on Energy



Rep. Jim Bridenstine  
Chairman  
Subcommittee on Environment



Rep. Barry Loudermilk  
Chairman  
Subcommittee on Oversight

cc: The Honorable Eddie Bernice Johnson, Ranking Minority Member