

Congress of the United States
Washington, DC 20515

October 18, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue N.W.
Washington, DC 20004

Dear Administrator Pruitt:

As members of the Congressional Biofuels Caucus, we write to urge the Environmental Protection Agency (EPA) to formulate a more robust final rule regarding the volume requirements under the Renewable Fuel Standard (RFS). This includes advanced biofuel, cellulosic biofuels, and total renewable fuel for calendar year 2018, and biomass-based diesel standards for calendar year 2019. Reductions in volume obligations would be devastating to the industry and the jobs it supports.

Our domestic biofuels industry diversifies our fuel supply sector which proved helpful during the recent Hurricane Harvey and Hurricane Irma disasters. These storms caused severe disruptions in the fuel distribution system and prompted the EPA to issue emergency fuel waivers to boost flexibility in our fuel supply. This shows that having dependable sources of domestically produced ethanol is important in reducing fuel supply volatility during damaging natural catastrophes. Setting strong Renewable Volume Obligations (RVOs) increases our resiliency.

We support the EPA's decision to set conventional ethanol at the statutory maximum of 15 billion gallons next year. This number recognizes the continued investments being made in conventional ethanol and accurately represents the capacity of our producers. Without this strong requirement, our nation's farmers would face even more challenging corn market conditions.

However, we are disappointed in the 4.24 billion gallon-proposed volume requirement for advanced biofuels, which is a decrease from 2017 and falls far short of Congressional intent of the RFS. This sends the wrong signal to investors, especially as technological advancements continue to improve capabilities in second generation biofuels.

The same concern applies for biomass-based biodiesel in 2019, and we believe the rule should be improved to better reflect the capacity of our domestic biodiesel industry. Keeping biodiesel levels frozen at 2.1 billion gallons in 2019 creates a false indication to market forces despite the fact that the industry is capable of producing greater volumes.

Further, we are also concerned about the recently published Notice of Data Availability (NODA) that indicates even further reductions in the amount of advanced biofuels and biomass-based biodiesel. In response to the 2018 proposed rule, EPA received comments suggesting the Agency should only consider the capabilities of domestically-produced renewable fuels when setting future RVO targets. EPA indicated that under this interpretation, the Agency would still allow

obligated parties to use imported biofuels to qualify for compliance. Reducing RVO targets using this justification, while allowing imports to generate compliance credits, runs counter to the intent and purpose of the RFS and undermines past and future investments in the industry.

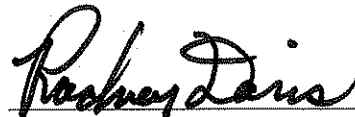
In addition, there are reports that EPA is considering another significant change which would allow exported gallons of biofuels to generate Renewable Identification Number compliance credits. In 2016, the U.S. exported more than one billion gallons of ethanol and leads the world in ethanol production, so the proposal would effectively create an additional one-billion compliance credits. This proposition would upend infrastructure investments needed to blend ethanol into our fuel supply, and picks winners and losers in a manner inconsistent with the Congressional intent of the RFS.

Our farmers and biofuels producers need greater certainty from the EPA when it comes to setting RVO standards for upcoming years, and the proposals discovered in the NODA and reports only create unnecessary angst. We hope the EPA will more accurately evaluate the capabilities of our advanced ethanol and biodiesel producers and issue a stronger volume standards rule. We urge you to make these improvements as you finalize volume requirements for 2018 and 2019.

Sincerely,



Collin C. Peterson
Member of Congress




Rodney Davis
Member of Congress



Kristi Noem
Member of Congress



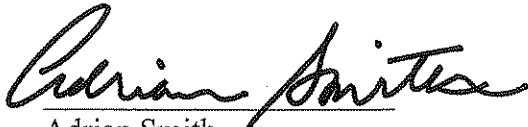
Dave Loebsack
Member of Congress



Tim Walz
Member of Congress



Mike Bost
Member of Congress



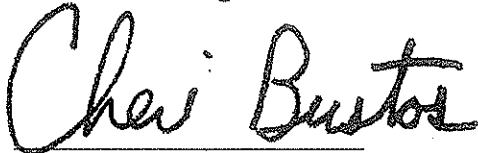
Adrian Smith
Member of Congress



Richard M. Nolan
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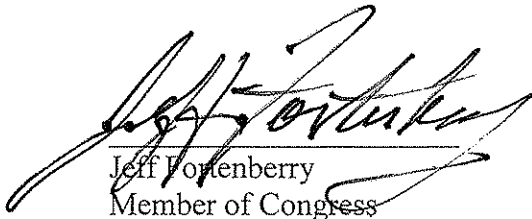
Mark Pocan
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Cheri Bustos
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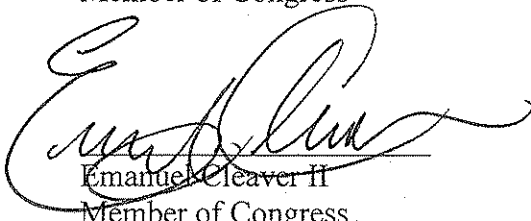
Don Bacon
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Roger Marshall, M.D.
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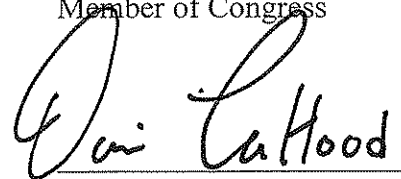
Emanuel Cleaver II
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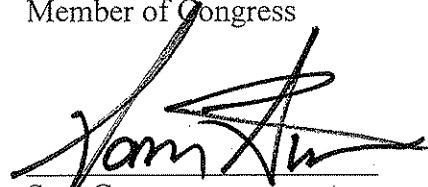
David Young
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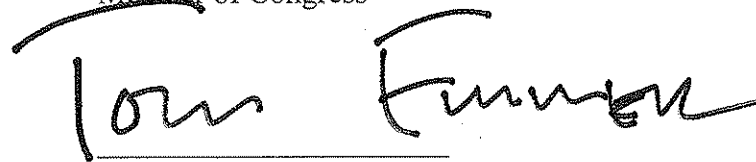
Darin LaHood
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