

Congress of the United States
House of Representatives
Washington, DC 20515

August 1, 2013

The Honorable Fred Upton,
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Henry Waxman,
Ranking Member
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton and Ranking Member Waxman:

The Renewable Fuel Standard (RFS) is a policy that was created with good intentions but has since resulted in a number of unintended and negative consequences. We have been pleased that, under your direction, the Energy and Commerce Committee has begun to review the effects of the RFS on our economy and to our nation's energy markets.

Many of the negative effects of the RFS have been highlighted in both the Committee's White Paper process and in the hearings before the Subcommittee on Energy and Power. Many of these are concerns that we have been highlighting to our colleagues in Congress for several years. Since the expansion of the RFS in 2007, U.S. corn prices have consistently risen, and the corn market has grown increasingly volatile. This reflects the reality that over 40 percent of the corn crop now goes towards ethanol production, a dramatic rise since the first ethanol mandates were put into place in 2005. One of the most visible consequences of the ethanol mandate is the steep increase in the price of corn. This is partially due to increased food and feed stocks being diverted to ethanol production. The higher cost for corn is passed on to livestock and food producers. As the ethanol mandate pushes more farmers to reallocate more land to corn production, and away from other crop production, we have also seen the prices for other agricultural commodities rise. In turn, consumers then see that price reflected in the price of food on the grocery store shelves and in restaurants.

This year, the U.S. is expected to hit the blend wall – where the ethanol mandate will require more ethanol be produced than can be safely blended into gasoline. In order to address the blend wall the EPA is working to push E15. EPA has granted partial a waiver to allow E15 blends for model cars 2001 and newer. This waiver was granted despite the fact that a study from the Coordinating Research Council, commissioned by U.S. automakers and oil companies,

found that 25 percent of cars approved by the EPA to run on E15 experienced engine damage, and even failure in some cases.

Despite the mounting issues the RFS has caused, EPA administrators from both parties have consistently refused to use the flexibility granted to them in law to alter the RFS. This has made it clear that Congress must act to reform the broken RFS policy. In light of news reports that you have tapped Energy and Commerce members to look at reforms to the RFS, we respectfully request that the Committee consider our legislation, H.R. 1462, the RFS Reform Act. This legislation has the support of over 40 diverse organizations from farm and environmental groups to restaurants, food manufacturers, small engine manufacturers, consumer groups, conservative think tanks, and hunger aid organizations. Given the diversity of support, we believe our legislation is the best place for the Committee to begin in reforming the RFS.

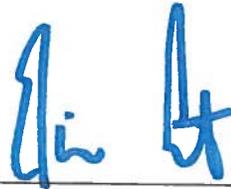
Renewable fuels have a place in America's energy policy. Our nation should be looking at alternatives that will help to ease our dependency on fossil fuels. However, these fuels should compete fairly in the marketplace, free from the distortion and government interference that the current ethanol mandate forces. It is clear the current policy is not working and we need fundamental reform.

Again, we thank you for beginning work to reform this broken policy and we stand ready to work with you to achieve meaningful reform to the RFS.

Sincerely,



Bob Goodlatte
Member of Congress



Jim Costa
Member of Congress



Steve Womack
Member of Congress



Peter Welch
Member of Congress