

July 9, 2018

The Honorable Andrew Wheeler
Acting Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave NW
Washington, DC 20004

Dear Acting Administrator Wheeler,

We write to express significant concern with the proposed 2019 Renewable Volume Obligations (RVO) under the Renewable Fuel Standard (RFS). The proposed RVO would constitute a breach of the ethanol blendwall, jeopardizing automobile reliability and harming American consumers.

Through the Energy Independence and Security Act of 2007 (EISA), Congress expanded the RFS. The expansion included mandating an annual increase of biofuel to be blended and consumed in the nation's motor fuel supply, with the intent to reach 36 billion gallons of biofuel by 2022. In 2007, the market assumptions regarding the future transportation fuel in the United States were very different from the realities of the market today. Since 2007, we have seen motor gasoline demand projections decline. Demand is 12 percent less than where it was expected under the RFS and will be 22 percent lower than the RFS forecasted by 2022. Domestic energy production has significantly increased – a reversal from the market assumptions that formed the cornerstone of the necessity for mandated volumes in the RFS.

Keeping in mind increased fuel efficiency has led to a shrinking gasoline demand, continual rise of the biofuel blending level requirements has exacerbated the onset of the 10 percent blendwall – the point at which the gasoline supply is saturated with the maximum amount of ethanol that current vehicles, engines, and infrastructure can safely accommodate and consume. We agree with the EPA's 2014 conclusion that the 10 percent blendwall is a binding constraint on the RFS, but unfortunately, none of the subsequent rulemakings, nor the current 2019 proposal, have alleviated our concerns of breaches to the agreed upon percentage.

EPA acknowledges that its RVO proposals are intended to increase the use of higher ethanol blends in order to meet the EISA mandate. However, blends like E15 and E85 raise concerns and now prove to be impractical and unnecessary. Both blends are still only available at less than two percent of gas stations and sales represent a mere one-tenth of 1 percent of overall gasoline demand. After more than a decade of implementation, studies have shown economic harm and risk to consumers, especially those with classic cars, boats, lawn equipment, motorcycles, and snowmobiles. The Coordinating Research Council (CRC) found that E15 could damage engines and fuel systems and may void manufacturers' warranties. Furthermore, it will take years to build out a compatible vehicle fleet and install the necessary retail infrastructure to accommodate the higher blends of ethanol – blends consumers have already demonstrated they do not want. In the meantime, consumers lose with possible misfuelling and a

higher cost of driving. Understandably, consumers have out right rejected these higher ethanol blends, despite the RFS's decade legacy.

Congress will continue its work toward a bipartisan solution to dealing with the RFS. As this work continues, it is critical that the EPA uses its statutory authority to waive EISAs biofuel volumes to keep blending requirements below the 10 percent blendwall and to help limit the economic harm this program has already caused.

Sincerely,