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## United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

July 27, 2015

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The Honorable Gina McCarthy  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Administrator McCarthy,

I'm writing to share my deep disappointment and serious concerns with the EPA's proposal for renewable volume obligations (RVOs) for 2014 and subsequent years under the Renewable Fuel Standard.

The Renewable Fuel Standard (RFS) has proven to be an enormous success. It has driven the development and use of alternative and advanced biofuels. As a result of this program, cellulosic biofuels are already being produced in Galva and Emmetsburg, Iowa, with construction underway at a third facility in Nevada, Iowa. The RFS has added value to agriculture markets and energized many rural economies across Iowa and the nation. It has helped create hundreds of thousands of jobs while lowering prices for consumers at the pump while reducing emissions. It has also increased our national security by reducing our dependence on foreign oil.

Unfortunately, the EPA's proposal will undermine these efforts. While I recognize the proposal is a modest improvement over the previous proposed rule, without significant improvements, the proposal will lead to job losses and will increase our dependence on foreign oil. It will harm the development of next generation and cellulosic fuels and weaken efforts to build out renewable fuels infrastructure.

I recognize that the proposal would provide incremental increases for conventional ethanol, but the proposed volumes fall well short of the statutory levels set forth by Congress. Not only do these proposed levels disregard the production capabilities of the domestic industry, they're also based on faulty rationale and the questionable use of EPA's waiver authority provided by Congress. I am unaware of any authority to waive the RFS obligations based on the seeming lack of distribution capacity.

The RFS was created by Congress to pull biofuels into the market. It was created with the intention to transform our fuels market toward higher blends of biofuels, including E85, E30 or E15. The intent was a forward-looking policy that drives future investments in both biofuels production and the infrastructure necessary to bring these biofuels to market. Limiting the RFS to levels that can be met with existing infrastructures eliminates the incentive to invest and develop the next generation of biofuels. It's clear, based on this proposal that the EPA continues

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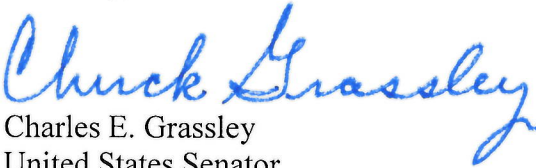
to fall for Big Oil's argument that the infrastructure isn't in place to handle the fuel volumes required by law. This proposal rewards Big Oil's obstruction.

The fact is, the supply of renewable fuel is adequate to meet the statutory volumetric requirements, and the EPA is therefore required to hold firm on those levels and see that the obligated parties make the necessary adjustments to distribute the fuel to consumers. Importantly, if the program had been implemented by EPA on time and consistent with congressional intent, private investments in distribution infrastructure would have already been made. Regardless, now is not the time to put oil producers in charge of implementing the Renewable Fuel Standard.

Again, limiting biofuels volume requirements based on alleged infrastructure constraints and the phony "blend wall" falls outside of the EPA's clearly defined waiver authority provided by Congress. I strongly urge the EPA to revise and increase the volume obligations for renewable biofuels and comply with the statutory requirements of the RFS. Anything less will undermine our efforts toward a vibrant, successful domestic biofuels industry and will harm investments in the next generation of biofuels.

Thank you for your consideration.

Sincerely,



Charles E. Grassley  
United States Senator