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- 721 FEDERAL BUILDING
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(515) 288-1145
- 111 7TH AVENUE, SE, BOX 13
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CEDAR RAPIDS, IA 52401-2101
(319) 363-6832

United States Senate

CHARLES E. GRASSLEY
PRESIDENT PRO TEMPORE

WASHINGTON, DC 20510-1501

November 7, 2019

REPLY TO:

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(712) 322-7103

The Honorable Andrew Wheeler
Administrator, Environmental Protection Agency
1200 Pennsylvania Ave NW
Washington, DC 20460

RE: Docket ID: EPA-HQ-OAR-2019-0136-0352

Dear Administrator Wheeler:

I am glad to have the opportunity to comment on the proposed supplemental rule. As you have stated publicly and as acknowledged in the background published with the proposed supplemental rule, EPA is charged with ensuring that the statutory target of 15 billion gallons of conventional ethanol, or its equivalent using advanced biofuels, is blended into the fuel supply. I'm disappointed that the proposed supplemental rule falls short of providing confidence that the renewable volume obligations (RVOs) will be met. As the number one producer of corn, ethanol, biodiesel and cellulosic ethanol, the renewable fuels industry is an important sector of Iowa's economy. It generates nearly \$5 billion of Iowa's GDP, over \$2.4 billion in household incomes, and supports almost 47,000 jobs across Iowa. President Trump made a commitment to Iowa and other biofuels producing states, and I look forward to seeing this promise fulfilled.

The Renewable Fuel Standard (RFS) requirement has not been met in the past because of small refinery waivers over the last two administrations. President Trump is a promoter of farmers and biofuels. He asked Iowa agriculture and biofuels groups to come up with a plan to add back in the gallons that might be waived in the future based on small refinery exemptions granted after the RVOs have been issued so that the law of 15 billion gallons would be fulfilled.

Six Midwest senators, Governor Reynolds, President Trump, Vice President Pence, Secretary Perdue, Administrator Wheeler, and many staff participated in a meeting in the Oval Office on September 12, 2019 to discuss the RFS and accounting for small refinery waivers. At the end of our meeting, we left satisfied that small refinery waivers, if granted, would not reduce the 15 billion gallon conventional ethanol RFS mandate. Let me repeat, in the future regardless of waivers, EPA would make sure 15 billion gallons of conventional ethanol would be mixed with gasoline.

Now, the way the rule was written and put out for public comment does not deliver on the same understanding I had leaving the Oval Office about what would be in the proposed rule. At that meeting, we discussed a very specific proposal to consider the three-year rolling average of actual exemptions granted by EPA including the specific numbers. Instead, this proposed rule utilizes the Department of Energy's (DOE's) recommendations in the waiver process rather than the actual waived gallons. In recent years, it is clear that EPA's final decision has resulted in waived gallons well in excess of what DOE had recommended. Farmers, biofuels producers, I, and others cannot have confidence that the RFS will be met because EPA does not have a good track record of following DOE's recommendations. Moreover, the transportation fuels marketplace needs an unambiguous signal that demand for renewable fuels will

Committee Assignments:

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be there in the future to reverse the trend of plant closures and idlings that have resulted from recent excess small refinery waivers.

The Renewable Fuels Standard helps to diversify the nation's fuel supply, reduce emissions, increase energy security, lessen U.S. dependence on foreign oil, and create jobs in rural America. Iowa is a leader in corn, soybean, ethanol, and biodiesel production. EPA shouldn't undercut President Trump's support of the Renewable Fuels Standard. I urge you to adjust the proposed supplemental rule to account for actual waived gallons, using hard data from past practice, to provide certainty to the marketplace.

Thank you for your careful consideration of my comments.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is written in a cursive, flowing style.

Charles E. Grassley
United States Senator