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## United States Senate

November 7, 2019

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ENVIRONMENT  
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The Honorable Andrew R. Wheeler  
Office of the Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

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

Dear Administrator Wheeler:

On behalf of Iowa and the state's agriculture industry, thank you for the opportunity to comment on the proposed supplemental rule. Agriculture drives Iowa's economy, and the Renewable Fuel Standard (RFS) is critically important to the state's continued growth and development. A strong and robust RFS encourages consumer choice, investment, and innovation; all while increasing our country's energy independence.

Iowa is the nation's leader in renewable fuels production with 43 ethanol refineries capable of producing more than 4.4 billion gallons annually and 12 biodiesel facilities with the capacity to produce nearly 400 million gallons each year. However, these numbers have gone down in the last year due to plant closures, a consequence of how the Environmental Protection Agency (EPA) has failed to implement the RFS as intended.

To be clear, EPA is obligated by law to mandate 15 billion gallons of ethanol be blended into gasoline every year. However, through its unrelenting disbursement of small refinery waivers, EPA has eroded demand and stifled an industry that rural Americans depend on. In 2018, EPA waived 1.43 billion gallons, meaning only 13.64 billion gallons of ethanol was blended into the country's gasoline supply. None of these waived gallons were reallocated; therefore functioning as a de facto cut in the mandate.

At a meeting in the White House on September 12, 2019, a path forward was agreed to that garnered support from all biofuels industry stakeholders and a number of my colleagues in the Senate. President Trump understood that the proposal would have to include accounting for small refinery waivers in the Renewable Volume Obligations (RVO). I left that meeting with the understanding that any proposal out of EPA would guarantee that the 15 billion gallons of ethanol blending mandated by law would actually be 15 billion gallons. It was decided that this meant that EPA would incorporate the amount of gallons it *actually waived* into the projections for any proposal it released.

In the Supplemental Notice, EPA took a different route much to the surprise of the industry. This route would no longer rely on gallons actually waived, but would take a more convoluted path of accounting for gallons based on what the Department of Energy recommended to EPA to be waived.

Granted, if the EPA implements the law in the manner it suggests it will under the proposed rule, it could *potentially* lead to an effective 15 billion gallon mandate. But EPA is not required to do this.

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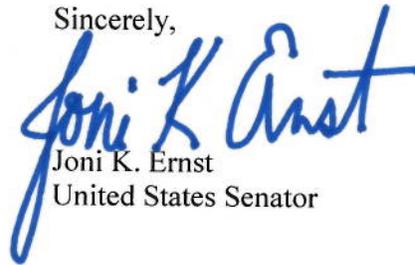
The Supplemental Notice clearly and directly provides the Agency with continued flexibility to waive more gallons than it reallocates. This notice requires that corn growers, biofuels producers, and my colleagues and I put our trust in EPA to do the right thing and follow through on the 15 billion gallon mandate. Given EPA's implementation of the RFS for the last three years; however, we are rightfully low on trust.

Plain and simple, if the market for biofuels does not trust EPA to implement the proposal President Trump negotiated, the market will not make investments in biofuels – a dangerous spiral for our industry which will only lead to more plants closed and jobs lost in the heartland.

The RFS is essential to the livelihoods of people and communities across that state of Iowa. The President kept his promise to support the ethanol industry and fight for the American farmer when E15 year-round was implemented earlier this year. It is time again for the EPA to get this policy right, respect the President's intent, and uphold the law as it was written. This means providing certainty that they will ensure that 15 billion gallons of ethanol will be blended each year.

Thank you for the opportunity to comment on this important rulemaking process. If you have any questions regarding these comments, you can contact me at (202) 224-3254.

Sincerely,



Joni K. Ernst  
United States Senator