DAVID LOEBSACK
2ND DISTRICT, IOWA

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Congress of the United States
House of Representatives
Washington, DC 20515–1502

WASHINGTON OFFICE:
1527 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–6576

DISTRICT OFFICES:
125 SOUTH DUBUQUE STREET
IOWA CITY, IA 52240
(319) 351–0789

209 WEST 4TH STREET, #104
DAVENPORT, IA 52801
(563) 323–5988
1 (866) 914–IOWA

September 25, 2013

Dear Colleague,

Over the last few months, there has been significant activity going on surrounding the Renewable Fuels Standard (RFS). Recent events have helped make clear that the RFS is working. Since late July, the EPA has used RFS flexibility, the FTC is looking into renewable fuel distribution barriers, and oil industry earnings have not been affected by RIN (Renewable Identification Number) costs. These are healthy signs that demonstrate the benefits of the RFS and domestically produced biofuels. They should also help clear up misinformation on the interpretation of RFS mandates.

One of the important features of the RFS is that Congress provided significant flexibility to adjust targets based on anticipated production. On August 6, 2013, the EPA did just that, releasing the final 2013 RFS volumes at adjusted levels. The EPA decreased the required cellulosic biofuels amounts, as well as extended the deadline to comply with the 2013 standards by four months. This gives refiners additional time to blend renewable fuel or purchase RINs for 2013 compliance. Additionally, the EPA signaled it would remain flexible as it develops the 2014 RFS levels.

On August 22, 2013, the Federal Trade Commission (FTC) announced that it would look into anti-trust violations for limiting consumer choices at the pump. This comes as opponents of the RFS continue to talk about a hypothetical E10 blend wall that would allegedly create a barrier to using more biofuels in the domestic fuel supply. What's clear is that these concerns are shortsighted. There are simple ways to eliminate any potential blend wall that include letting consumers dictate what fuel options they have at the pump. This market-based approach means consumers should have the option to put more biofuels into their gas tanks if they want.

Additionally, the release of quarterly financial earnings from oil companies at the beginning of August showed RIN costs have no effect on companies' bottom lines. The release of quarterly earnings showing strong margins and profits came shortly after the industry expressed the "staggering" economic consequences of the RFS. Many companies involved in the oil industry actually announced that RIN prices had little to no financial impacts. In some cases, due to investing practices, RINs are actually proving a substantial profit generator.

These recent events in regards to the RFS show that the law is working as intended. We must continue to support the RFS to spur continued development of homegrown fuels, lower gas prices, create good jobs, and promote economic development in our communities. I look forward

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to working with you to answer any questions and to continue to support the RFS, the jobs it creates in our communities, and its contribution to lowering gas prices.

Sincerely,

Dave Loebsack
Member of Congress