Congress of the United States
Washington, DC 20515

December 10, 2019

The Honorable Mick Mulvaney
Director
The Office of Management and Budget
725 17th Street NW
Washington, D.C. 20503

Dear Director Mulvaney:

We write to you with serious concerns that the Environmental Protection Agency's (EPA) October supplemental proposed rule for the Renewable Fuel Standard (RFS) fails to uphold the integrity of the RFS. We ask that the final rule establishes a methodology that guarantees 15-billion gallons of conventional ethanol on an annual basis and keeps biodiesel volume requirements whole, as promised by the RFS.

As we travel through our districts in Iowa, we hear first-hand from farmers, renewable fuel producers, and rural communities about the harm caused by the explosion of small refinery exemption (SRE) applications that EPA has approved in recent years. Since early 2018, EPA granted 85 blending exemptions to refineries which equals more than 4 billion ethanol-equivalent gallons of renewable fuel being taken out of the marketplace. These conditions have caused three ethanol facilities to close permanently and another fourteen to idle, affecting nearly 3,000 jobs and hundreds of millions of corn bushels on an annual basis. Similarly, 10 biodiesel facilities have closed, negatively affecting hundreds more American workers. Several of these facilities are in our home state of Iowa, and we strongly agree with our constituents that enough is enough.

The RFS promises our rural economies that 15-billion gallons of conventional ethanol and increasing volumes of advanced biofuels such as biodiesel will be blended into the nation's transportation fuel supply. This supplemental rule fails to provide a suitable methodology for accounting for granted SREs. It is wholly inadequate for EPA to account for SREs by arbitrarily basing those projections on recommendations from the Department of Energy (DOE). Not only has EPA consistently waived more gallons than DOE recommends, the method will simply not fulfill the annual promise of 15-billion gallons and that annual volume requirements will be met. Nothing short of meeting this promise is acceptable.

EPA's proposed supplemental rule fails to provide the certainty needed in our rural communities. Without a binding commitment that EPA will account for exemptions granted by EPA, this rule fails to keep the RFS whole. The Office of Management and Budget must ensure that the final rule upholds the integrity of the RFS, avoids further plant closures, and provides farmers and producers certainty going forward.

Sincerely,

Dave Loebsack
Member of Congress

Abby Finkenauer
Member of Congress

Cindy Axne
Member of Congress

CC: President Donald J Trump
EPA Administrator Andrew Wheeler

PRINTED ON RECYCLED PAPER