

January 27, 2014

The Honorable Fred Upton, Chairman
The Honorable Henry Waxman, Ranking Member
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Upton & Ranking Member Waxman:

Last year you embarked on a bipartisan effort to review the Renewable Fuel Standard (RFS) and consider the many unintended consequences that have resulted from the RFS mandate since its inception. Your effort included a series of white papers to gather stakeholder input on the various impacts of the RFS as well as two hearings to receive testimony from the agencies involved in administering the policy and everyday Americans who've been affected. This deliberate and transparent process has been a tremendous success and we commend you for undertaking it in a spirit of bipartisan cooperation.

As you know, the Environmental Protection Agency has proposed a small reduction in the RFS' volume mandate for 2014. Some have portrayed the agency's proposal as a major retreat from the statutory volume requirements. However, we submit that the proposed reduction is small in percentage terms and would do little to decrease pressure on corn demand or lower ethanol's share of U.S. annual corn production. If the EPA promulgates a final rule in line with what was proposed, some 13.01 billion gallons of corn ethanol will still be required, which is less than a 6% reduction from this year's 13.8 billion gallon mandate. At these volumes corn ethanol will continue to provide perverse incentives to overplant corn, distort commodity and energy markets and wreak economic and environmental havoc.

The RFS is ultimately unworkable in its current form, and recognition of this reality continues to grow. The process you started last year has created a unique and timely opportunity to consider legislation to correct the numerous wrongs that have unintentionally resulted from a policy that was instituted with good intentions. Your leadership on this issue, which recognizes that only Congress can solve this problem, is refreshing and we commend you for your efforts so far. The EPA is restricted by the underlying statute and cannot effectively address the myriad of RFS-related impacts. We urge you to continue to build on the process you started and to press forward with legislative action in your Committee as soon as possible. We continue to stand ready to work with you in this endeavor.

Sincerely,

Action Aid USA

American Bakers Association

American Beverage Association

American Frozen Food Institute

American Meat Institute

Association of Kentucky Fried Chicken Franchisees

California Dairy Campaign

Clean Air Task Force

Competitive Enterprise Institute

Council for Citizens Against Government Waste

Dairy Producers of New Mexico

Freedom Action

Idaho Dairymen's Association

International Dairy Foods Association

International Foodservice Distributors Association

International Pizza Hut Franchise Holders Association

Marine Retailers Association of the Americas

Milk Producers Council

National Council of Chain Restaurants

National Frozen Pizza Institute

National Grocers Association

National Marine Manufacturers Association

National Restaurant Association

National Taxpayers Union

National Turkey Federation

North American Meat Association

R Street Institute

Southeast Milk, Inc.

Specialty Equipment Market Association

Taco Bell Franchise Management Advisory Council

Taxpayers for Common Sense

Taxpayers Protection Alliance

Cc: House Committee on Energy & Commerce