

Written Testimony from Iowa Congressman David Young (IA-03)
Renewable Fuel Standard Hearing
Kansas City, Kansas
June 25, 2015

I appreciate the opportunity to submit these written comments in support of the Renewable Fuel Standard (RFS) and I want to thank Iowa Governor Terry Branstad for relaying them to the Environmental Protection Agency (EPA) on my behalf. Governor Branstad's willingness to share these comments and to testify before the EPA today demonstrates his leadership on this important issue and emphasizes Iowans' commitment to the RFS.

Iowa is a biofuels leader, producing nearly 3.9 billion of ethanol and 227 million gallons of biodiesel in 2014.¹ Iowa also has two next-generation cellulosic ethanol facilities and another coming into production this year. In addition, retailers across the state offer ethanol and biodiesel blends to consumers.

A recent poll conducted by the Tarrance Group, on behalf of the Iowa Renewable Fuels Association, found that 72 percent of participants supported corn-based ethanol and 71 percent believed that increasing ethanol production would be beneficial to the entire economy.² A 2014 Fuels America study showed that the renewable fuel industry has contributed over \$19 billion annually to the Iowa economy and supported over 70,000 high-paying jobs.³ This economic impact is even more evident based on the number of Iowans involved in the renewable fuels industry who are testifying before the EPA today and those who have submitted written testimony. Beyond this economic impact, the RFS has helped reduce the country's dependency on foreign oil, promoted cleaner air, and supported domestic industry.

On May 29, 2015, the EPA finally released the renewable volume obligation (RVO) levels for 2014, 2015, 2016. Unfortunately, it appears that the EPA's proposal seems to be an attempt to appease all stakeholders. Not only did these targets fall short of the levels set by Congress and use flawed justification, the long delay has hurt investment in renewable fuels and

¹ Iowa Renewable Fuels Association. *Iowa Ethanol Production Hits Record at 3.9 Billion Gallons in 2014*. 29 December 2015. <http://www.iowarfa.org/RecordIowaEthanolProductionfor2014.php>.
2014 Iowa Biodiesel Production of 227 Million Gallons Is Down Slightly from 2013 Record. 8 January 2015. <http://www.iowarfa.org/2014IowaBiodieselProduction.php>.

² The Tarrance Group. *Findings from Statewide Iowa Voter Survey on Ethanol and Renewable Fuel Standard*. 18 June 2015. <http://www.iowarfa.org/documents/TarrancePollMemo.pdf>.

³ Fuels America. *The RFS Drives Economic Growth in Iowa*. 15 April 2014. <http://fuelsamerica.guerrillaeconomics.net/>.

infrastructure. Industry needs certainty to plan for new capital investments and to ramp up production. The levels established by Congress were deliberately set to incentivize investment in domestic renewable fuels and provide the biofuels sector with the certainty it needs for capital investments and long-term sustainability. The EPA's decision to deviate from those targets is worrisome because it sets a precedent for future changes to RVOs and this uncertainty has a chilling effect on future investment in ethanol, biodiesel, and advanced biofuels.

In May 2015, the Iowa congressional delegation asked the EPA to host another RFS public hearing in Iowa – to hear directly from Iowa farmers, producers, retailers, and consumers who participate and benefit from biofuels daily. I urge the EPA to listen to the Iowa industry leaders, farmers, and retailers who are testifying today so it can fully understand the implication of its proposed RFS levels. These Iowans are experts in the renewable fuels field and will provide valuable information and feedback on how the EPA's proposed RVOs will negatively impact the rural economy, the agricultural and biofuels industries, consumer choice at the pump, and future investments in renewable fuels and infrastructure.

The RFS is working. I commend the U.S. Department of Agriculture for supporting renewable fuel infrastructure to ensure that more Americans can benefit from biofuels. I urge the EPA to reexamine the facts, listen to experts, and adhere to congressional intent for the RFS.

Sincerely,

David Young
Member of Congress