



June 12, 2018

Dear Chairman Roberts and Ranking Member Stabenow,

On behalf of our combined members and supporters across the country, our groups join together to alert you to our opposition to attaching the Consumer Fuel and Retailer Choice Act, S. 517 to the **Agriculture Improvement Act of 2018**. As currently drafted, the bill would waive rules to allow for the sale of gasoline that is blended with 15 percent ethanol (E15) year round. The waiver would exempt E15 from environmental standards that apply to competing fuels, giving ethanol a further unfair advantage in an already distorted marketplace.

Putting more corn ethanol into the fuels market is not the way to provide consumers with more fuel choice. Instead lawmakers should look to reform the broken Renewable Fuel Standard (RFS). The current RFS corn ethanol mandate creates an artificial demand for ethanol greatly distorting the marketplace and burdening businesses, agricultural interests, the environment, and consumers with added costs.

The corrosive nature of ethanol means that as more of the fuel is forced into the fuel supply, gas stations are then responsible for major retrofits to their facilities to accommodate the higher blended fuels, including new underground storage tanks and fuel dispensers. Because that cost is untenable for many, taxpayers are regularly made to foot the bill for E15 and E85 blender pump installation through state and federal biofuel infrastructure programs, which provide hundreds of millions of dollars in matching grants to cover installation costs.

Higher blends of ethanol are not suitable for boats, motorcycles, and other small engines, and E15 is not warranted for use in most cars. In fact, the vast majority of cars on the road today – with some counts suggesting as many as 90 percent – are not compatible with E15, creating costly financial burdens for car

owners whose warranties are voided by the use of E15. Boat owners have already felt these costs, having to make expensive repairs or replacements due to higher blends of ethanol like E15.

The food and commodities industries are also negatively impacted by the ethanol mandate. Since a large portion of the RFS requirement is being met with conventional corn-based ethanol, other industries that rely on corn are increasingly vulnerable to a variety of factors that can cause price fluctuations. For example, when a drought or flood strikes government ethanol mandates remain fixed– despite fierce competition for remaining crops – driving price volatility, which is a challenge for companies that purchase corn for animal feed. This, in turn, challenges the full food supply chain, affecting consumers. While advanced and non-food-based cellulosic biofuels were intended to make up a greater portion of the RFS mandate, production of these has fallen greatly below RFS mandates, meaning S. 517 would primarily provide a greater market for corn ethanol, not cellulosic ethanol derived from forestry and agricultural residues.

Finally, the RFS also leads to habitat destruction and increased air and water pollution, and the primary biofuel filling the RFS – corn ethanol – may actually increase greenhouse gas emissions instead of reducing them as Congress intended. Current limits on the use of ethanol during the summer are designed to reduce the emission of smog-forming compounds from higher blends of corn ethanol. These compounds make the air harder to breathe, and are potentially carcinogenic. Enacting S. 517 would only worsen the negative impacts already experienced with corn ethanol by expanding its market share and fueling further conversion of sensitive lands into corn production.

Again, we urge you to oppose [the inclusion of S. 517 in the Agriculture Improvement Act of 2018](#). Markets should be free and dictated by consumer choice, but the corn ethanol market is distorted by federal mandates. It's time for Congress to reform the RFS, stop dictating to the marketplace, and stop forcing consumers, taxpayers, and the environment to pay the heavy price for failing ethanol policies.

Sincerely,

ActionAid USA

American Motorcyclist Association

American Sportfishing Association

Boat Owners Association of the United States

Clean Air Task Force

Competitive Enterprise Institute

Marine Retailers Association of the Americas

National Council of Chain Restaurants

National Marine Manufacturers Association

National Taxpayers Union

National Wildlife Federation

R Street Institute

Specialty Equipment Market Association

Taxpayers for Common Sense

CC: Senate Committee on Agriculture, Nutrition, and Forestry