

May 13, 2015

Dear Senator,

Recently, you signed a letter urging Environmental Protection Agency Administrator Gina McCarthy to “craft targets for domestic biofuels that reflect Congress’ intended goals for the RFS”. In 2007, Congress expanded the Renewable Fuel Standard (RFS) with the expressed goals of increasing the production of “clean renewable fuels” and “protect[ing] consumers.”

Respectfully, the organizations below are concerned that the RFS has thus far failed to deliver on its most basic goals, and in the process triggered consequences that have negatively impacted our environment, American consumers, and people around the world.

To date, the RFS has primarily incentivized increased production of corn ethanol. In fact, corn ethanol accounted for 83% of the overall volume mandate finalized by the Environmental Protection Agency (EPA) in 2013, the most recent year in which final renewable volume obligations were issued by EPA.¹ The remainder was mostly comprised of imported sugarcane ethanol and domestically produced biodiesel. Meanwhile, one of the primary goals of the RFS – spurring production of truly advanced biofuels derived from non-food crops such as cellulosic ethanol – has significantly failed to meet goals that Congress set in 2007. The National Academy of Sciences and the Congressional Budget Office (CBO) projected that cellulosic ethanol production will fall drastically short of its 2022 mandate of 16 billion gallons, leaving room for additional corn-based biofuels or other food-based biofuels to fill this growing gap.²

Corn ethanol has failed to reduce greenhouse gas (GHG) emissions as once promised, and instead may actually be increasing GHG emissions as compared to gasoline. A recent study found that from 2008-2012, 3.5 million acres of previously untouched grassland were plowed to plant corn and soy, despite measures in the law that were intended to prevent new land from being cleared to accommodate RFS-related demand.³ This transformation has led to millions of tons of carbon emissions being released into the atmosphere, as much as 34 coal-fired power plants operating for one year. Water quality has also been adversely impacted. According to a report from the EPA Office of

¹ Environmental Protection Agency (2013). *EPA Finalizes 2013 Renewable Fuel Standards*. <http://www.epa.gov/otaq/fuels/renewablefuels/documents/420f13042.pdf>.

² Congressional Budget Office (2014), *The Renewable Fuel Standard: Issues for 2014 and Beyond* [Hereinafter CBO]. See also National Academy of Sciences (2011), *Renewable Fuel Standard: Potential Economic and Environmental Effects of U.S. Biofuel Policy*. <http://dels.nas.edu/Report/Renewable-Fuel-Standard-Potential-Economic/13105>.

³ Lark, Salmon, & Gibbs (2015), *Cropland expansion outpaces agricultural and biofuels policies in the United States* [Hereinafter Lark]

the Inspector General, corn ethanol production is a major cause of water pollution in the Mississippi River Basin and Gulf of Mexico.⁴

The RFS also has serious consequences for global hunger. By creating an inflexible demand for feed crops, the RFS has contributed to unstable food prices. Poor people in developing countries spend 60-80% of their income on food, so even a small increase in price can make it difficult for them to feed their families. As demand for land-intensive biofuels has increased, so too has the demand for arable land. Smallholder farmers in developing countries, who typically grow multiple crops for their families and some local food consumption, have been kicked off their land to make way for massive biofuel feedstock plantations. These farmers depend on this land to feed their families and communities.

Studies by CBO, Bureau of Labor Statistics, and Congressional Research Service have shown the RFS also raises food prices for American consumers and businesses. For consumers, a 2013 study estimated \$2000 in higher annual food costs for an average family because of the RFS.⁵ For small businesses in the food chain, such as mom-and-pop restaurants and retailers, the higher costs can extend into the tens of thousands of dollars per year.⁶

With each passing month, we fall further from achieving the original goals of the RFS. When Congress crafted this policy, it was intended to benefit all Americans, but the RFS has instead resulted in delivery of benefits to a select few in the ethanol industry at the expense of everyone else. We know these unintended consequences must concern you, and we urge you to consider significant legislative measures to rectify them.

Sincerely,

ActionAid USA

Clean Air Task Force

Environmental Working Group

Oxfam America

⁴ Environmental Protection Agency Office of Inspector General (2014), *Nutrient Pollution: EPA Needs to Work With States to Develop Strategies for Monitoring the Impact of State Activities on the Gulf of Mexico Hypoxic Zone*

⁵ Elam, Thomas (2013), *Food Costs are Eating American Family Budgets*

⁶ PricewaterhouseCoopers (2012), *Federal Ethanol Policies and Chain Restaurant Food Costs*