

AMERICA'S ENERGY FORUM

July 17, 2013

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama,

As members of the farming and food processing industries, we are very concerned about the negative impacts that would result from the continuing Renewable Fuel Standard (RFS) mandates. If the RFS is not fixed in 2013, the economic impact will be severe, in particular for small businesses across the nation. We ask that you support actions that will halt the current RFS as it stands.

The RFS impacts a wide spectrum of the food industry, including farmers, food processors, and food manufacturers, and can continue to cause economic hardship if appropriate actions are not taken. Increasing ethanol mandates put upward pressure on corn supplies, increasing costs to farmers, in particular those who use corn for feedstock (e.g., cattle, dairy, poultry, hogs) as more than 40% of the U.S. corn crop is now used to produce ethanol. Higher corn prices also leads to higher food prices, due to higher feed costs, as well as the use of corn in many types of food (e.g., corn starch, corn syrup).

To meet RFS mandates, America's fuel suppliers will also soon hit a "blendwall" which will require refiners to put blend more biofuels into gasoline and diesel, resulting in further hardship for industry. A study by NERA Economic Consulting details severe impacts that could result by 2015 from continued implementation of the RFS. Per NERA, the RFS could decrease U.S. GDP by \$770 billion and worker take-home pay by \$580 billion by 2015; resulting from, among other factors, a 30% increase in the cost of gasoline and a 300% increase in the cost of diesel by 2015.

It is obvious that the reach of RFS is wider than you and Congress may have originally intended.

The RFS was designed at a time when we needed to lower greenhouse gas (GHG) emissions, reduce gasoline usage, and decrease U.S. reliance on oil imports. Since 2007 each of these changes has occurred, however, not due to RFS mandates, but rather to improved fuel economy, new technologies, increased production of oil and natural gas – and an economic recession. So, why do we need to continue to enforce these obsolete mandates?

The blendwall and its harmful impacts must be prevented from causing further damage to our industry. EPA could use the waiver authority contained in the law to waive the RFS completely or at least waive down the volumes below 10 percent, and we support this expeditious action. In the longer term, we believe the best solution is for Congress, with your support, is to fix RFS through legislation.

We support reasonable policies which improve our nation's economic and energy security, and the RFS is not such a policy. We appreciate your support for immediately executing an RFS waiver and in the longer-term, supporting legislation to fix the RFS.

Respectfully yours,

<List Name, Title, Organization, City, State>

cc: