



Terry E. Branstad
GOVERNOR

OFFICE OF THE GOVERNOR

Kim Reynolds
LT. GOVERNOR

January 28, 2014

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

The Honorable Gina McCarthy
Administrator, Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Re: Docket ID No. EPA-HQ-OAR-2013-0479

Dear President Obama and Administrator McCarthy:

We write to strongly encourage you to revise and increase the proposed U.S. Environmental Protection Agency (EPA) Renewable Fuel Standard (RFS) volume obligation levels to thresholds that will demonstrate your continued commitment to growing the production and use of renewable fuels. A robust RFS is needed to provide the Federal policy predictability that rural America needs to continue investments in the renewable fuels that diversify our nation's energy portfolio, clean the air, provide value-added opportunities to various bio-stocks, give consumers lower-cost choices at the fuel pump, and create good paying jobs that empower rewarding careers. Specifically, we ask your Administration to increase the biodiesel volume to 1.7 billion gallons, modify the cellulosic level to match production expectations, and to reinstate the conventional renewable fuel target to 14.4 billion gallons since there is no domestic supply shortage. The gradually increasing RFS levels have been an important part of diversifying our nation's transportation fuels and reducing fuel costs at the pump.

On January 23, 2014, we hosted the "Hearing in the Heartland" in cooperation with the entire Iowa congressional delegation, state leaders, interested citizens and community leaders from across the Midwest. At this open forum where all interested citizens were invited to present, we heard from 83 panelists from across the Midwest Region that spoke from the heart about the importance of the RFS to their livelihoods and a healthy rural economy; only two individuals presented in opposition to a robust RFS. As you can see by the numbers, there is overwhelming consensus in the Heartland for the EPA to reverse course on its draft proposal and reject Big Oil's attempt to get rewarded for bad behavior. The bipartisan support at the forum mirrored the strong bipartisan support that led to the initial passage of the RFS provisions, which aim to promote the development of a domestic renewable fuels industry. The RFS, which enables gradually increasing amounts of renewable fuels to be included in nation's fuel supply, is one of the best recent examples of a policy success that has come out of Washington, DC.

As state leaders, we are keenly focused on helping create a business and public policy environment that drives job growth throughout the State – in communities both large and small, urban and rural. We share the concerns of many Iowans and citizens throughout the Midwest that the EPA’s current proposal will erode the healthy and stable agricultural economy in rural America and abandon the various public policy benefits that flow from the RFS. For decades, the agricultural economy lurched from crisis to crisis and farmers often depended on government subsidies to stay afloat. The RFS helped brighten the future of the agricultural sector by providing a stable policy framework that gives value-add opportunities for various agricultural commodities, while helping clean air objectives – a true win-win. In recent years, there has been renewed interest in agriculture among young people given the hope that follows stable policy, innovation, and technological advancement.

In many ways, the agriculture economy has been a bright spot in the national economy over the last five years and the draft RFS proposal would jeopardize the health of the economy in rural America. Put simply, continuing with the current EPA proposal would create a negative counterbalance to your Administration’s work in the White House Rural Council.

During the “Hearing in the Heartland”, there were many references to recent data analyses, not utilized in the EPA’s draft regulations, that we believe provide you the opportunity and obligation to refine the draft EPA proposal. We have enclosed a document entitled “State of Iowa RFS Proposal Comments: Legal Concerns, Current Data and Perspective from the Heartland” which shares legal concerns on the EPA proposal, sources for relevant recent analyses, and perspectives of citizens from across the Midwest.

If the EPA’s currently proposed rule becomes final, the negative impact would be disproportionately felt by rural America. According to an Iowa State University estimate, corn prices alone could drop twenty-five cents per bushel based on the proposed rule, which could bring corn prices below the cost of production for many farmers.¹ The proposed EPA rule could also cause a ripple effect on agri-business, our communities, and the entire economy. Despite Big Oil’s attempt to pollute the public discourse, corn prices are now close to \$4 per bushel, down significantly from the 2012 drought levels of \$8 per bushel.

We want to address the fuel versus food argument and environmental questions that often enter the discussion on renewable fuels. At the height of the drought, the ethanol industry was assailed for causing increases in food costs. If this argument was true, then why have food prices not plummeted now that corn is nearly half the price it was during the drought? Renewable fuel critics often ignore the fact that a modern dry-mill ethanol refinery produces 17.5 pounds of highly valuable DDGs from one bushel of corn which is utilized by cattle producers throughout the Midwest. Critics also claim that the RFS has driven more acres into production and increased fertilizer demand. However, the truth is quite the contrary. Total U.S. cropland planted to corn in the 1930’s was 103 million acres versus the 97 million

¹ *Impact on Corn Prices from Reduced Biofuel Mandates*, Center for Agricultural and Rural Development, Iowa State University, <http://www.card.iastate.edu/publications/dbs/pdffiles/13wp543.pdf>.

acres in 2013, and thanks to improved agricultural practices and the precision of modern technologies and applications, the use of fertilizer has decreased substantially in recent decades.² In short, thanks to the productivity of America's farmers and the innovation in the agricultural and renewable fuel sectors, we can both feed and fuel the world.

If the EPA's proposed rule stands, consumers across America would be limited in their choices at the pump. When consumers have choices, like they do in Iowa, they choose ethanol and other biofuels. The oil companies are preventing fuel choice in other parts of the country and consumers lose, paying much more for fuel. Iowans purchased more than 3.61 million gallons of E85 in the third quarter of 2013, nearly double the 1.83 million gallons of E85 purchased in the first quarter of 2013 and up from the 2.62 million gallons of E85 sold in the second quarter, according to Iowa Department of Revenue data. Big Oil does not like renewable fuels because they don't control them – but consumers deserve choice.

We urge your Administration to use its regulatory authority in a manner that both supports a growing renewable fuels industry and meets the statutory requirements of the law.

We appreciate your past support on renewable fuels and the commitments you have pledged. We hope you will protect the RFS, renew your commitment, and stand strong along with us, consumers, and agricultural producers in supporting American-made renewable fuels.

Sincerely,



Terry E. Branstad
Governor of Iowa



Kim Reynolds
Lt. Governor of Iowa

cc: The Honorable Tom Vilsack, Secretary, U.S. Department of Agriculture
The Honorable Bill Northey, Iowa Secretary of Agriculture
The Iowa Congressional Delegation

²Farmers Will Respond Sustainably to Increased Demand for Food and Fuel, BIOTechNOW,
<http://www.biotech-now.org/food-and-agriculture/2013/11/farmers-will-respond-sustainably-to-increased-demand-for-food-and-fuel#>.

State of Iowa Comments on the EPA Draft 2014 RFS Volume Obligation Levels: Legal Concerns, Current Data and Perspective from the Heartland

Legal Concerns on the EPA's Action:

The Clean Air Act does not give the EPA the authority to issue a general waiver of the Renewable Fuel Standard in this situation. The law makes it clear that EPA may only issue a general waiver based on a determination that there is "an inadequate domestic supply", not other grounds such as distribution capacity.

"You know, farming looks mighty easy when your plow is a pencil, and you're a thousand miles from the corn field."

--President Dwight Eisenhower

Recent Data and Analysis:

Stakeholders have expressed significant concerns about the EPA's reliance on outdated data and the lack of recent data utilized in compiling the EPA's proposal on RFS volume obligations. The State of Iowa asks the EPA, Office of Management and Budget, and White House officials to analyze data and information provided in the below referenced studies to refine and increase the volume obligation levels:

Study & Analysis by the Center for Agriculture and Rural Development:

Price It and They Will Buy: How E85 Can Break the Blend Wall

http://www.card.iastate.edu/policy_briefs/display.aspx?id=1187

Impact of Sales Constraints and Entry on E85 Demand

http://www.card.iastate.edu/policy_briefs/display.aspx?id=1188

Impact of Increased Ethanol Mandates on Prices at the Pump

<http://www.card.iastate.edu/publications/synopsis.aspx?id=1218>

Feasibility and Cost of Increasing US Ethanol Consumption Beyond E10

http://www.card.iastate.edu/policy_briefs/display.aspx?id=1217

RFS Compliance: Death Spiral or Investment in E85?

http://www.card.iastate.edu/policy_briefs/display.aspx?id=1214

Impact on Corn Prices from Reduced Biofuel Mandates

<http://www.card.iastate.edu/publications/dbs/pdffiles/13wp543.pdf>

Study & Analysis by Informa Economics Commissioned by the Renewable Fuels Association and/or Iowa Corn Promotion Board:

Analysis of the Potential Use of Biofuels toward the Renewable Fuel Standard in 2014

http://ethanolrfa.3cdn.net/634b8ed984dd3732ba_7um6b8kjp.pdf

Analysis of Whether Higher Prices of Renewable Fuel Standard RINs Affected Gasoline Prices in 2013
http://www.ethanolrfa.org/page/-/rfa-association-site/studies/Informa_Gasoline_Price_Analysis.pdf?nocdn=1

Study & Analysis by Cardno ENTRIX Commissioned by the Renewable Fuels Association:

Contribution of the Ethanol Industry to the Economy of the United States
<http://ethanolrfa.org/page/PDFs/2012%20Ethanol%20Economic%20Impact.pdf?nocdn=1>

Study & Analysis by ABF Economics Commissioned by the Iowa Renewable Fuels Association:

Contribution of the Renewable Fuels Industry to the Economy of Iowa
<http://www.iowarfa.org/documents/2014IowaEconomicImpact.Final.pdf>

Study & Analysis by the Department of Agricultural and Consumer Economics, University of Illinois:

Evaluating EPA's Arguments for RFS Waiver Authority
<http://farmdocdaily.illinois.edu/2014/01/evaluating-epa-arguments-RFS-waiver-authority.html>

EPA Authority to Reduce the RFS
<http://farmdocdaily.illinois.edu/2013/11/epa-authority-reduce-rfs.html>

Study & Analysis by LMC International Commissioned by the National Biodiesel Board:

The Economic Impact of the Biodiesel Industry on the U.S. Economy
http://www.biodiesel.org/reports/20131113_GEN-431.pdf

Excerpts from Verbal & Written Stakeholder Comments at the Hearing in the Heartland:

Terry E. Branstad, Governor of Iowa:

“There are many benefits that flow from the Renewable Fuel Standard and the use of biofuels, including: diversifying our nation’s energy portfolio and reducing our dependence on foreign oil, reducing air pollution, giving consumers choices at the pump, and helping grow family incomes in rural America.”

“...biofuels have enabled value-add opportunities for a variety of biostocks including corn, soybeans, woody biomass, and even corn stalks. And, renewable fuels have created high-paying jobs and rewarding careers in rural America.”

“I was governor of Iowa during the farm crisis of the 1980s — a time which brought incredible hardship to farm families and rural communities. I will never, ever, forget the challenges endured during those times — and the last thing that we ever want to see again in our nation is another farm crisis.”

“Critics claim that the RFS has driven more acres into production and increased fertilizer demand. However, the truth is quite the contrary. Fertilizer use has significantly declined in recent decades thanks to improved technology and

precision in farming, and total cropland planted to corn in the US in the 1930's was 103 million acres and in 2013 it was 97 million acres."

"The use of co-products, such as DDGs are also important to livestock production. Big Oil and its allies refuse to acknowledge this quality, high-protein byproduct goes directly into the food chain. In fact, a modern ethanol refinery produces 17.5 pounds of highly valuable DDGs from one bushel of corn. This has helped increase cattle feeding in Iowa."

"I urge President Obama, Administrator McCarthy and the EPA to listen to the people of Iowa and the Midwest, and continue to support a robust and strong Renewable Fuel Standard --- as they have in the past."

Kim Reynolds, Lt. Governor of Iowa:

"We should be continually moving forward to grow the production and use of ethanol, biodiesel and cellulosic biofuels."

"We cannot afford to have misunderstandings or muddled policies when it comes to the RFS. As citizens, who have seen first-hand the positive impacts that the RFS has had in Rural America, we believe we have an obligation to help educate others."

"We need to let people know that this one proposed rule by the EPA would directly jeopardize an estimated 37,400 ethanol jobs and 7,500 biodiesel industry jobs."

"Communities from North Dakota to Nebraska, and from Iowa to Indiana have experienced growth and revitalization thanks, in part, to a thriving agricultural sector."

Bill Northey, Secretary, Iowa Department of Agriculture & Land Stewardship:

"Overall, Iowa's renewable fuels industry has benefited farmers, our rural communities, fuel customers, and the environment, and they would be hurt if the EPA implemented the proposed rule to roll-back the RFS."

"The oil industry wants to limit the fuel choices for consumers and keep them buying their high-price, non-renewable petroleum based fuels. It is wrong for the EPA to support them."

Chuck Grassley, U.S. Senator from Iowa:

"This investment has improved the environment, it's improved the economic well-being of Iowans, it's improved our balance of trade, and our national security."

"This misguided proposal will cost jobs in Iowa and across the country. If allowed to take effect, it'll increase our dependence on oil, and protect the stranglehold that Big Oil has on our country's fuel supply."

“It’s time for supporters of clean, homegrown, green energy and forward-thinking energy policy to rally and let the Obama administration know that its proposal is short-sighted and irresponsible.”

Tom Harkin, U.S. Senator from Iowa:

“As I have urged the White House, EPA should increase these targets because they ignore the clear intent of the law as well as our nation’s capacity both to produce and utilize renewable fuels.”

Tom Latham, U.S. Representative from Iowa:

“The Renewable Fuel Standard is a critical tool to implement the “all-of-the-above” approach to energy production that will lead us away from our dependence on foreign oil, lower the prices that American’s pay at the pump and help to ensure our countries energy and economic independence.”

Steve King, U.S. Representative from Iowa:

“It is disappointing the EPA has decided to lower RFS numbers and make the United States more dependent on foreign sources of energy when we have the means to produce cleaner, greener fuels right here in America.”

Dave Loebsack, U.S. Representative from Iowa:

“I strongly believe the RFS is working and is the right policy for Iowa, our farmers, our rural communities, energy security and independence, advancing the biofuels industry, giving consumers choices, and reducing our greenhouse gas emissions.”

Bruce Braley, U.S. Representative from Iowa:

“States like Iowa have put too much on the line for the future of our nation to see EPA put the brakes on good policy. Our investments have lowered the price of gas, reduced carbon emissions, and have created new markets and increased income for Iowa farmers.”

Debi Durham, Director, Iowa Economic Development Authority:

“Iowa is the nation’s premier leader in the renewable fuels industry, using its legacy of manufacturing excellence, robust infrastructure and fertile fields to explore biofuels as a way to leverage our homegrown, renewable resources to provide the fuels of today and tomorrow. In fact, the entire Midwest region has seen an increase in family incomes because of the renewable fuels industry and the value-add opportunities that biofuels present for biomass products.”

“Natural resources, coupled with innovation and Iowa ingenuity, has allowed the state’s biorenewables industry cluster to blossom. Iowa’s biofuels industry has added \$13.1 billion to its economy, generated \$2.4 billion in new household income and has created and supports 49,000 jobs.”

“Iowa’s ethanol future looks even brighter as research confirms the success that companies are experiencing converting outputs into co-product lines such as dried distillers grains (DDGs) and corn oil. In 2011, Iowa produced 1.2 billion bushels, the highest amount of all U.S. DDG production which is a key input for Iowa’s cattlemen.”

“Due to Iowa’s strategic leadership in biofuels innovation, we have been able to attract major investments by those in the industry. In the past few years, we have been proud to announce several major biorenewable and cellulosic plant projects in Iowa that will revolutionize biofuel generation.”

Chuck Gipp, Director, Iowa Department of Natural Resources:

“Recent studies have shown that the carbon foot print of corn ethanol continues to shrink while the carbon impacts associated with crude oil production continue to worsen as more marginal crude oil sources are entering the fuel supply.”

“Ethanol reduces greenhouse gas emissions by 40 to 50% when compared directly to traditional gasoline.”

“Ethanol is the cleanest and most affordable source of octane on the market today, displacing toxic aromatics such as benzene and toluene.”

“Cellulosic ethanol promises to reduce greenhouse gas emissions by up to 110% compared to gasoline.”

Paul Trombino III, Director, Iowa Department of Transportation:

“Since Iowa’s beginning, agriculture has been at the backbone of our state’s economy. Our communities, businesses, and transportation infrastructure have all been influenced by the role agriculture plays in this state. In recent years, the growth of the renewable fuels industry has changed the way agriculture impacts our state, further strengthening Iowa’s economy. Global demand for Iowa grown products has increased. Our rural communities have benefited through the creation of good-paying jobs while Iowa universities and research facilities have played an instrumental role in technological advances in the renewable fuels industry.”

“Along with the economic impacts biofuel has had on Iowa’s economy, it’s important to note the impact they’ve had on our environment through improved air quality. Studies have shown that use of higher blends of ethanol and biodiesel burn cleaner, and result in lower particulate matter emissions. These emissions are a major contributor to improved air quality in Iowa.”

“In response to this linkage of improved air quality tied to higher blends of renewable fuels, I’m proud of the partnership between the Iowa Department of Transportation, the Iowa Transportation Commission, the Iowa Department of Agriculture and Land Stewardship (IDALS), the Renewable Fuels Infrastructure

Board and the Institute for Transportation (InTrans) at Iowa State University to establish the Fueling our Future program. This is a unique public-private program using \$250,000 of federal Congestion Mitigation and Air Quality improvement funding awarded by the Iowa Transportation Commission to further promote the installment of additional blender pumps through a grant program to retailers.”

Resolution of the Iowa Legislature:

“We urge the United States government to renew its commitment to farmers, lower fuel prices, and the environment by supporting a robust and sustainable renewable fuel standard.”

Sue Ellspermann, Lt. Governor of Indiana:

“This proposal is back-tracking on the accomplishments made in the past 10 years.”

“The amount of ethanol cut in the EPA proposal is nearly identical to the 1.3 billion gallons that the 11 ethanol plants in our state produce annually.”

“Since 2007, the RFS and biofuels have been critically important to the success of Hoosier farmers and have been an economic lifeline to rural communities who need this investment and the jobs more than ever.”

Dave Frederickson, Commissioner, Minnesota Department of Agriculture:

“Minnesota is a leader in renewable energy development and the EPA proposal to reduce the RFS will thwart these ongoing efforts to grow homegrown fuels.”

Ted McKinney, Indiana Department of Agriculture:

“The production of biofuels throughout the United States is a crucial issue, not only to those in agriculture, but to all concerned with building a renewable energy portfolio and a stronger economy.”

Lucas Lentsch, Secretary, South Dakota Department of Agriculture:

“Recently, a study commissioned by the South Dakota Ethanol Producers Association evaluating the economic impact of the ethanol industry in 2012 to the state of South Dakota was published...Key findings include the following: The sale of ethanol and dried distillers grains in 2012 was approximately \$3 billion, which is a 441% increase since 2004; The industry contributes \$214.9 million in direct value added to the state economy; The indirect business tax revenue generated by the ethanol industry in 2012 was approximately \$19 million.”

Greg Ibach, Director, Nebraska Department of Agriculture:

“This adulteration of policy without meeting the justifications built into the legislation devalues decades of research and development and creates questions marks for our rural communities who have embraced their role in aiding the U.S. energy portfolio.”

Hannah Borg, FFA and 4-H Member & Nebraska Farmer:

“The Renewable Fuel Standard is a commitment that Congress made to America and to our youth like myself -- a commitment to develop our own domestic renewable fuel supply, grow rural economies and provide jobs...Now is not the time to reduce the Renewable Fuel Standard and jeopardize my future and the future of generations to come.”

Gary Porter, Corn and Cattle Farmer from Mercer, Missouri & Board Member of the Missouri Corn Growers Association:

“Consumers want and deserve cleaner, renewable options at the pump. Demand is already growing for additional options. Our station is a great example. In just over a year, we have increased sales from 8,000 gallons per month, to more than 60,000 gallons per month. Why? Because we are providing multiple options for each driver who chooses our station to fill up. In addition to diesel pumps, our station has implemented blender pumps allowing us to offer unleaded fuel, E20, E30, and E85.”

Todd Hays, VP of the Missouri Farm Bureau Federation:

“It is also about our rural economy. In 2011, more than \$1.1 billion in economic output was attributed to biofuel production in Missouri. Tax revenues totaling \$15 million were paid to state and local governments.”

Adam Schubert, Strategy and Regulatory Affairs Manager of Butamax Advanced Biofuels:

“The proposal completely fails to reflect the demand growth in E85 that the RIN mechanism in the RFS enables, as demonstrated in 2013. While EPA notes the importance of E85 pricing, in setting the RVO as proposed, EPA would disable the very mechanism designed to allow the market to set this price appropriately.”

“By accepting E10 as a fundamental limit, the proposed rule disables the RIN mechanism that was specifically created to enable market forces to overcome this issue. An effective RIN mechanism is absolutely essential to enable drop-in biofuels to compete in the market.”

Dr. Donald A. Heck, Director of the Iowa Central Fuel Testing Laboratory:

“As the Director of our laboratory, I feel I have some authority to speak on the quality of the fuel samples that are submitted to our facility for analysis, and by extension, the quality of renewable fuels in general. Samples that we receive from regular production companies routinely meet or exceed quality standards set in place for ethanol and biodiesel.”

Dennis Gengenbach, Nebraska Farmer:

“A recent study by the Nebraska Department of Labor found that an ethanol plant employee earns, on average, \$19,000 per year more than an employee of other Nebraska industries. The proposed change to the Renewable Fuel Standard will reduce the number of jobs in Nebraska.”

John Pieper, DuPont Cellulosic Ethanol:

“A change in this bedrock policy will ensure that investors and entrepreneurs will step back and wait to see what the new policy will do. And while they do that, they take their investments elsewhere.”

Mike Shuter, Indiana Farmer:

“I lived through the 1980’s and I don’t want to see us go through that again,” he says. “That’s what scares me the most about what’s happening here is this thing triggering something like what happened in the 80’s that sent us into a farm crisis.”

Craig Hill, President, Iowa Farm Bureau:

“Using biofuels has major environmental benefits and provides up to a 50% reduction in greenhouse gas emissions. Biodiesel has the potential of 80% carbon emissions reduction. And, of course, ethanol is a very sustainable octane source.”

"Biofuels have added nearly 9% to Iowa's GDP and added 83,000 people to our workforce. While these impressive benefits accrued here and across the country, the contributions of biofuels go far beyond."

"If a blend wall exists, it is the creation of EPA and the monopolistic oil companies that control distribution. The real point is the RFS is garnering attention today because it is working - predictably and successfully - and Big Oil doesn't want to lose a share of the market."

Brad Nelson, Minnesota Farmer:

“Since gaining access to the nation’s fuel market, Ethanol has been a big part of cleaning the air. Have you forgotten? The Twin Cities metro area had smog alerts in the days before ethanol began blending into the fuel market. You could come up I35 and see the smog bank over the city as you headed north. Now with much higher traffic volumes cleaner cars and cleaner fuel that isn’t readily apparent.”

“The oil companies have been complaining about RIN costs. All they have to do is blend more ethanol. It is the cheaper alternative. E15 is proven and approved in all 2001 and newer cars which is 80% of the fleet. That is a choice that can be made by them and by the consumers they market to.”

Dr. Tim Gibbons, U.S. Army (Ret.) of Mason City, Iowa:

"The Iraqi War is over now. Ten years later, we have paid a heavy toll to stabilize the free flow of oil. Over that same time period I am unaware of a single casualty caused by the production of ethanol. I am unaware of a single service man who committed suicide after deployment due to renewable fuels. I am unaware of a prosthetic limb or a wheelchair being fitted for renewable fuels."

Pam Johnson, Family Farmer from Floyd, Iowa & Chairwoman of the National Corn Growers Association:

“In the past, the RFS had provided some certainty that there will be a viable commodity market—but EPA’s proposed rule eliminates this certainty,” she explained. “We ask that the EPA stay the course and support the RFS and reconsider the proposed reductions of the 2014 renewable volume obligations.”

Mark Gross, Family Farmer from Bridgewater, South Dakota & Current President of the South Dakota Corn Growers Association:

“The RFS has spelled success for not just rural communities, but also our farm families. If you were to tour farms across South Dakota these past few years, you would’ve witnessed young people coming back, something that was not taking place in the 80’s and 90’s when corn was regularly being sold below the cost of production. Those types of market conditions are not sustainable, neither was the increasing average age of the American farmer.”

“The Renewable Fuel Standard is working and has been triumphant on so many levels, including our farms, rural economies, gas prices, energy security and even the air we breathe. On behalf of South Dakota’s corn farmers, I ask that you please reconsider your proposal to reduce the Renewable Fuel Standard levels, retaining the volumetric requirements, which were set by law.”

Jeff Briggs, Green Plains Energy:

"I would ask, 'how does a county like Brazil, where they drive the same Fords, Chevys and Toyotas that we do blend 25 percent ethanol in their motor fuel, and have for over a decade, while the U.S. cannot get past 10 percent?' The answer is Big Oil's death grip on the U.S. consumer."

Monte Shaw, Executive Director, Iowa Renewable Fuels Program:

“Renewable fuels lower gasoline prices. Go to any pump in the state and you’ll see E10 selling for 20 to 30 cents less than the E0, no ethanol, option at the same octane level. And I have seen E85 for sale in the last week 50 to 70 cents under E0. Iowa blenders are taking the renewable identification number (RIN) – that’s the credits bought and sold to ensure compliance with the RFS -- and the blenders are passing the RINs through to the consumers, thereby lowering the cost of fuel.”

“From the day the proposed rule was leaked, the price of corn has gone down. And down. American farmers fought through tough weather and hauled in the largest corn crop in US history. And the price went down. In fact, most farmers I talk with say the current price of corn is below the typical cost of production.”

“...the EPA based the proposed 2014 and 2015 biodiesel numbers on 2011 data. The world has changed a lot since 2011. Soybean production is up and soybean prices are down. The new, up-to-date data was provided to the EPA on more than one occasion. Yet, the EPA chose to use the wrong data to justify their equally wrong proposed biodiesel number.”

“Iowa has 14 registered E15 retailers, 72 blender pump locations and 186 E85 stations. More of each are on the way this spring, including seven more large E15 locations being installed by Murphy USA, one of the largest retailers in the U.S.”

“What do these Iowa retail stations have in common? In each case the station is selling more ethanol than is required under the original 2014 RFS law. In other words, the proof is clear that we do not have a situation where you can’t sell enough ethanol to meet the law. We have a situation where it is simply not being offered to consumers. And the oil industry is actively working to build a bogus blend wall with branded contract restrictions and fuel supply prohibitions.”

Gary Eischeid, General Manager for POET Biorefining in Gowrie, Iowa:

“Ag producers likewise have invested heavily in Iowa ethanol. They have reaped the benefits of increased corn demand. The RFS has added between \$0.90-\$3.60 of added income on a per acre basis to the bottom line of an Iowa farmer.”

Bill Bluml, Commodity Manager at POET Biorefining in Gowrie, Iowa:

“If you take 38 million bushels and add an average of \$0.25 per bushel to the price of those bushels, you have added \$9.5 million to the local economy. And that is in just one county.”

Kevin Monroe, General Manager at POET Biorefining in Jewell, Iowa:

“With second-generation biofuels on the horizon, the EPA’s proposal would strand billions of dollars of this private investment and would halt any future progress. It would also result in more than a 500 million bushel drop in corn demand and threaten many of the jobs the ethanol industry supports.”

Tom Hitchcock, CEO of Redfield Energy in Redfield, South Dakota:

“As a member of the South Dakota Ethanol Producers Association, we have sponsored billboards along the interstate highway near our state’s two largest cities. The billboards say it all-with a U.S. soldier in the background the sign says, “I don’t have to fight for cornfields. Use ethanol.””

Andy Heggenstaller, PhD, Agronomy Research Manager at DuPont Pioneer:

“First, cellulosic biofuels can greatly increase ethanol supply with little or no effect on how land is allocated for food production... With tremendous speed, we have innovated cellulosic biofuel technology to the point we are now bringing on line a next generation cellulosic ethanol facility in Nevada, Iowa. This facility, scheduled to open in the 2nd half of 2014, will produce 30MGPY of ethanol from corn stover: the stalks, leaves, and cobs left behind after corn is harvested.”

Kelly Hansen, General Manager at POET Biorefining in Hanlontown, Iowa:

“...the renewable fuels industry has added \$12.9 billion of income to the pockets of Iowans over the past decade, and has also generated \$1.8 billion of tax revenue for Iowa.”

Grant Menke, Policy Director, Iowa Renewable Fuels Association:

“I’m here today to say that everything about this EPA proposal is bad, bad, bad. First, it’s bad for corn ethanol. EPA’s proposal would unnecessarily limit domestic demand for ethanol at a time when that demand is needed most...Second, it’s bad for biodiesel. EPA’s proposal would unnecessarily cut demand for biodiesel by approximately 700 million gallons in 2014 from the 1.7 billion gallons of biodiesel produced in 2013...Third, it’s bad for cellulosic ethanol. EPA’s proposal creates huge market uncertainty for cellulosic ethanol, chilling investment.”

Kelly Manning, Vice President of Development, Growth Energy:

“According to analysis by Louisiana State University, ethanol has reduced consumer gasoline prices by \$0.78 per gallon-over \$100 billion in savings for American drivers annually.”

Dave Sovereign, President of Cresco Fast Stop-Cresco in Cresco, Iowa:

“In April 2013 we began receiving our E85 fuel direct from a local bio refinery which allowed us to pass the benefit of the resulting RIN sales through to our customers generating savings of \$1 or more per gallon of fuel. For 2013 this single station generated through its sales of ethanol blends a savings to motorists of over \$70,000 over conventional fuels.”

Myron Danzer, General Manager of two biodiesel refineries for the Renewable Energy Group:

“Biodiesel has proven itself with increased production, increased efficiencies, and an increased environmental benefit...Biodiesel is not part of the problem. It is a part of the solution.”

Bill Couser, Couser Cattle Company in Nevada, Iowa:

“Let me do my job with the access to a free market and continue to grow and raise our families in my local community.”

Walter Wendland, President & CEO of Golden Grain Energy & Homeland Energy Solutions:

“With all of the recent discussion in the news about how minimum wage should be a living wage, let’s remember that raising America’s food, feed, and fuel should also provide a living for those who dedicate their lives to it. Agriculture does not want to go back to the way of the 1980s, but without the stabilizing effect of the RFS it could happen.”

Dave Lyons, representing Louis Dreyfus Commodities (LDC):

“When the EPA tallies the final numbers for Renewable Identification Numbers (RINs) production in 2013 it will very likely exceed 16 billion with over 3 billion RINs from advanced biofuel production.”

Tyler Schwarck, Absolute Energy, LLC:

“When RINS hit record prices earlier this year, Absolute Energy and other ethanol facilities pioneered a plan to pass those RINS costs onto the consumer. We at Absolute Energy blend E85 and ship it directly to the retailers. We keep the RINS on those gallons, and discount the E85 by the value of the RINS and then sell the RINS onto the consumer. This idea is twofold: the consumer saves money which then increases sales and introduces more gallons to the market.”

Charlie Kollasch, Farmer from Algona, Iowa:

“Ethanol has played a big part in the increased value in corn, creating a large demand that has helped the American Farmer NOT to be dependent on subsidies.”

Kevin Stumpf, Owner/Operator of Stumpf Family Farms LLC

“I can take one bushel of my corn to the ethanol plant and in turn, produce 17 pounds of high-protein animal feed in addition to almost 3 gallons of ethanol.”

Troy Gibbs, Production Manager at Western Dubuque Biodiesel in Farley, Iowa:

“Biodiesel is one of the most diverse fuels in the world, produced using a broad mix of resources including recycled cooking oil, agricultural oils and animal fats. This has helped shape a nimble industry that is constantly searching for new technologies and feedstocks.”

Jay Byers, CEO of the Greater Des Moines Partnership:

“Based on the size of the renewable fuels industry at year-end 2012, ethanol and biodiesel accounts for nearly \$5.5 billion, or four percent of Iowa’s Gross Domestic Product, generates \$4 billion of income for Iowa households, and supports nearly 60,000 jobs throughout the entire Iowa economy.”

Further Attachment – The attached document contains the following:

1. Prepared comments from participants at the “Hearing in the Heartland” forum held in Des Moines, Iowa, on January 23, 2014. Note: all participants did not submit written comments.
2. Resolutions from the Iowa Legislature calling for robust RFS volume obligation levels.
3. Bipartisan Governors’ Sign-on Letter Regarding EPA RFS proposal.