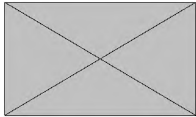


To: leila_getto@ios.doi.gov[leila_getto@ios.doi.gov]
From: Jack Gerard, API
Sent: 2017-11-16T10:42:44-05:00
Importance: Normal
Subject: RFS Reform Can Protect Consumers from Incompatible Fuels
Received: 2017-11-16T10:42:52-05:00

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November 16, 2017

Dear Leila,

Earlier this month, Americans turned their clocks back to mark the yearly end of Daylight Saving Time, a policy implemented to conserve electricity during World War I. By the end of the month, we'll observe another annual ritual rooted in the past, when regulators issue yearly ethanol volume requirements under the [Renewable Fuel Standard \(RFS\)](#).

Granted, the RFS dates from 2005, not 1918, but those 12 years have so [transformed](#) the U.S. energy landscape that it's time to [re-evaluate our ethanol policy](#). The RFS was established to expand our use of renewable fuels while reducing reliance on imported oil. Now that the U.S. leads the world in producing and refining oil and natural gas, we've transitioned from a net importer of refined petroleum products to a [net exporter](#). Surging U.S. production has put downward pressure on prices and enhanced our energy security – two other RFS objectives. But since the law hasn't been adjusted to reflect those game-changing advances, U.S. consumers are faced with increasing amounts of ethanol in the nation's fuel supply each year, [regardless of market demand](#).

Why is that a problem? Adding more and more ethanol to the fuel supply risks breaching the [blend wall](#), which is the point at which the RFS forces more ethanol into the fuel supply than can be accommodated through standard E10 (10 percent ethanol) gasoline or used safely by most cars. Nearly 85 percent of vehicles on the road today were not designed for higher ethanol blends, such as E15 (15 percent ethanol), which extensive industry testing has found threatens [engines and fuel systems](#). Many automakers warn that using E15 could void new car warranties.

Besides potential mechanic bills, the RFS threatens to increase consumer costs in another way – at the pump. The Congressional Budget Office found that forcing ethanol consumption to statutory levels could cost consumers an additional 26 cents per gallon.

America's oil and natural gas industry does not oppose ethanol. Our concern, shared by [a strong majority of voters](#), is that the outdated RFS mandate is a bad deal for consumers.

Fortunately, there are solutions. First, we urge the Environmental Protection Agency (EPA) to set its final 2018 RFS obligations for ethanol at or below 9.7 percent of gasoline demand. That's an amount that allows for sales of ethanol-free gasoline (preferred by many consumers and important for lawnmowers, boats and motorcycles) and recognizes the vehicle and infrastructure constraints that limit the ability to use E15 and E85.

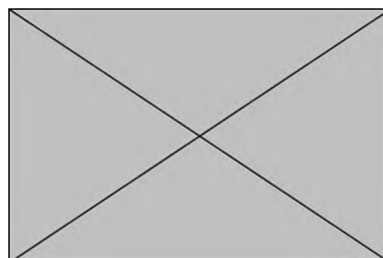
Next, Congress can act to [repeal or significantly reform this broken program](#) before it causes more damage. Congress and the Trump administration have prioritized regulatory reform that puts consumers first. RFS reform certainly fits in that category. By enacting meaningful RFS reform, Congress can protect consumers from the threat of higher energy costs and engine damage. It's time.

Sincerely,

Jack N. Gerard
President & CEO
API

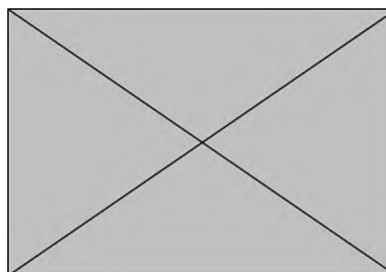
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API is the only national trade association representing all facets of the oil and natural gas industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 625 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 40 million Americans.

To learn more about API and the value of oil and natural gas, please visit API.org.

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Jack Gerard, API
1220 L Street, NW
Washington, DC 20005
US

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