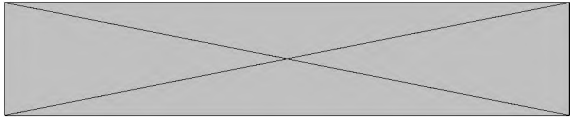


To: leila_getto@ios.doi.gov[leila_getto@ios.doi.gov]
From: Jack Gerard, API
Sent: 2018-04-04T09:32:06-04:00
Importance: Normal
Subject: [EXTERNAL] Time to Reform the Renewable Fuel Standard
Received: 2018-04-04T09:32:09-04:00

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April 4, 2018

Dear Leila,

The United States is on track to surpass Russia and Saudi Arabia as the world's leading crude oil producer in five years, according to new projections from the International Energy Agency. We've led the world in natural gas and oil combined for years, and taking over the top spot in crude oil represents yet another milestone in a remarkable transition from energy dependence to energy security.

But you'd never know it from federal ethanol policy. The Renewable Fuel Standard (RFS), which forces increasing amounts of ethanol into the fuel supply each year, remains stubbornly stuck in 2007 – when turning to corn-based fuel to reduce reliance on overseas energy seemed urgent.

It's not just that growing production of oil and natural gas and falling greenhouse gas emissions have rendered the policy unnecessary. It's the reality that, absent major reform, the RFS can cause big headaches for consumers – including engine damage and increased fuel costs.

Yearly ethanol targets under the RFS were based on assumptions that fuel consumption would increase. But that hasn't happened. Due to a combination of factors, including more fuel efficient engines, Americans are using less fuel than the RFS projected more than a decade ago. Unless RFS ethanol volume requirements are adjusted accordingly, we could end up breaching the blend wall -- the point at which the RFS forces more ethanol into the fuel supply than can be accommodated through standard E10 (10 percent ethanol) gasoline.

Extensive testing by the auto and oil industries shows higher ethanol blends, such as E15 (15 percent ethanol), may damage engines and fuel systems. On top of costly repairs that could entail, the Congressional Budget Office found that consumer gasoline prices could rise by up to 26 cents per gallon unless RFS mandates are decreased.

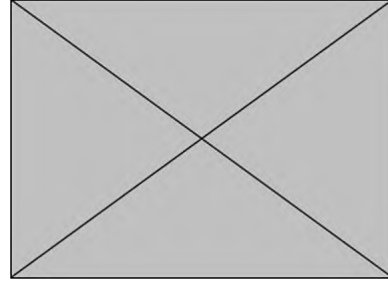
Although the Environmental Protection Agency has taken some steps to adjust the RFS, Congressional action offers the best path to provide regulatory certainty and to protect consumers over the long term – plus, there's bipartisan support for reform. Congress and the Trump administration have achieved a number of consumer-focused regulatory reforms. Adding RFS reform to the list would be a win for consumers and common sense.

Sincerely,

Jack N. Gerard
President & CEO
API

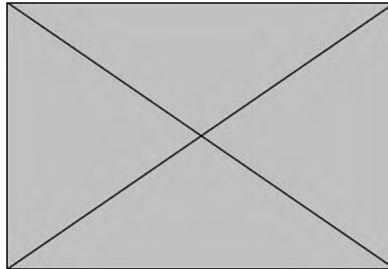
The Growing Momentum of U.S. LNG Exports

The U.S. Energy Information Administration reports that the U.S. has become a net natural gas exporter for the first time since 1957 and that exports of liquefied natural gas (LNG) quadrupled in 2017 over 2016. [Learn why these developments are important for the United States.](#)



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

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