February 23, 2018

Administrator Scott Pruitt
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear Administrator Pruitt:

We respectfully request the Environmental Protection Agency (EPA) adopt an updated lifecycle analysis for corn ethanol. EPA's lifecycle analysis was originally established in 2009 and published in the regulatory impact analysis to a 2010 Renewable Fuel Standard (RFS) rule; this analysis does not reflect improvements in corn and ethanol production since then. Adopting an updated analysis would help fulfill the Trump Administration's pledge to rely on sound science and transparency. Over the last eight years, our organizations and others appealed to the previous administration and the career experts at EPA to update these numbers to no avail.

EPA's forthcoming Triennial Report to Congress offers a new opportunity for the Agency to correct these outdated estimates and take advantage of recent lifecycle analysis updates completed by other federal agencies and university researchers. The U.S. Department of Energy (DOE), through Argonne National Laboratory, and the U.S Department of Agriculture have both been working on updating the input data for corn and ethanol production, improving models, vetting the results, and using the latest analytical resources to develop the most accurate lifecycle numbers possible. Many universities such as Purdue, the University of Illinois at Chicago, and Iowa State show similar improvements. Most of these recent modeling results have been published in peer-reviewed journals.

While lifecycle analysis for corn ethanol may seem less important now for the administration of the RFS, the lifecycle values of biofuels have become very important in global ethanol export markets. EPA's outdated life cycle estimates may now seriously impact corn ethanol exports to foreign markets such as Japan, Brazil, Europe, and South Korea, which are establishing their own greenhouse gas (GHG) standards and/or evaluating ethanol imports based on EPA's outdated lifecycle numbers. Specifically, in the short term, if these numbers are not updated, the United States risks losing export opportunities to competing sugarcane ethanol from Brazil.

For example, the United States recently had the opportunity to compete for ethanol as a feedstock for ETBE exports to Japan. The U.S. Grains Council (in cooperation with agribusiness groups, ethanol organizations, and with university input) demonstrated the significant improvements in the lifecycle emissions of corn ethanol over the past decade, using both the USDA lifecycle analysis estimates and the DOE Argonne model. Due to the differences in the more recent lifecycle analysis from USDA and the outdated estimates from EPA, the U.S. ethanol industry spent additional resources to educate the Japanese authorities on the discrepancies between the USDA and EPA lifecycle analyses. Ultimately, Japanese authorities

accepted the USDA methodology. Attached to this letter is a table used in Japan's original analysis of corn-based ethanol.

As you may know, Brazil became our largest foreign market for corn ethanol in 2016 and remained our largest market in 2017, importing 446 million gallons. Unfortunately, in a move to limit U.S. access to its market, Brazil has implemented a tariff rate quota (TRQ) for ethanol imports. With the TRQ, a tariff is applied to purchases from the U.S. after a 150 million liter (39.6 million gallon) per quarter quota is met.

The original argument for a tariff was based on Brazil's purported interest in reducing carbon emissions from fuel. Brazilian regulators used the 2010 study from the EPA website to arrive at an estimated duty rate slightly below 20 percent. If Brazil had used figures from the USDA study released in December 2016, the same Brazilian formula results in a tariff of just 2.7 percent. The outdated EPA numbers hold the potential to reduce ethanol export opportunities and negatively impact U.S. jobs and the rural economy.

Outdated data and poor models could cause the U.S. corn and ethanol producers to lose market access. These losses will further the economic crisis for corn growers currently struggling with stagnant demand and low prices. Countries that are establishing carbon standards realize that blending ethanol has major GHG reducing impacts and will move to encourage its usage. GHG criteria are important to work the U.S. ethanol industry is carrying out in Colombia, Japan, the EU, and Canada. We expect even more countries will examine the GHG reducing properties of ethanol over the next few years, but they will not choose U.S. ethanol when they rely on the 2010 EPA lifecycle analysis.

We encourage your agency to adopt either DOE/Argonne's latest published results or USDA's recently reported data. We would also be pleased to work with you and your staff to provide information regarding improvements in corn production to help inform EPA's forthcoming Triennial Report.

Sincerely,

Mike Lefever
Colorado Corn Administrative Committee President

Dave Eckhardt
Colorado Corn Growers Association President

Aron Carlson
Illinois Corn Growers Association President

Paul Jeschke
Illinois Corn Marketing Board Chairman

Sarah Delbecq
Indiana Corn Growers Association President

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Dennis McNinch
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Jed Bower
Ohio Corn and Wheat Growers Association President

Troy Knecht
South Dakota Corn Growers Association President

Casey Kelleher
Wisconsin Corn Growers Association President

Kevin Skunes
National Corn Growers Association President

Encl.: Basic Concepts of GHG Emission Reduction Requirement
cc: Secretary Sonny Perdue, U.S. Department of Agriculture
Secretary Rick Perry, U.S. Department of Energy

Basic Concepts of GHG Emission Reduction Requirement

- It is important to establish the GHG emission reduction requirement that is at least targeting CO2 reduction not weaker than other countries, and that possess sufficient effects from the point of efficient biomass utilization.
- Taking into consideration availability of biofuel meeting the requirement, it is decided to be up from 50% gasoline equivalent to 55% gasoline equivalent.

		Values when the current requirements were established (2011)	At present (January 1, 2018 for EU)
Europe and the U.S.	Europe (RED)	35%	50% (Plant built before October 5, 2015) 60% (Plant built before October 5, 2015)
	UK (RTFO)	50%	Same as RED
	US (RFS2)	Existing: 20% Next generation: 50-60%	No changes of the requirements but the target volume of advanced biofuel introduction has been increasing
Japan	GHG emission reduction by woodchip biomass generation	42.8 gCO2/MJ (52.4% reduction compared with gasoline)	47.5 gCO2/MJ (56.5% reduction compared with gasoline)
	Available biofuel	Brazil	Brazil U.S. (domestic next generation)

Summary on the Concept of Proposed Standards (Public Notice) for the Next Policy

- The term for the next policy will be 5 years (2018-2022) with the target volume of bioethanol introduction will be 500,000 KL gasoline equivalent each year.
- The new LCA assessment value for GHG emission (standard value) for U.S. corn bioethanol will be newly established.
- The GHG emission reduction requirement will be raised from 50% gasoline equivalent to 55% gasoline equivalent, in order that at least targets CO2 reduction not weaker than other countries, and that possesses sufficient effects from the point of efficient biomass utilization.
- From the point of view of competition with food crops and self-sufficiency, development of domestic next generation biofuel will be continued.
- The target volume and required policy will be determined in the next minor revision scheduled to be early 2020.

The treatment of biodiesel and other biofuel will continue to be discussed.