



**Charles Drevna, president, American Fuels and Petrochemical Manufacturers**

EPA's recognition of the ethanol blendwall and the potential adverse effects on consumers is a welcome first step; however, EPA's actions are short-term in nature and point to the need for Congress to address the severely flawed and outdated Renewable Fuel Standard (RFS).

The vast majority of existing vehicles and infrastructure cannot handle a gasoline supply containing more than ten percent ethanol ("E10"), which leads to what is referred to as the "E10 blendwall." The blendwall is here, which is why action to stem the growth of the mandate is critical.

Additionally, the RINs used for compliance for the mandate act as permits to sell gasoline or diesel. If a refiner cannot get enough RINs, because not enough biofuel can be blended into the fuel supply safely to generate the number required for compliance, they face a tough choice. They are left to decide how to decrease their obligation by decreasing production, or exporting more fuel than they would normally. Both situations are bad for consumers.

Due to these realities, we feel EPA should actually set the mandate at a level slightly lower than what is in their 2014 proposal. Specifically, they should grant our waiver request to ensure the mandate does not require more than 9.7 percent ethanol to be blended into the fuel supply. Such steps are necessary to retain a supply of pure gasoline required for some engines, account for historical differences between EIA projections of gasoline demand and actual demand, and promote liquidity in the RIN market.

We are not asking for cuts in ethanol production, we are asking to hold-off on increasing the mandate. Ethanol production grew from a nascent industry up to 12.9 billion gallons, at the same time, corn prices doubled.

In closing, we believe that reductions in the mandates are critical to protect the driving public, those who eat and those who breathe air.