

United States Senate

WASHINGTON, DC 20510

January 28, 2014

The Honorable Gina McCarthy
Administrator
Environmental Protection Agency
William Jefferson Clinton Federal Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator McCarthy:

Domestic producers are making real, on-the-ground progress in expanding production to achieve broader commercialization of advanced biofuels. Advanced biofuels have significantly improved environmental performance over petroleum. Many advanced biofuels are produced from renewable sources and do not use food-based feedstocks, such as corn-based ethanol, which faces blending restrictions, can damage certain engines, and poses significant environmental concerns. Given the public value of these next-generation fuels and growth in the industry, we ask that you adjust the proposed Renewable Volume Obligations (RVOs) for 2014 to maintain a robust production target for advanced biofuels.

As fuel consumption continues to decline, we understand the agency's need to evaluate the volume obligations under the Renewable Fuel Standard (RFS). However, we are concerned that reducing the RVOs for advanced biofuels production is the wrong approach. The RFS statute, as established by the Energy Independence and Security Act of 2007, allows for the continued utilization of corn-based ethanol, but it directs that next-generation biofuels gain an increasingly large share of the total RFS as the industry matures. Industry estimates for 2013 show that production of these next-generation biofuels is strong and continues to increase. These estimates indicate that the proposed 2014 reduction in advanced biofuel volumes is not warranted and, in fact, could halt this progress.

RFS compliance is tracked by assigning renewable identification numbers (RINs) to each gallon of fuel produced multiplied by its energy content over ethanol. Estimates based on EPA's data indicate that, in 2013, approximately 3.2 billion Advanced Biofuel RINs will be generated, far exceeding the 2.75 billion RIN requirement for the year. Because of the way the statute is written, the excess RINs can be used to qualify for 2014. Even if the industry does not produce a single additional gallon of fuel over this year's volume, it will still generate over 3.75 billion RINs (3.2B produced + .55 carried over) next year.

If the final rule were to include the proposed level of 2.2 billion gallons for advanced biofuels, or within a range from 2.0 billion to 2.51 billion gallons, the 2014 RVO will nearly be

halved, thus taking away any practical incentive for future investment in advanced biofuels. The low end of that range represents a 20 percent cut from the 2013 level and a 1.55 billion-gallon reduction - or 41 percent - from the volume contemplated by statute. Since production data indicates that there will be adequate volumes of advanced biofuel available in 2014, we encourage the EPA to review its proposed target. At the very least, the EPA should maintain the standard at current production levels, which industry is expected to easily meet, to enable continued growth of advanced renewable fuels.

Maintaining a robust target for advanced biofuels will help protect a collective \$14 billion investment in the development of advanced and cellulosic biofuels. Many of these new advanced biofuels are hydrocarbons compatible with our existing pipelines, refineries, planes, trains, ships, and automobiles and are not food-based products. They are made in every corner of the country, as dozens of companies are working today to raise capital, build manufacturing facilities, and bring to market advanced biofuels with at least 50 percent lower greenhouse gas emissions than gasoline. These companies bring new technologies to market, produce fuel, and create jobs in rural areas.

Our country requires a diverse and secure energy future that includes advanced biofuels. It is imperative that the EPA encourage the continued expansion of advanced biofuels. Doing so will reduce carbon pollution and contribute to a more sustainable energy supply now and in the future by helping next-generation biofuels take on a larger share of the total RFS.

Thank you for your consideration and we look forward to your response.

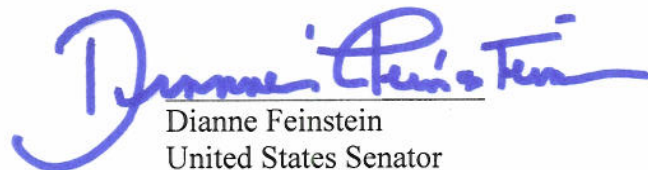
Sincerely,



Benjamin L. Cardin
United States Senator



Susan M. Collins
United States Senator



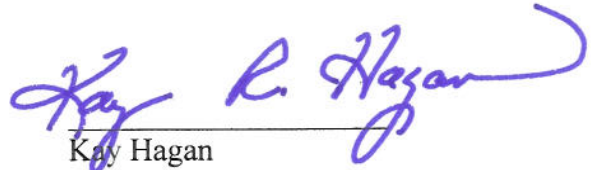
Dianne Feinstein
United States Senator



Bill Nelson
United States Senator



Sheldon Whitehouse
United States Senator



Kay Hagan
United States Senator



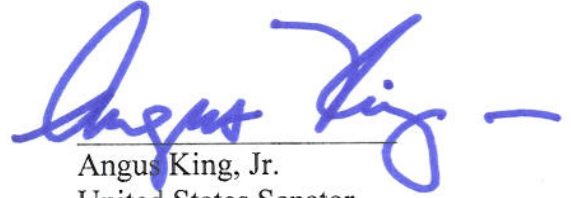
Brian Schatz
United States Senator



Mazie K. Hirono
United States Senator



Martin Heinrich
United States Senator



Angus King, Jr.
United States Senator

BLC:jrk