

I want to thank Chairman Whitfield and Ranking Member Rush for accepting my testimony today on the importance of maintaining the RFS program.

Energy is at the heart of the American economy. Energy powers our homes and businesses, and it is vital that America has access to the most affordable and most extensive sources of energy possible. Moreover, our national security is also tied to the energy sector. If we rely on sources of energy that come from abroad, then we expose our nation to the whims of tyrants and terrorist sponsoring states. The Renewable Fuel Standard (RFS) was created with these goals in mind: to promote the development of affordable, low pollution, domestically produced fuel sources. Not only have these goals been met thus far, but the RFS and the work and innovation of our biofuels industry over the last few decades has allowed the fields that have fed the world, to fuel it as well.

To examine further the benefits of the RFS, I want to highlight an academic work done by professors Dermot Hayes of economics and finance at Iowa State University, and Xiaodong Du of the Department of Agricultural and Applied Economics at the University of Wisconsin-Madison. Their analytical report entitled “The Impact of Ethanol Production on US and Regional Gasoline Markets: An Update to May 2009”, showcases the breathtaking and positive effects that ethanol and the RFS have had for the American economy. Their work concluded that in 2010 alone the effect of ethanol being blended into the fuel market lowered the price of the average gallon of gasoline by \$0.89, saving Americans around \$120 billion per year at the pump. They also concluded that if ethanol were suddenly removed from the fuel market altogether, the resulting gasoline price spike would be between 41% and 92%, crippling the US economy and almost certainly plunging our fragile economy back into recession.

Beyond the substantial economic benefits for American families, a Congressional Research report from 2012 asserts that in the first six years after the implementation of the RFS oil imports declined by 33%. Furthermore, this report forecasts that over the next 20 years US oil imports will be less than a third of what they would have been expected to be prior to passage of the RFS. This dramatic decrease in imported oil helps to safeguard the national security interests of the United States by insulating our economy from the supply shocks and price volatility that is intrinsic to the world’s petroleum market. Due to the irregularity of global production of crude and refined petroleum products, a reliance on these goods for energy exposes our nation to possible catastrophe. The oil crisis of the 1970s and the resulting stagflation serve as a warning and a reminder of the danger of relying on a 100% petroleum mandate. The oil crisis of the 1970s also reminds us of the damage that Iran, a known state sponsor of terrorism, can inflict on the US by manipulating their oil production. The RFS has tremendously reduced the amount of US dollars that have been sent to terrorist sponsoring nations, such as the Islamic Republic of Iran. There is no serious doubt that if we had the RFS and our present biofuels industry in the 1970s, it would have substantially mitigated the very serious damage to our economy while, at the same time, limited or even eliminated the Great Farm Crisis of the 1980s.

In my home of Iowa we all know the benefits of biofuels that I have outlined here, but unfortunately not everyone does. This is why I have championed the fight to maintain the original volumes of biofuels in the RFS. The biofuels industry has created countless American jobs and has spurred economic growth across our country. The biofuels sector has directly added \$5.6 billion of GDP and 62,000 jobs to the state of Iowa alone. In Iowa we produced about 30% of the nation's ethanol, saving Americans tens of billions of dollars at the pump each year. Furthermore, we can thank the ethanol industry for having reduced the annual carbon footprint of the United States by the equivalent of 27 million cars. It is thus imperative that the RFS not only continue to remain a policy of the United States, but one that is administered in accordance with established law.

Unfortunately, this Administration, in a blatant violation of Congress's Article I authority and in contravention of established US law, has begun to alter the RFS based on biased and arbitrary positions. Whether or not you agree with the plethora of hard science and academic work that illustrates the positive effects of the RFS, we must stand firm against the abuse of the program by this administration. It is with this in mind that I must stand in opposition to H.R. 5180, a bill that would reward this administration by enshrining into law the very abuse that this President has committed thus far. H.R. 5180 would grant legal cover to the EPA to continue its currently illegal policy of arbitrarily reducing the level of biofuels in America's fuel economy. The effect of this bill would be to undo the progress of the biofuels industry and the RFS thus far. The President's abuse of the program has already stunted economic and job growth, leaving fuel prices high, and our nation more susceptible to foreign manipulation of the oil markets. H.R. 5180 would raise the petroleum mandate to 90.3%, weakening the United States and increasing the probability of another oil and economic crisis, similar to that of the 1970s. H.R. 5180 would only serve to aid this President in these endeavors, and to weaken our nation.

I urge Congress to preserve our Article I authority, and hold firm to established law. It's time to reaffirm our support of the RFS; a program that has improved the quality of life of every American, and strengthened our national security. The RFS has been great for Iowa and great for America. It is the only tool that provides market access to ethanol and other renewable fuels so they can be sold in competition with the petroleum industry, which has benefited from a century of Federal subsidies and support. It strengthens our national security, decreases our dependence on foreign sources of energy, gives consumers lower cost options at the pump, and creates jobs for Americans. To weaken, reduce, or eliminate the RFS, as HR 5180 does, moves the US in the direction of a 100% petroleum mandate.