

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on “The Renewable Fuel Standard – Implementation Issues”
June 22, 2016

(As Prepared for Delivery)

This morning we will revisit the Renewable Fuel Standard, the EPA program to add agriculturally-based fuels like ethanol and biodiesel to the nation’s transportation fuel supply. It has been nearly a decade since the RFS was last revised by Congress in 2007, and a great deal has changed in the interim. Energy markets have evolved in ways that were not predicted back then, and RFS implementation has taken many unexpected turns. For these reasons, we are conducting this hearing to assess the status of the RFS, and I welcome both the government and stakeholder witnesses who will provide us with many perspectives on this multi-faceted issue.

As I see it, the RFS was enacted largely for three reasons – to reduce America’s dependence on foreign oil, to lower greenhouse gas emissions, and to strengthen rural economies. Over the span that the RFS has been in place, oil imports have indeed declined dramatically. However, most of this trend is due to sharply increased domestic oil production – something that few imagined was even possible during the Congressional debates over the RFS. Little of the decline in import dependence can be attributable to the RFS itself.

The RFS was also supposed to provide a means for significantly reducing greenhouse gas emissions, but a growing number of scientists and environmental advocates are saying otherwise. Reports from the National Academy of Sciences, the Intergovernmental Panel on Climate Change, the Congressional Budget Office and others have all hedged on whether renewable fuels are delivering the promised greenhouse gas reductions. And today, we will learn more about research showing that the RFS may be resulting in the destruction of carbon-storing natural lands that are being converted into cropland. In fact, EPA’s Inspector General is currently investigating whether the agency has been ignoring these and other scientific developments that raise questions about the impact of the RFS on emissions.

The third goal of the RFS is to boost rural economies, and here we can say that the program has delivered on its promise. The RFS has strengthened the demand for and price of corn, soybeans and other feedstocks. And the bio-refineries that turn these materials into renewable fuels are primarily located in small farming communities where they provide a substantial number of jobs. I might add that many in the animal agriculture sector believe that the RFS raises the price of feed, so the benefits are far from universal, but overall the program remains popular in rural Kentucky and most of rural America.

I believe we should have an open mind on whether changes are needed. Perhaps we can improve upon the benefits of this program while minimizing the downside.

I am particularly concerned about the impact of the RFS on consumers. Billions of gallons of ethanol are being added to the fuel supply and we need to be certain that these renewable fuel-containing blends work well for the owners of the millions of cars, trucks, motorcycles, boats, and small engine equipment who use them. That is why I am particularly pleased that we are being joined by Mr. Todd Teske, the CEO of Briggs & Stratton, who can expand on the impacts of the RFS on outdoor power equipment.

In addition, I am concerned about the program’s long-term future, especially given that after the year 2022, the EPA will have a great deal of latitude in redesigning the program as the agency wishes. For these and other reasons, I welcome this important and necessary discussion of the RFS.

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