



Statement of Roger Johnson On behalf of the National Farmers Union

Hearing Before the U.S. House of Representatives Committee on Energy and Commerce
Subcommittee on Environment

“Discussion Draft: The 21st Century Transportation Fuels Act”

December 11, 2018

The National Farmers Union (NFU) appreciates the opportunity to submit this statement, as part of the Subcommittee’s hearing on “Discussion Draft: The 21st Century Transportation Fuels Act,” to express its strong support for continued promotion of renewable fuels. NFU believes a robust and lasting national policy would continue to provide the numerous economic, environmental and national security benefits associated with increasing biofuel production and use. More could and should be done, particularly to move this country toward high octane fuels through use of higher blends of ethanol. High octane fuels provide numerous benefits to farmers, consumers and communities across the United States. Higher blends of ethanol, such as mid-level blends of E20-E40, are readily available and the most cost-effective means to reach this widely supported goal.

NFU has nearly 200,000 family farmer, rancher, and fishermen members nationwide and organized divisions in 33 states. We have supported family agriculture and rural communities since 1902. Family farms are key to a safe, secure and stable food system. Biofuel production represents a much-needed market for farmers, particularly at a time when rural America is facing a major financial crisis in the farm sector. Domestic utilization of crops for biofuel production helps stabilize and support prices, while promoting sustainable agriculture, reducing carbon emissions, improving air quality, and enhancing the nation’s energy independence and security.

NFU has participated in administrative proceedings, supporting regulatory action addressing use of ethanol as a fuel additive for gasoline formulations to enhance octane levels. NFU was pleased when EPA recently requested comments on the benefits of high-octane fuels as part of its proposal on its light-duty vehicle rule to address greenhouse gas emissions (GHG) and fuel economy (CAFE) and is encouraged by President Trump’s support for year-round use of E15 in directing EPA to revise its Reid Vapor Pressure regulations. While disappointed that EPA has yet to propose any specific regulatory actions that would remove obstacles to higher ethanol blends entering the market and that would move the country toward high-octane fuels, NFU believes there are several ways EPA could do so, providing significant benefits to the rural community and beyond.

Currently, the adoption of higher ethanol blends in our transportation fuel sector is disincentivized in favor of other technologies, despite mid-level ethanol blends offering the most economical and technologically feasible path toward high-octane fuels. This is misguided, as EPA is charged with facilitating compliance with the Renewable Fuel Standard and CAFE/GHG programs, and with reducing emissions of air pollutants, especially of air toxics associated with petroleum based alternatives for enhancing octane levels. Ultimately, this also limits investments and benefits to farmers.

Research has shown the benefits of mid-level ethanol blends. The synergies between high octane fuels and more efficient, high compression engines must be recognized and supported. Ethanol has a very high octane number and has many other benefits that increase engine efficiency and reduce tailpipe air emissions, supporting these advanced engines. It provides these benefits at a lower cost than any other octane booster in gasoline. Feedstock availability and costs are not expected to be obstacles to the substantial development of a high-octane fuel market. In short, consumers would benefit from fuel cost savings, reduced price volatility, increased performance, and the energy security and environmental attributes of mid-level ethanol blends.

Regulatory actions can and should be taken to promote mid-level ethanol blends. Briefly, these include:

- Easing the Ability to Use Mid-Level Ethanol Blends as Certification Fuel Under EPA Regulations;
- Adjusting the CAFE/GHG Regulations to Better Account for Ethanol Content in Fuels, Including Providing Credits to Support Vehicles that Promote Increased Use of Renewable Fuels;
- Modifying EPA Emissions Modeling to Better Account for the Benefits of Ethanol;
- Reconsidering EPA's Reid Vapor Pressure Requirements for Mid-Level Ethanol Blends; and
- Growing and Enforcing the Renewable Fuel Standard Program.

NFU appreciates the Subcommittee's consideration and acknowledgement that high-octane fuels may be the transportation fuel for the 21st Century. NFU agrees that fuel and vehicle regulation can and should work hand-in-hand to promote clean-burning, alternative renewable fuels. High octane fuels through higher blends of ethanol should be the fuel for today and the future. Virtually all parties, including EPA, acknowledge the GHG and fuel economy benefits of high-octane fuels in more efficient engines, and the cost-effectiveness of using higher ethanol blends to meet these goals.