



Melissa Velez-Morales

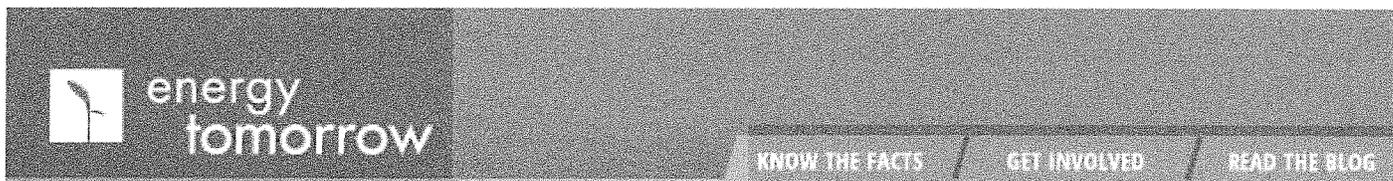
From: Masser, Michelle
Sent: Wednesday, March 02, 2016 11:27 AM
To: Gouveia, Susan; Melissa Velez-Morales
Subject: FW: This is the Year for RFS Action

CORRESPONDENCE

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From: Jack Gerard, API [mailto:Jack_Gerard_API@mail.vresp.com]
Sent: Wednesday, March 02, 2016 11:08 AM
To: Masser, Michelle <clerkmichelle@mtolivetwp.org>
Subject: This is the Year for RFS Action

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March 2, 2016

This is the Year for RFS Action

Dear Michelle,

"When a government policy distorts the market so much that restaurants, our suppliers, grocery stores and consumers are forced to pay more than we would under normal market conditions, it's time to change it."

That's a small business owner explaining the impact of the Renewable Fuel Standard (RFS) on restaurants. Elevated food costs are just one of the many negative consequences of the federal mandate requiring increasing amounts of ethanol in the nation's fuel supply each year, regardless of market conditions.

The RFS was in the spotlight again last week, as the Senate Environment and Public Works Committee conducted an

Market-Based Solutions Drive Emissions Down

One of the chief goals of the RFS was to cut greenhouse gas emissions. However, multiple studies show the policy is actually bad for the environment. The United States does have an emissions reduction success story, and it's due to greater availability of clean-burning natural gas, which has helped drive carbon emissions to near 20-year lows. Read more about the success of the U.S. model in reducing emissions without sacrificing energy security or economic growth.

oversight hearing on the policy. It's a law that certainly invites scrutiny due to the significant and wide-ranging damage it causes. Besides raising the consumer price index for food by 25 percent since 2005 because ethanol production has diverted nearly 40 percent of the U.S. corn crop from food to fuel, the policy is also bad for drivers and the economy.

In testimony before the committee, Lucian Pugliaresi, president of the Energy Policy Research Foundation, Inc. (EPRINC), shared EPRINC's conclusion that continuing to administer the RFS as written "would increase gasoline prices from approximately 30 cents to 50 cents a gallon" and cautioned Congress to address "the risk to economic recovery" this poses. Mr. Pugliaresi continued: "Lower gasoline prices are yielding annual savings for the U.S. economy of \$129 billion, or an estimated \$1000 per year per household. These savings to consumers are essential for expanding economic growth, particularly in light of the enormous losses we are seeing from rapid cuts in capital investment in domestic oil and gas development... Great care should be taken to ensure that these savings are not lost through a regulatory program that increases gasoline prices."

As Mr. Pugliaresi also reminded lawmakers, "A large percentage of the gasoline-powered fleet cannot accept fuel with more than 10 percent ethanol without damaging engines."

In conjunction with the hearing, the National Retail Federation released testimonials from chain restaurant owners explaining the impact of rising food prices on their small businesses. A Wendy's franchise owner in Virginia stated, "The corn ethanol mandate, or RFS, is costing my small company up to \$34,000 more in higher food costs per restaurant, each and every year. For our family business, that's approximately \$374,000 a year in additional costs." A Wisconsin Arby's owner concurred, explaining, "Shortly after we began our own business, the food commodity prices really started to affect things... Our plans for growth were halted. The high food commodity costs have kept our margins tight and our outlook unsure."

That's a high price to pay for a policy that was intended to cut greenhouse gas emissions but actually increases them compared to regular gasoline, according to EPA data and multiple studies.

We've had 10 years to evaluate the RFS in action, and the evidence is overwhelming. It's time to repeal or significantly reform this outdated, failed policy.

Sincerely,

Jack Gerard
President and CEO
API

AFFILIATED PROJECTS

EnergyFromShale.org

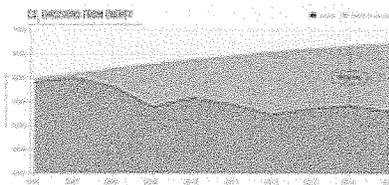
Gas Prices Explained



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