

August 28, 2019

The Honorable Donald J. Trump  
President of the United States  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

As some of the nation's largest ethanol producers, we write today to thank you for your continued support of the entire U.S. liquid fuels industry. Collectively, our companies produce nearly 20 percent of the current U.S. ethanol supply and purchase over 1 billion bushels of corn annually from farmers throughout the Midwest and elsewhere. Accordingly, we are deeply familiar with the implementation and market implications of the federal Renewable Fuel Standard (RFS) and the real drivers of current U.S. ethanol production and consumption.

As your EPA continues its implementation of the RFS, it is vitally important that any decisions be based on accurate information and that any potential "solutions" ensure that the U.S. liquid fuels industry remains the dominant force in the global market. Unfortunately, recent media reports on the RFS have contained several serious misstatements about the current ethanol market. First, a number of agribusiness interests have falsely suggested that EPA's use of small refinery exemptions (SREs) has undermined the demand for ethanol in the U.S. This is simply untrue. Publicly-available data from the U.S. Energy Information Administration (EIA), private data services, DOE, and EPA have all concluded that SREs have not dampened U.S. ethanol consumption. The data is unassailable and, moreover, we can confirm we have not seen any damaging impacts related to SREs on the ground at our plants. The fixes that are being suggested by the Department of Agriculture and the biofuels community that would raise the conventional biofuel mandate will do nothing to increase domestic ethanol usage, but will only give incentives for more imported biodiesel. The best path forward is comprehensive fuels policy reform legislation that moves the broken RFS closer to free market principles.

Second, it has been suggested that SREs are the key reason why some plants have curtailed ethanol production or even shuttered. It is certainly accurate to say that the U.S. ethanol industry has faced a challenging environment in the past year from: an oversupplied market, the continuing global trade disputes, and the historic Midwest flooding. All of these issues are real for our industry and have led some companies to update their operations to reflect market conditions. Those choices are always difficult, however, the solution is not to blame a phantom menace—the SREs—and to impose policies that damage the other critical parts of our liquid fuels industry with no discernible benefit for ethanol producers or farmers.

Lastly, despite claims from agribusiness interests, the corn ethanol industry has matured past the point where its opportunities and challenges are dependent on RFS mandates. Corn ethanol is a mature product and a critical low-cost source of octane for the gasoline that our economy relies upon. Continued pressure by some to unrealistically increase blending

requirements in the annual Renewable Volume Obligation (RVO) rulemaking or through the statutorily prescribed RFS “reset” ignores the real accomplishment our industry has made over the years to produce a product that can thrive in a free and open global market.

Both petroleum refiners and ethanol producers face real public policy challenges in the coming years, and we should continue to work together toward free market solutions which will ensure the viability of the entire liquid fuels market. We urge you to prevent other changes to the RFS that would threaten the viability of our Nation’s refineries.

Thank you,



Joseph W. Gorder  
Chairman, President and CEO  
Valero Energy Corporation



Gary R. Heminger  
Chairman and CEO  
Marathon Petroleum Corporation



Jeff Ramsey  
President & CEO  
FLINT HILLS RESOURCES, LP