



Iowa Renewable Fuels Association

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Big Oil's Best Kept Secret: **The Federal Petroleum Mandate**

The petroleum industry and its front groups are fond of complaining that renewable fuels, such as ethanol and biodiesel, receive special treatment from the federal government in the forms of tax incentives, infrastructure programs, and especially mandates.

This line of attack by Big Oil is simply an effort to divert attention away from the truth: no industry in American history has – and continues – to benefit more from federal government subsidies, infrastructure programs, and MANDATES than petroleum.

Big Oil is Protected by the Federal Petroleum Mandate

The Federal Petroleum Mandate, which is the biggest impediment to consumer fuel choice in the U.S., requires that the vast majority of fuel consumers buy petroleum-based.

Most people are unaware that for nearly 40 years, Federal law has required that any fuel you put into your vehicle must first be approved by the EPA.¹ As you might expect, petroleum-based gasoline was grandfathered into this system. Today, if you use an unapproved fuel in your car or truck, you are subject to a \$25,000 per day fine.²

Currently, the EPA-approved fuels are E0, E10 and E15.³ From a petroleum perspective that means the approved fuels range from 100% petroleum down to 85% petroleum. American motorists, therefore, are under an 85% Federal Petroleum Mandate.

Federal Law Requires that Virtually Every Gallon of Fuel Sold to Passenger Vehicles in the U.S. Must Contain a Minimum of 85% Petroleum

That is not a free market.

That is Big Oil's best kept secret: the Federal Petroleum Mandate.

¹ 42 USC § 7545(a), (b) & (f)

² 42 USC § 7545(d)(1) and 42 USC § 7524(a)

³ Drivers of flexible fuels vehicles, which make up roughly five percent of vehicles on the road today, may run their vehicles on any fuel ranging from E0 to E85.