

Prepared Remarks for
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EPA RFS Hearing on proposed 2020 RVOs
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Thank you for letting me speak today. I am Monte Shaw, executive director of the Iowa Renewable Fuels Association.

First let me recognize that everything I'm about to discuss was likely based on decisions made by people who aren't in the room here today. So, don't take it personally, but hopefully it will trickle back to those responsible.

And if I get a little emotional this morning please forgive me. Yesterday I spent a good deal of time ensuring that the Iowa Workforce Development rapid response team was getting in touch with the HR department of an Iowa ethanol plant that has been forced to shut down production due to eroding demand. Assisting in those types of situations ranks as one of my least favorite tasks. It is a task I have not had to do since the historic drought of 2012 – until this week.

When this has happened in the past, I have often been asked to meet with employees to discuss the situation and what the future may hold. Inevitably, their questions boil down to this: Why? The plant was running fine, but now our jobs and ability to support our families is in jeopardy. We did our job, why can't the EPA just do theirs? Why can't the EPA just follow the law?

So today I'm going to focus my time on one issue – the remand of 500 million gallons of ethanol illegally destroyed in the 2016 renewable volume obligation (RVO). While this is not the single most important issue at stake in this proposed rule, the national ethanol and biodiesel groups have done an admiral job addressing refinery exemptions (SREs), reallocation, and the biodiesel RVO.

The reason I will focus on the 500-million-gallon remand is simple – for the last three years I have viewed the remand issue as essentially a baseline litmus test for how the EPA will treat biofuels.

Simply put, if biofuels and rural America cannot get a square deal on an issue that is so completely black and white as the remand, then it's clear we have no hope for fair treatment during the Trump Administration in areas where the EPA actually does have some discretion, like RVOs, SREs, and the reset.

In illegally cutting 500 million gallons from the 2016 RVO, the EPA blatantly manipulated the Renewable Fuel Standard (RFS) law, trying to pretend that the definitions of supply and demand were backwards. In striking down this illegal action, the D.C. Circuit Court used some of the most clear and stern language to chastise the EPA I've ever read in a federal court decision.

And not quite a year ago, EPA Administrator Andrew Wheeler spoke with many Iowa ag leaders during his visit to the Iowa State Fair. During that roundtable, I personally asked Mr. Wheeler about the 2016 remand. He stated that EPA would positively address the remand by the end of 2018 in the RFS reset proposal.

Now, out of the blue, this draft rule proposes that the EPA will simply ignore the remand order.

Consider, throughout the process on this issue, the EPA has:

- * ignored the clear letter of the law
- * ignored the clear intent of Congress
- * ignored the clear meaning of words in the English language

And now the EPA proposes to add to that list:

- * ignoring the clear direction of the 2nd highest court in the land to restore those gallons.
- * ignoring the personal commitment of EPA Administrator Wheeler to Iowa ag leaders to restore those gallons in a timely fashion.

The law passed by Congress is clear. The court order to fix EPA's illegal action was clear. The EPA should not effectively thumb its nose at the other two branches of our federal government. Quite frankly, it's hard to fathom such a blatant disregard of the Administration's constitutional duties.

If the EPA is so cowed by the petroleum industry that biofuels cannot get a square deal on the 2016 remand, then no farmer in America should ever expect to get fair treatment from the Trump EPA.

If the EPA cannot do right by the 2016 remand, then I have no faith that the Agency will be a fair and neutral arbiter on the more complex issues of annual RVOs, SREs, and the reset.

When I talk to the employees of the shuttered ethanol plant and they ask "why?" I have no satisfactory answer. I can only tell them that actions speak louder than words. And the actions proposed by the Trump EPA in this rule are designed to keep the biofuels industry underutilized, unstable, and unprofitable.

It is not too late to do what's right. I urge you to fix this rule before it becomes final.