

**House of Representatives
Committee on Energy and Commerce
2125 Rayburn House Office Building**

April 19, 2012

Dear Congressperson,

The undersigned diverse group of business associations, consumer protection organizations, hunger and development organizations, agricultural groups, environmental groups, budget hawks, grassroots groups and free marketers urge you to oppose the Domestic Fuels Act of 2012. The Domestic Fuels Act would provide liability protection for retailers, engine manufacturers and fuel producers for any problems that occur as a result of using 15% ethanol in engine fuel (E15), a mix recently approved for use by the Environmental Protection Agency (EPA). This bill would leave consumers and taxpayers vulnerable to the potential damages and costs incurred on their engines, public safety, health, and the environment associated with using E15. The ultimate protection for businesses and consumers alike would be to slow the process of moving towards E15 until all of the potential harmful impacts have been addressed.

There has yet to be a thorough analysis of the environmental and economic impacts of increasing the amount of allowable ethanol content in gasoline to 15% (E15). In fact, Congress and the Government Accountability Office (GAO) already agree that more testing and research is needed before E15 is ready for the marketplace. On February 19, 2011, 285 members of Congress supported this exact measure as amendment to H.R. 1.¹ In 2011 the GAO issued a report identifying several health, safety, cost, and environmental issues that warrant additional study in relation to mid-level ethanol blends.² In addition, a report from the National Renewable Energy Laboratory (NREL) raised fundamental concerns regarding the use of E15 in marine engines.³

A move to higher blends of ethanol with gas could also produce another demand shock to our corn market. This demand shock could cause food prices to spike at home and abroad. Biofuels expansion in general, and U.S. corn ethanol expansion in particular, are widely seen as one of the main contributors to the recent surge in global food prices.⁴ With food and gas prices climbing, we need to proceed with caution to ensure that we don't continue to subsidize or expand the market for corn ethanol, which could raise food prices, threaten the health and safety of our citizens and the environment, and do so with huge costs to the taxpayer and consumer.

The undersigned groups have varied views on the overall issue of providing liability protection for a given industry or set of products affected by federal mandates. However, it is clear that the main effect of this legislation is to expand the existing web of government subsidies and regulations that support ethanol while forcing consumers and taxpayers to absorb the real and exorbitant costs. We are united in our concerns about the impacts of ethanol for the environment, economy, and consumers, and urge you to oppose the Domestic Fuels Act.

¹ Roll Call Vote #134 agreeing to Sullivan of Oklahoma amendment #94: 285-136.

² Government Accountability Office. Biofuels Challenges to the Transportation, Scale, and Use of Intermediate Ethanol Blends. GAO-11-513. July 2011.

³ David Hilbert, A Study of the Effects of Running Gasoline with 15% Ethanol Concentration in Current Production Outboard Four-Stroke Engines and Conventional Two-Stroke, National Renewable Energy Lab (June 16, 2010 – June 30, 2011).

⁴ Wise, Timothy A. and Sophia Murphy, Resolving the Food Crisis: Assessing Global Policy Reforms Since 2007, Tufts University and IATP. 2012

Sincerely,

ActionAid USA

American Bakers

American Meat Institute

Americans for Limited Government

Americans for Prosperity

California Dairy Campaign

Clean Air Task Force

Competitive Enterprise Institute

Freedom Action

Friends of the Earth

Grocery Manufacturers Association

Milk Producers Council

National Black Chamber of Commerce

National Chicken Council

National Council of Chain Restaurants

National Meat Association

National Taxpayers Union

National Turkey Federation

Oxfam America

Southeast Milk Inc

Taxpayers for Common Sense