Good morning Chairman Whitfield, Ranking Member Rush, and members of the Subcommittee. I appreciate the opportunity to testify before you today.

My name is Chet Thompson and I am the President of the American Fuel and Petrochemical Manufacturers. AFPM represents the domestic petroleum refining sector. Our members account for 98 percent of the capacity of the nation's refining industry, which transforms crude oil into the many fuels and products that Americans rely upon for their everyday life. Unlike others on the panel, our members are Obligated Parties under the RFS program, which means we are left holding the bag when things don't go well.

I would like to use my limited time to highlight some of the key points of our detailed written testimony:

First, the RFS is irreparably broken and needs to be repealed. After more than a decade of implementation, it is clear to almost everyone other than the biofuel industry that the RFS program is not working as Congress intended, and that the two purposes cited by Congress for establishing the program—energy security and emission reductions—are either no longer an issue or not being addressed by the program, or in fact being made worse.

The United States is more energy secure than ever before. Indeed, we now are world's largest producer of oil and natural gas. And, according to EIA, the RFS has played only a "small part" in this transformation.

And the notion that the RFS program is better for the environment is at best debatable, and many, including the National Academy of Sciences, believe that the RFS may, in fact, be a net negative to the environment.

The time has come for Congress to repeal the RFS and let the biofuels industry stand or fall on its own, like other industries.

Second, AFPM is not anti-biofuel. To the contrary, several AFPM members are large ethanol and biofuel producers. We believe biofuels play an important role in the U.S. fuel supply, and would continue to do so in the absence of the RFS mandate. What we are is anti-government mandates.

Third, as to last year's standards and this year's proposal, we support EPA's acknowledgment that the ethanol blend wall is real and the decision to use its waiver authority to adjust annual standards accordingly. That said, we do NOT believe that EPA has gone far enough to ensure that annual standards are reasonably achievable. The RFS requires increasing volumes of biofuel to be squeezed into and inadequate biofuel infrastructure and a decreasing demand for transportation fuel, despite almost non-existent consumer demand for these fuels. This is what gives rise to the E10 blend wall. As EPA has repeatedly recognized, only a tiny fraction of the fuel distribution and retail infrastructure is designed to accommodate fuels containing more than 10 percent ethanol. Moreover, the vast majority of cars on the road today are not warrantied to handle more than E10, and nor are small engines equipped to handle such blends.

Demand is much lower than when Congress enacted the RFS. For example, in 2007, EIA projected 2016 gasoline demand of 160 billion gallons; it has since revised its projection to 142 billion gallons. Its projections for 2022 also has dropped by 23 percent.

To overcome this and meet its aggressive 2017 proposal, EPA would eliminate—in one year-- 96 percent of the ethanol free gasoline or E0 market (taking it from 5 billion gallons to just 200 million), and require consumers to purchase record-breaking volumes of E85, E15, and biodiesel, ignoring the obstacles that EPA itself acknowledges still exist. If biofuel production so far this year is any indication, EPA's proposed standards are indeed unachievable.

And, as a former deputy general counsel of EPA, I would be remiss not to mention that the Clean Air Act clearly provides EPA with authority to adjust annual standards to account for the E10 blendwall and other infrastructure obstacles. The biofuel industry's challenge to this authority is without merit.

Finally, AFPM supports H.R. 5180, the "Food and Fuel Consumer Protection Act of 2016." While AFPM would prefer RFS repeal, the association fully supports H.R. 5180 introduced by Congressmen Flores and Welch, and cosponsored by 9 other members of this Sub-Committee. The legislation would prevent EPA from forcing more ethanol into the fuel supply than it can reasonably handle, which in turn will provide more stability in the RIN market and preserve some consumer choice for ethanol-free gasoline. This legislation represents a good faith compromise that deserves the support of every Member of Congress.

Thanks again for the opportunity to be here today, and I'm happy to answer any questions.

For Chet Thompson's full written testimony, please click here.

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