

HM 243

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2014

1 House Memorial

2 A memorial to the Congress of the United States,
3 urging Congress to repeal the Renewable Fuel Standard
4 established under the Energy Independence and Security
5 Act of 2007.

6
7 WHEREAS, in enacting the Energy Policy Act of 2005,
8 Congress established the Renewable Fuel Standard (RFS) program
9 to ensure that transportation fuel contains a minimum volume of
10 renewable fuel, and

11 WHEREAS, the Energy Independence and Security Act of 2007
12 increased the volume of renewable fuel required to be blended
13 into transportation fuel from 9 billion gallons in 2008 to 36
14 billion gallons by 2022, and

15 WHEREAS, the amended RFS program, known as RFS2, requires
16 that a greater amount of renewable fuel, including cellulosic
17 biofuel, biomass-based biodiesel, and other advanced biofuels,
18 be blended into the motor vehicle fuel supply, and

19 WHEREAS, a study commissioned by the American Petroleum
20 Institute (API) estimates that, by 2015, the volume mandates set
21 forth in RFS2 could increase gasoline prices by as much as 30
22 percent and diesel prices by as much as 300 percent, and

23 WHEREAS, the API study finds that, by 2015, the adverse
24 macroeconomic impacts of RFS2 will include a \$770 billion
25 decline in gross domestic product and a corresponding reduction

26 in consumption per household of \$2,700, and

27 WHEREAS, the API study concluded that as the renewable fuel
 28 volume obligations in RFS2 increase annually, the "E10 blend
 29 wall," the maximum concentration of ethanol of 10 percent (E10)
 30 that can be blended in gasoline and still be used by most motor
 31 vehicles, will soon be reached, and

32 WHEREAS, in 2014 the total volume of renewable fuel will
 33 rise to 18.15 billion ethanol-equivalent gallons, of which 14.4
 34 billion gallons will be nonadvanced biofuel and 3.75 billion
 35 gallons will be advanced biofuel, while the maximum volume of
 36 ethanol that can be consumed as E10 under current market
 37 constraints, as projected by the EPA, is only 13.2 billion
 38 gallons, and

39 WHEREAS, the United States Environmental Protection Agency
 40 (EPA) acknowledges that compliance with RFS2 will be difficult
 41 to achieve in 2014, as it does not foresee a scenario in which
 42 the market could consume enough ethanol sold in blends greater
 43 than E10 or produce sufficient volumes of nonethanol biofuels to
 44 meet the total volume of renewable fuel and advanced biofuel
 45 required under RFS2, and

46 WHEREAS, by mandating ethanol volumes far above those which
 47 the market can absorb, RFS2 will place consumers and the
 48 automotive industry in an increasingly untenable position, and

49 WHEREAS, according to a study directed by the Coordinating
 50 Research Council, the engines, fuel pumps, and onboard fuel

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51 measurement systems on millions of motor vehicles could be
52 severely damaged by fuel blends that contain more than 10
53 percent ethanol, and

54 WHEREAS, in 2010, the EPA granted partial waivers allowing
55 the sale of gasoline fuel blends containing up to 15 percent
56 ethanol for use in 2001 model year and newer light-duty motor
57 vehicles despite studies showing the potential for damage to
58 millions of motor vehicles, and

59 WHEREAS, automakers have warned consumers that using
60 ethanol blends that exceed the maximum limits, as specified in
61 their respective automotive owner manuals, could result in the
62 voiding of their automotive warranties, and

63 WHEREAS, the volume mandates set by RFS2 do not account for
64 the impact on the smaller engines that power lawn mowers,
65 generators, and similar equipment, or larger marine engines, and

66 WHEREAS, over the past three years, the EPA levied
67 penalties mandated by RFS2 on refineries that failed to blend
68 cellulosic biofuel into gasoline, despite the absence of
69 technological advances necessary for the commercial production
70 of cellulosic biofuel, and

71 WHEREAS, many Florida consumers and national trade groups,
72 among them the American Bakers Association, The American Frozen
73 Food Institute, the American Fuel and Petrochemical
74 Manufacturers, the American Petroleum Institute, the American
75 Sheep Industry Association, the National Marine Manufacturers

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76 Association, the National Cattlemen's Beef Association, The
77 National Chicken Council, The National Council of Chain of
78 Restaurants, and the National Turkey Federation, have called for
79 the repeal or amendment of RFS2, and

80 WHEREAS, the EPA has consistently denied requests by state
81 governors, cattlemen associations, and restaurant associations
82 to reduce the annual mandated fuel ethanol volumes set by RFS2,
83 and

84 WHEREAS, alternative transportation fuels, such as natural
85 gas, are emerging freely without the assistance of market
86 distorting mandates, and

87 WHEREAS, innovations in the oil and natural gas industry,
88 including directional hydraulic fracturing, deep water
89 directional drilling, and oil sands production technologies have
90 reversed declining oil and natural gas production trends in the
91 United States, and

92 WHEREAS, lower oil import volumes and higher natural gas
93 export volumes have the potential to create a transformative
94 shift in global energy markets, and

95 WHEREAS, the International Energy Agency projects that the
96 United States will become energy independent within the next 10
97 years and will surpass Saudi Arabia as the largest oil producer
98 by 2020, and

99 WHEREAS, innovations in energy efficiency and
100 affordability, along with discoveries of proven domestic oil and

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101 natural gas reserves, have strengthened the United States'
102 position in the global energy market, eliminating the original
103 impetus for the drastic increase in renewable fuel standards, as
104 set forth in the Energy Independence and Security Act of 2007,
105 NOW, THEREFORE,

106

107 Be It Resolved by the Legislature of the State of Florida:

108

109 That the Congress of the United States is urged to repeal
110 the federal Renewable Fuel Standard mandate established under
111 the Energy Independence and Security Act of 2007.

112 BE IT FURTHER RESOLVED that copies of this memorial be
113 dispatched to the President of the United States, to the
114 President of the United States Senate, to the Speaker of the
115 United States House of Representatives, and to each member of
116 the Florida delegation to the United States Congress.