

## Hearing on the Notice of Proposed Rulemaking

### *Renewable Fuel Standard Program: Standards for 2020 and Biomass-Based Diesel Volume for 2021*

Testimony of Leticia Phillips  
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July 31, 2019

Good morning. My name is Leticia Phillips, and I am the North American Representative for UNICA, the Brazilian Sugarcane Industry Association. We are the leading trade association for the sugarcane industry in Brazil, representing 60 percent of the country's sugarcane production and processing. Sugarcane ethanol production uses only 0.6% of Brazil's territory, reduces greenhouse gas emissions by 90% on average, compared to conventional gasoline, and helps us move beyond fossil fuels.

For over a decade, the Brazilian sugarcane industry has worked collaboratively with EPA and the U.S. renewable fuel industry. Since the beginning of the RFS program, Brazilian sugarcane ethanol has played a modest but important role supplying Americans with sustainable biofuel.

In 2010, the agency certified that Brazilian sugarcane ethanol cuts carbon dioxide emissions by more than 60 percent and designated it as an advanced renewable fuel. Today, we are disappointed to see the agency decreasing its projection of

sugarcane imports in 2020 and drastically reducing the advanced category from statutory levels. We urge EPA not to step backwards from Congressional intent of decreasing greenhouse gases and improving energy security. EPA should set renewable fuel standards that encourage production and consumption of all available advanced biofuels. Advanced biofuels are a proven solution for addressing climate change.

In the case of sugarcane ethanol in particular, we believe EPA has underestimated the amount of Brazilian sugarcane ethanol actually imported in 2018. According to EPA's EMTS database, over 77 million D5 RINs were generated for imported, non-cellulosic ethanol in 2018. The only significant fuel fitting this description is Brazilian sugarcane ethanol. These numbers match those of the US Census database. EMTS reports that more than 44 million RINs have been generated by the same source already in 2019. Given that Brazilian harvest season started only 3 months ago, this data suggests that Brazil could very well supply, or even surpass, the 100 million gallons projected in EPA's most recent RVO rulemaking. Historical data has shown that when the market conditions are right, Brazil can supply the US with large volumes of advanced biofuel. We urge EPA to rely on its own database when estimating Brazilian sugarcane ethanol imports into the US.

EPA's proposal also fails to take into account two important trends that are likely to drive higher levels of sugarcane ethanol imports in 2020 and beyond. The first is Japan's decision to begin importing corn-based ethanol. With the changes made last

year, Japan is expected to import approximately 100 million gallons of corn-based ethanol a year. This will displace part of sugarcane ethanol from the Japanese market, leaving more sugarcane ethanol available for export to the United States.

The second factor is the low price of sugar in the global market. In response to these lower prices, Brazilian companies have expanded production of ethanol. In the last harvest the production split of the mix was 65% to ethanol versus 35% to sugar. The 2019/2020 harvest is predicted to continue to favor ethanol production, and with no signs of sugar price increase in the global market, this trend should continue in the years to come.

Our association looks forward to commenting further on this proposal and will continue to play an active role in the RFS rulemaking process, serving as a source of credible information about the efficiency and sustainability of sugarcane ethanol. Likewise, Brazil will continue to be a strong, dependable partner helping America meet its clean energy goals. Thank you.