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Rand Paul Tries to Thread Iowa's Political Needle On Ethanol

The GOP White House hopeful has new pro-ethanol legislation, but he's been skeptical of federal mandates.

By [Ben Geman](#)

Senator Rand Paul speaks at an event hosted by the Iowa GOP Des Moines Victory Office on Aug. 6, 2014 in Urbandale, Iowa.(Scott Olson/Getty Images)

April 1, 2015 There's Rand Paul, the senator with a libertarian-tinged conservative economic record, and there's Rand Paul, the likely presidential candidate who wants to win Iowa. Both of them have a tricky task ahead.

Paul is staking out pro-ethanol terrain in Iowa without backing renewable fuel mandates that are popular in the state that's home to 2016's first major White House nominating contest.

The Kentucky Republican's strategy is coming into focus ahead of his campaign launch [with legislation](#) that aims to pare back EPA restrictions that Paul and the ethanol industry call burdensome.

"Through competition and consumer choice, my bill will free fuel producers and automobile manufacturers to innovate and bring new products to market that can lower costs to consumers, increase domestic energy production, and benefit the environment," Paul said in a statement Tuesday on the bill.

The bill could help Paul, who is slated to visit Iowa just days after his April 7 campaign kickoff, smooth over potential rifts with ethanol supporters in a state where renewable fuels are big business.

The top priority for the ethanol industry is protecting the Renewable Fuel Standard, the federal mandate enshrined in 2005 and 2007 laws that requires growing amounts of biofuels in the nation's motor fuel mix, reaching 36 billion gallons in 2022. But Paul is famously no fan of big federal mandates.

Asked Wednesday whether Paul supports the RFS, a Paul aide said: "Sen. Paul supports removing regulatory barriers to the use of ethanol and other renewable fuels, which would likely

have the effect of growing the use of these environmentally friendly fuels. He does not support the government telling consumers or businesses what type of fuel they must use or sell."

The legislation could assist Paul as he competes for support in Iowa by giving him pro-ethanol bona fides. "It gives him something to talk about when asked about it that I think will help him politically," said Craig Robinson, the former political director for the state's Republican Party.

A major piece of Paul's bill, co-sponsored with Iowa GOP Sen. Chuck Grassley late last week, is aimed at growing the market for gasoline with higher amounts of ethanol blended in. It would accomplish that by relaxing EPA summer requirements on smog-forming emissions from gasoline that has ethanol levels above 10 percent.

EPA's current rules are a major impediment to wider market penetration for E15 (a mix of 15 percent ethanol and 85 percent gasoline), according to the industry.

The bill drew cheers from a pair of ethanol industry lobbying groups: The Renewable Fuels Association and Growth Energy.

"Securing parity with respect to fuel volatility regulation for E10 and E15 is critical to the expansion of E15 in the marketplace," said Renewable Fuels Association President Bob Dinneen. He said that without changes in law or EPA policy, "refiners will continue to deny gasoline marketers the specially tailored blendstocks they would need to sell E15 in the summer months."

Elsewhere, Paul's "Fuel Choice and Deregulation Act" would make federal auto mileage and vehicle greenhouse gas rules friendlier to "flex-fuel" vehicles capable of running on either gasoline or renewable fuels.

Another provision "removes EPA certification requirements of aftermarket engine conversions, while ensuring the conversion does not degrade emission performance," according to a summary from Paul's office.

Paul's competitors for the GOP nod have varying views on the RFS. Ted Cruz wants to repeal it. *The Milwaukee Journal-Sentinel* [reports](#) that Scott Walker has "dropped his previous flat opposition to ethanol mandates," and instead favors keeping the mandate now and phasing it out at an unspecified future date.

According to several press accounts, Jeb Bush offered similarly delicate remarks on the RFS during an appearance in early March. He said it "has worked, for sure," and helped curb reliance on oil imports, but said that eventually it should be phased out, noting "markets are ultimately going to have to decide this."

Robinson said the legislation helps Paul separate himself from Cruz, who comes off as anti-ethanol. "He is showing some support," Robinson said.

One environmentalist slammed the bill. "It brings pandering to the Iowa caucuses to an art form," said Dan Becker, director of the Safe Climate Campaign. "It basically does everything that the ethanol industry wants."

He said the bill would badly weaken federal Corporate Average Fuel Economy rules, which will require automakers to provide a fleet-wide average of 55 miles per gallon for cars and light trucks by 2025.

"It blows up CAFE standards by saying that if you make a flexible fuel vehicle, you essentially meet CAFE standards no matter what the mileage is," Becker said, calling it a "get out of CAFE free card" for the auto industry.

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