



STATEMENT BY THE FUELING AMERICAN JOBS COALITION

March 21, 2018 - Yesterday, USDA Secretary Sonny Perdue addressed a National Press Club audience in part discussing biofuel issues. The Fueling American Jobs Coalition has several reactions to his statements on the RFS program.

“First, we were glad to hear the Secretary acknowledge what he termed ‘intense discussions about the solution’ - a candid admission that problems exist with current implementation of the RFS program. He spotlighted the direct Presidential involvement in the process. He also acknowledged the potential for "job loss in the merchant refining business" and the need for a "middle ground" to address it. Perdue admitted that RINs volatility can be address without hurting the underlying RFS.

In short, Secretary Perdue admitted the value proposition that underlies the very type of win-win solutions placed on the table by Senators Cruz, Toomey and others in recent weeks.

Second, the Secretary pointed to members of Congress supporting legislative solutions. The Coalition has always supported lasting compromise in the form of legislation. Our members are engaged in this process. However, arguing that administrative reforms and legislative are an either-or matter is simply presenting a false choice. Administrative reform is needed now in order to avoid job loss and squandering of needed capital by the poorly calibrated RINs program. Legislation on the RFS is a laudable goal, but will clearly take time to navigate the tough politics of biofuels on Capitol Hill. Policy makers who have taken a hard look at the matter know and understand that.

Last, the Coalition wants to make clear: a "middle ground" solution, to use the Secretary's term, must include serious, meaningful and direct cost containment for RINs of the very sort the President has previously discussed, such as waiver credits. A mechanism like capping RIN costs by making government waiver credits available can limit the damage to thousands of jobs in Pennsylvania, Texas and elsewhere while providing a pathway for biofuel infrastructure. This currently exists in relation to the cellulosic portion of the mandate and has proven to be effective at controlling costs. Anything short of real RINs cost containment should be considered a failure and will perpetuate continued job loss, energy insecurity, and potential gasoline price spikes.”

The Fueling American Jobs Coalition is a coalition of union workers, mom & pop gas station owners, small retailers, and independent American oil refiners fighting for a common sense fix to the Environmental Protection Agency’s (EPA’s) flawed Renewable Fuel Standard (RFS). The need for significant reform has only grown over the last year as the cost of purchasing Renewable Identification Numbers (RINs) to comply with the RFS has skyrocketed, threatening some refiners’ survival