



October 18, 2017

U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

**Re: Docket ID No. EPA-HQ-OAR-2017-0091**

On behalf of the 850,000 members of the United Steelworkers (USW), I am writing to express our support for lowering the Renewable Fuel Standard (RFS) final biomass-based diesel requirement for 2018, as well as making reductions from the proposed 2019 standard. I also write to support a proposal allowing RFS credits, called Renewable Identification Numbers (RINs), associated with exported ethanol to be used for RFS compliance. Overly aggressive biodiesel mandates requiring consumers to use more biodiesel than domestic companies can produce have resulted in an extremely costly de facto foreign biodiesel mandate. Such a requirement also incentivizes fraud – which already runs rampant in the biodiesel mandate – while contributing to skyrocketing compliance costs that threaten union refining jobs. Finally, allowing RINs associated with exported ethanol would help further alleviate the burden of skyrocketing RIN costs and protect thousands of high-paying American union jobs.

Extremely high cost RINs place refining jobs at risk. The ability of the U.S. to supply domestic refining demand is critical for both jobs and American energy security. Press reports indicate over 33,000 jobs were lost due to the impacts of hurricanes Harvey and Irma. The hurricanes underscore the importance of regional refining such as that in the northeast United States. With a significant portion of the nation's refining capacity shut down in the aftermath of these storms, Northeasterners and consumers across the country would have seen massive fuel price spikes that would have resulted in even more severe economic harm without the Northeast's refiners.

The growth of biofuel production has lowered reliance on foreign oil, but the policy is now over ten years old and requires maintenance by Congress. We previously stated our support for moving the RFS point of obligation to where large-scale blending actually occurs. Sans this necessary change,

reducing the biodiesel mandate will lower RIN costs and help mitigate a significant threat to domestic refining jobs and American energy security, without hampering the domestic biofuel industry. Such a reduction would not touch the conventional ethanol requirement. Additionally, the law currently requires nearly one billion gallons more biodiesel than domestic biodiesel companies are on track to produce, resulting in a de facto foreign biodiesel mandate. The preliminary determination and pending final determination by the International Trade Commission on foreign biodiesel imports from Argentina and Indonesia must also be considered in EPA's efforts to address RFS Policy. The trade case, rightly-filed to defend the domestic biodiesel industry from dumped and subsidized biodiesel, requires a coordinated Federal agency response to evaluate the impacts on domestic refining and RIN prices. Lowering the biodiesel requirement will reduce any adverse impacts on the refining sector while allowing the biodiesel industry to seek relief from unfairly traded imports.

Reducing the biodiesel requirement will also reduce the incentive for RIN fraud, which has been excessive in the biodiesel sector. There have been multiple instances of biodiesel RIN fraud each year since 2013, totaling more than 430 million RINs at the cost of hundreds of millions of dollars. Easing the excessive cost for biodiesel RINs will reduce the incentive for this magnitude of fraud to continue.

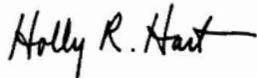
Additionally, EPA should reduce the total renewable fuel requirement in concert with making biomass-based diesel reductions. Failure to do so could de facto result in increasing the conventional ethanol requirement. Significant safety issues in ethanol production must be addressed before further advancing conventional biofuel mandates. The Bureau of Labor Statistics (BLS) indicates that ethanol production has a total recordable incidence rate of nonfatal occupational injuries and illnesses that is four times greater than the petroleum refining industry. This is unacceptable and Congress must act to ensure the safety of workers in this industry before government looks to greatly expand mandates for their products.

Finally, allowing RINs associated with exported biofuel will put a significant new volume of RINs on the market, providing more liquidity and diversity of supply, which will help mitigate compliance costs. Such a move is

also a win for the biofuel industry, since it will incentivize more exports and allow domestic ethanol to better compete in a global marketplace.

We urge you to expeditiously reduce the biodiesel requirement in the RFS to a level that better reflects domestic production of this fuel. We also urge you to move quickly in allowing RINs associated with exported ethanol to be made available for RFS compliance. These moves will go a long way towards mitigating the significant threat excessive RIN costs pose to domestic, refining union jobs.

Regards,



Holly R. Hart  
Assistant to the President  
Legislative Director