



STATEMENT BY THE FUELING AMERICAN JOBS COALITION

May 31, 2019 – *The Fueling American Jobs Coalition released the following statement on the EPA’s final rule on E15 and RIN reform:*

EPA’s rule today only offers advanced disclosure of RINs holding and additional monitoring. This will fail to actually reform the complex RIN market. The type of market reforms originally proposed are already less intrusive than the biofuels industry faces when they enter the market for feedstocks, like corn and soybeans. So arguments regarding difficulty in implementation don’t hold much water.

Originally, EPA proposed four areas of reform:

1. Requiring public disclosure if a party’s ethanol RIN holdings exceed certain thresholds – IN
2. Increasing the frequency of RFS compliance demonstrations for all RIN types from annually to quarterly – IN
3. Limiting the parties that can purchase separated ethanol RINs to obligated parties and renewable fuel exporters only. EPA proposed exceptions for non-obligated parties who have a corporate relationship to an obligated party or have contractual obligations to sell RINs to an obligated party) – OUT
4. Limiting the duration that non-obligated parties can hold ethanol RINs so that these parties have to sell or retire as many RINs as they buy during the quarter – OUT

While EPA has asked for input on how to enhance its ability to monitor the RIN market for manipulation and whether EPA should employ a third-party to monitor the RIN market, this transparency alone is not enough. If the RINs train is capable of running you over, seeing it run you over is cold comfort—particularly if you are tied to the tracks by the RINs program.

The RIN market is plagued by anticompetitive behavior such as price manipulation, RIN hoarding, speculation, and high transaction costs. Regulatory reform is needed to address these substantial market flaws because they contribute to the harm the RFS causes independent refiners, small gasoline retailers and consumers.

Bottom line: The President promised that the move to allow greater summertime ethanol use would be coupled with serious market reforms for the RINs compliance program. Frankly, refiners didn’t think this was a balanced deal at the outset but they were willing to work with EPA to get the details right. EPA’s final rule seems to lack real and effective market reform, which clearly violates the spirit of the President’s deal. Refinery workers in Pennsylvania and elsewhere will bear the brunt of it.

As United Steelworkers National Oil Bargaining Chairman Kim Nibarger stated, the potential for high RINs prices “threatens thousands of refinery jobs across the country.”

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