



**Testimony by Suzanne Murray on behalf of Karim Dhukani and minority business owners from the Small Retailers Coalition – August 1, 2017, EPA Hearing on Renewable Fuel Standard Program Standards for 2018 and Bio-mass Based diesel Volume for 2019**

My name is Suzanne Murray and I am making a statement on behalf of Mr. Karim Dhukani and other minority business owners from the Small Retailers Coalition.

Mr. Dhukani is the owner of Express Fuel Products in Houston, Texas.

Mr. Dhukani would like to put on record:

Thank you for the opportunity to have my statement read into the record.

What people don't hear enough about is that 75% of the fuel sold in this country is sold by small retailers – either branded or unbranded. The majority of us are also minority business owners and new Americans. It is up to us to make the investment in the infrastructure necessary to supply fuel to America. Government fuels policy should support our small businesses, not undercut us with burdensome regulations that can shut us down.

That's why I support a common sense change to the RFS that is gaining momentum among small convenience store owners. I support asking EPA to change the point of obligation for RFS compliance to the position holder at the rack. This one small

change will make a life-saving difference for my business and for any retailer that has to buy finished product at the rack.

The profitable RINs game distorts the realities of the retail gasoline market, tilting the playing field against the small retailer. Refiners and importers are obligated to demonstrate compliance, and because they aren't necessarily blenders, many need to buy RINs to comply. The blending is often done by Big Oil companies with familiar names, as well as by large retail convenience store chains who realized they could get in on the action. These retailers have no obligation to hit any renewable fuel targets.

Instead of having to turn in their RINs to show the government how they're complying, these retailers are free to sell them to refiners and importers unable to hit their constantly increasing targets. Given how much renewable fuel blending the government now requires, these RINs are worth a lot of money.

If you're an independent retailer like me, and not part of a big retail convenience store chain with the resources to blend fuels at these big terminals, you gain nothing from the RINs market. But my competitors who are part of those big chains now benefit from their parent company's RIN-profit windfall: added revenue that can be used to undercut small competitors, open up more locations ... you get the idea.

When I started in this business, the only way to get off the ground was to take advantage of a zero interest loan offered by a local distributor. This loan, to me and others, made it possible to build a business and start a legacy for my family. Now, because these distributors are being undercut so dramatically on price, they

cannot afford to make these loans available. I tell this to illustrate another way in which the small retailers are being extinguished while large box stores expand, using the money they can get from the RINs boondoggle in the Renewable Fuels Program.

I don't want a change in the RFS that hurts workers or small business owners. Small retailers are the backbone of this country and will happily sell gasoline demanded by consumers. Many of us are also minorities and serve our communities, which is why the National Council of Black State Legislatures has called for the very same reforms I'm advocating here. All we are asking is that all the competitors within the retail market be entitled to purchase the fuel products they sell under the same terms and conditions of their large competitors.