



Thomas M. Conway
International President

September 6, 2019

Via Email

Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear President Trump,

On behalf of the 1.2 million active and retired members of the United Steelworkers, I write to express concern regarding the Renewable Fuel Standard (RFS) and recent reports of possible Administrative action to the RFS. As the largest union in the refining sector, representing roughly two-thirds of domestic refining capacity, we are concerned about potential impacts to small refineries and the threat to union jobs in multiple states.

The refining industry has experienced significant change over the last decade since the RFS was adopted. These changes in industry and with fuel demands require a longer, strategic approach to updating the RFS to ensure good union jobs at refineries are not unduly competing against ethanol production jobs.

The market in fuels is rapidly changing, as vehicles are increasingly more fuel efficient and electric vehicle sales increase, fuel consumption in the U.S. has declined. As U.S. fuel consumption patterns are changing, the executive and legislative branch must exercise prudence to minimize job impacts and ensure domestic energy independence.

Merchant refiners do not control biofuel blending for the majority of the fuel they produce. Since the RFS has a market tradeable compliance mechanism that generates credits from blending (RINs), merchant refiners operate at a

distinct disadvantage. That is why Small Refinery Exemptions (SRE) have been effective in reducing federal compliance costs with the RFS, while not eliminating ethanol demand.

Department of Energy data shows recent ethanol blending as exceeding the year prior. Meanwhile since SRE's have been issued, RIN prices dropped from over 90 cents in November of 2017 to closer to 11 cents in recent reports.

Our union is concerned that news reports indicate significant changes in the overall required blending amount will not lead to more domestic production but encourage increased foreign biofuel imports. From 2016-2018 the U.S. imported over half a billion gallons of foreign bio-diesel each year in order to meet the mandate. With the recent tragedy at Philadelphia Energy Solutions, the U.S. East Coast is now receiving a significant increase in refined fuel from Europe to meet demand. Without careful consideration on the impacts of increased conventional renewable fuels, we run the risk of walking away from the Congressional intent of the RFS which was to develop greater energy independence and security.

Sincerely,


Thomas M. Conway
International President

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CC:

Andrew Wheeler, Administrator, Environmental Protection Agency (EPA)

Lawrence Kudlow, National Economic Council (NEC)