

International Brotherhood of

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May 22, 2018

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Re: Fixing the Problems with Renewable Identification Numbers Under the EPA Renewable Fuel Standard

Dear Mr. President:

On behalf of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, I write to express our strong support for reform of the renewable identification numbers (RINs) program as a compliance mechanism for the EPA's renewable fuel standard (RFS). The Boilermakers are proud to represent workers at many of our nation's refineries, important assets to the security, economy and environment of the United States. Unfortunately, in recent years, the extreme price spikes in the RINs program have put intense pressure on refineries, placing thousands of direct and indirect jobs at risk. Workers in Pennsylvania and other industrial states have grown particularly concerned about the unintended consequences of this program.

I was very pleased to hear about the May 9 meeting you convened in order to develop a solution to the RINs problem. As you have previously noted, any workable solution must take into account the protection of refining jobs. In the deal you established, I understand that a critical element would be to allow ethanol exports destined for fuel blending abroad to generate RINs that can provide additional liquidity in the domestic market. By doing so, an important obstacle to RINs exports can be removed, and at the same time, RINs prices can stabilize at a price closer to original predictions made when the EPA launched the program. Achieving both ends is good news for refinery workers and for corn farmers.

Some have suggested that more liquidity in the RINs market could reduce demand for ethanol here at home. From the analysis we have seen, that simply isn't the case. Demand for octane and continued RFS compliance needs will keep domestic ethanol consumption quite strong. Further, the deal you negotiated would also remove obstacles to year-round blending of ethanol in domestic markets – another move that would encourage domestic blending. In addition, the consistent history of RFS has made clear that high RINs prices do nothing to encourage blending, enriching only Wall Street speculators. And as RINs prices have declined, ethanol producers have candidly admitted in their earnings calls that blending has not in fact declined.

Others have suggested that RINs for exports would face legal problems. However, some of the legal experts most familiar with the Clean Air Act have found otherwise, noting that the Agency has a fair amount of flexibility in interpreting the statute. Besides, the explicit RFS policy goals are to "enhance energy security through additional domestic production of biofuels" and to "support rural economies by expanding the demand for agricultural products." RINs for exports does both – enhancing production of

biofuels in support of energy security goals from the energy dominance that flows from exports; and expanding demand by removing obstacles to overseas markets.

Last, some have wondered whether allowing export RINs would violate our trade obligations. Frankly, given the number of agricultural subsidies that exist, we think this position is disingenuous at best. The reality is that your proposal would remove an obstacle to exports, essentially treating exports exactly the same way that ethanol imported into our country is treated under the RFS. From a trade perspective, I cannot imagine why anyone would tolerate the current system, which discourages exports while encouraging imports.

Mr. President, thank you for the agreement you negotiated on May 9 and for the continued interest you have shown in addressing the RINs situation. Only by committing to formalizing and implementing the export RINs concept can we bring an end to a RINs program that currently endangers thousands of jobs, enriches speculators, and perpetuates a fundamental unfairness to the hardworking men and women who the Boilermakers represent in many of our nation's refineries.

Sincerely,

A handwritten signature in black ink, appearing to read "Newton B. Jones", with a long horizontal flourish extending to the right.

Newton B. Jones

cc: William T. Creeden, International Secretary-Treasurer
U.S. International Vice Presidents
Mark Vandiver, Executive Director, Construction Sector Operations