



CHESTER COUNTY CHAMBER
of Business & Industry
- Chamber of Influence -

August 16, 2021

The Honorable Michael Regan, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Regan:

Our Chamber is proud to join the growing non-partisan groups of business, civic and labor leaders requesting that the EPA and the Biden Administration take swift and meaningful action to reform the Renewable Fuel Standard (RFS).

As it stands today, the RFS is not operating in a manner that is consistent with Congress's intent, and this is resulting in severe economic harm impacting independent refiners and their local economies across the country including the last remaining refineries in the Northeast. Without action soon, these refineries face an uncertain future, the impacts of which will be felt far and wide, threatening tens of thousands of jobs.

Refineries in the Northeast provide vast economic benefits which multiply and support countless businesses throughout the region—more importantly creating and supporting thousands of good paying, family sustaining jobs. When our regional refineries were being saved a few years ago, a study by the Pennsylvania Department of Labor and Industry found the following:

The employment multiplier for these layoffs in southeastern Pennsylvania is substantial. An estimated 18.3 jobs will be lost for each layoff. The employment multipliers in this industry for the state and the nation are 22 jobs and 61 jobs, respectively. In comparison, Iron and Steel Foundries, which has a significant economic tie to several industries, only has a multiplier of 6.5 jobs for Pennsylvania and 12 jobs for the nation.

The Renewable Fuel Standard, established in 2005 as part of the Energy Policy Act, was well intentioned – to reduce the country's dependence on foreign oil by increasing our usage of a domestically-produced resource. However, the RFS has become tainted by special interests that are not involved in fuel production or farming. With RIN credit prices currently around 1800% higher than their historic norms, independent refiners are confronted with an growing threat which ultimately threatens their livelihood along with many businesses and people that call Chester County and southeastern Pennsylvania our home.

It's also worth noting that the high cost of RINs has done very little to create actual benefits for the environment as noted by The National Wildlife Federation and others, or to help expand renewable fuel production. Therefore, a more balanced RFS program has the potential to benefit farmers and support the expansion of renewable fuel use without creating an insurmountable financial burden for America's independent refiners.

Independent refiners are vital to our national and energy security, and this was highlighted by the recent cyber-attack which shutdown of the Colonial Pipeline. While states south of Delaware experienced gas shortages and price spikes, our region avoided this fate because we have refineries right here, providing the transportation fuels we need for pleasure use and to propel our economy. This incident was glaring example of the importance—to our nation's economy, quality of life and even national security—of having regional diversity of fuel production in this country.

We respectfully request that you to take action now because the RFS is currently unsustainable, and significant change is needed. As we continue to climb out of the depths of the pandemic, our region cannot afford to lose independent refiners that provide life changing opportunities for countless families. Thank you for your time and consideration.

Sincerely yours,

Guy Ciarrocchi
President & CEO

CC: Governor Tom Wolf
Senator Pat Toomey
Senator Bob Casey
Congresswoman Chrissy Houlahan
Congresswoman Mary Gay
Scanlon
Michael Regan, EPA Administrator
Ron Klain, White House Chief of
Staff

Gina McCarthy, National Climate Advisor
Dan Utech, Chief of Staff, EPA
Seth Harris, Senior Advisor Labor Policy
Cedric Richmond, Sen. Advisor & Dir. of Pub.
Engagement
Brian Deese, Director, National Economic Council
Marty Walsh, Secretary of Labor