MARITIME EXCHANGE
for the Delaware River and Bay
Leading the Way to Port Progress

May 18, 2021

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

Dear Administrator Regan:

On behalf of the Delaware River port business community, this letter is to express our desire to see the Biden Administration take swift and meaningful action to reform the Federal Renewable Fuel Standard (RFS). The RFS is not currently operating as Congress intended; without reform, the livelihoods of thousands of people are at risk, and the economic vitality of the tristate region will suffer significant negative consequences.

The Maritime Exchange is a nonprofit trade association dedicated to protecting and promoting waterborne commerce and creating a safe, secure, efficient, and environmentally healthy business climate for our nearly 300 members. The industry we represent sustains meaningful employment for over 75,000 men and women, and we are proud to support these hardworking people.

Refineries in our region have been crucial industry partners for generations. These facilities provide family-sustaining livelihoods not only for those who work on ships and at the refineries, but also for maritime workers throughout the region, including vessel agents, pilots, tug companies, barge operators, and a host of others. They also support downstream economic activity, generating indirect jobs at companies dependent on port activity, such as equipment and parts suppliers, maintenance and repair services, office supply firms, and restaurants, just to name a few. In total, the regional port industry supports 135,000 jobs, and each refinery job supports a further 18.3 jobs in our greater community.

For some time, refiners in our region have been under tremendous financial pressure from the RFS. The current structure of the RFS places the obligation to blend renewable fuels like ethanol on merchant refiners who have little or no control over the amount of renewable fuel that gets blended into the transportation fuels that they produce. These refiners are therefore left with only one option to comply with the RFS: purchase expensive compliance credits known as Renewable Identification Numbers (RINs) regardless of the price.

RINs prices have fluctuated dramatically over the years and unfortunately, due to a number of complex structural problems with the RFS, the price of these credits has soared to untenable levels. To put this into perspective, the largest refiners in our region — Monroe Energy and PBF have spent billions on RFS compliance costs in the past decade alone. This is an unsustainable cost that represents an existential threat to the continued existence of these facilities. If the recent cyber-attack on the Colonial Pipeline showed us anything, it was that having refining capacity in regions beyond the gulf coast is critical to our nation's national and energy security. With only a handful of refineries left in the Northeast, a resolution to this issue is more important now than ever.

For these reasons and many more, we hope that the Administration will work to achieve meaningful resolution to this issue before it is too late.

Thank you for your prompt attention to this matter and for any relief you can provide. Should you have any questions or require additional information, please feel free to contact me at dennis.rochford@maritimedelriv.com.

Sincerely,

Dennis Rochford
President

CC: Governor John Carney, Delaware
Governor Tom Wolf, Pennsylvania
Governor Phil Murphy, New Jersey
Ron Klain, White House Chief of Staff
Brian Deese, Director, National Economic Council
Marty Walsh, Secretary of Labor
Gina McCarthy, National Climate Advisor
Dan Utech, Chief of Staff, EPA
Seth Harris, Senior Advisor Labor Policy
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