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

August 4, 2025

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

RE: Docket ID No. EPA-HQ-OAR-2024-0505

Dear Administrator Zeldin:

On behalf of the Delaware River port business community, we wish to express our desire to see the EPA modify the proposed RFS volumes that will provide for greater flexibility in the RIN market and then for the Trump Administration to take swift and meaningful action to reform the broken RFS program once and for all. The RFS is not operating as Congress intended and without reform the livelihoods of thousands of people are at risk. Furthermore, 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 member companies. Our members include shipping lines, agents, brokers, and terminal operators. The industry we represent comprises 190,000 direct and indirect jobs, and we are proud to speak on behalf of those hardworking people.

Refineries in our region (Pennsylvania, New Jersey, and Delaware) have been crucial industry partners for generations. These facilities provide family-sustaining jobs 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.

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 such as ethanol and biodiesel 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 no option but to purchase expensive compliance credits known as Renewable Identification Numbers (RINs) regardless of the price to comply with the RFS.

RIN prices have fluctuated dramatically over the years, and unfortunately, due to many complex structural problems with the RFS, the price of these credits soared from a few cents to as high as $2.00 per RIN. To put this into perspective, the largest refiners in our region – Monroe Energy and PBF Energy – have spent billions on RFS compliance costs in the past decade alone. To put this into further context, at today's credit prices, Monroe and PBF are spending more on RFS compliance annually in recent years than they do on salaries, benefits, and capital costs combined. This is an unsustainable path that represents an existential threat to the continued existence of these facilities.

240 Cherry Street, Philadelphia, PA 19106-1906
tel: 215-925-2615 • fax: 215-925-3422 • exchange@maritimedelriv.com • www.maritimedelriv.com

Furthermore, our last remaining refineries in the Northeast are vital to our energy and national security interests. The 2021 cyberattack on the Colonial Pipeline showed us that having refining capacity in regions beyond the Gulf Coast is critical. While states south of Delaware experienced price spikes and gas shortages, our region did not, and that was in large part because Monroe and PBF were putting vital transportation fuels directly into the regional marketplace.

In the short term, EPA should consider making the following modifications to the proposed volumes:

1. **Reduce blending volume requirements:**
   a. This can be accomplished in two ways:
      i. Set ethanol volume requirements at 14.2 billion gallons for 2026 & 2027, to align with the federal government's own data for the projected demand and consumption of ethanol – right now the proposed volumes are at a level that exceeds engine and infrastructure constraints.
      ii. Set biomass-based diesel volumes no higher than actual domestic production from 2024. Doing so would incentivize more efficient "advanced biofuels" that meet the goals of the statute, without being unachievable and thus crippling to independent refiners.
   b. This will create much-needed liquidity in the RIN market and drive down the cost of compliance for refiners without hindering the overall goals or effectiveness of the program.

2. **Take immediate action on the Small Refiner Exemption (SRE) backlog without reallocating the exempt volumes:**
   a. As EPA recognizes, the backlog of SRE petitions inherited from the previous administration are long overdue for decision. Roughly 10% of U.S. refining capacity consists of small refineries, many of which depend on hardship exemptions to continue operating. If SREs are granted and not reallocated, the RIN bank will rebuild, allowing for more RINs in the marketplace which will drive down the cost.

For these reasons and many more, we hope that in the short term the Agency will revise the proposal as outlined above. Then we believe that the Administration should work on long-term solutions to reform this broken program before it is too late.

Thank you for your time and consideration.

Sincerely,

G. E. McCarthy

George E. McCarthy
President