

Mike Smith Chair, National Oil Bargaining Program

Trump's EPA Decisions a Blow to USW Refinery Workers

"This week the Trump EPA made the decision to deny gap year small refinery exemption (SRE) waivers, combined with the agency's refusal to appeal the 10th Circuit decision earlier this year on SRE waivers, essentially killing the SRE provisions of the EPA's Renewable Fuel Standards (RFS) program.

"While President Trump campaigns that he is a friend to energy workers, his administration's policy decisions on the RFS program are hurting our members in refining and will not have the positive impact on farming he is promising. His decisions simply do not match his rhetoric.

"The SRE program, instituted by the Obama/Biden administration in 2010, gave relief to small refiners experiencing economic hardship as a result of compliance to the RFS. An increase of SRE waivers in recent years helped to keep compliance cost in check for merchant refiners where the USW has significant membership. The USW represents roughly two thirds of the U.S. domestic refining capacity workforce.

"Merchant refiners, who do not control bio-fuel blending, must purchase renewable identification numbers (RINs) on an unregulated market in order to show compliance to the RFS program. This compliance cost, in which the government doesn't receive the revenue, has led to a refinery bankruptcy in Philadelphia, and threatened the viability of other refining sites across the country.

"In 2018, the Trump administration promised RIN market reform through the rule making process, but failed to deliver on that promise caving to the Washington bio-fuel lobby while granting waivers for year-round E15 gasoline sales. These actions did not increase ethanol production nor add any additional renewable fuel to overall consumption as blenders are already putting as much ethanol as possible into gasoline. The only people who benefitted from these actions are those that trade RINs on this unregulated market.

"Since the beginning of the year, when the announcement came that the Trump EPA would not appeal the 10th Circuit decision and then magnified by the announcement this week by Trump's EPA, RIN prices have increased more than five-fold from less than 10 cents in January to 50 cents today. At a time when fuel demand is down significantly from the affects of the COVID-19 pandemic and this administration's mishandling of the public health crisis response these decisions will harm the viability of small and merchant refiners. This puts our members' livelihood and communities at risk.

"President Trump claims he supports refining workers: his actions do not support those claims."