

American Workers for Fuel Security

As the 118th Congress draws to a close, it has come to our attention that there are several members, companies and associations that are making a hard, last-minute push to force year-round E15 into a bill that may come before you. While we're not necessarily opposed to year-round E-15, this type of action should not even be considered unless coupled with the necessary and corresponding reforms needed to the Renewable Fuel Standard (RFS) that we and our members have been calling for.

Collectively, we represent hundreds of thousands of highly-skilled union professionals who work in our nation's refineries. These facilities are critical to our energy and national security interests, and this should be top-of-mind especially as we witness the atrocities going on around the world and how they have directly impacted our domestic energy security in recent years.

Refinery workers, together with a variety of union crafts, manufacture the fuels and critical ingredients that make modern life possible. Our collective work ensures that gas stations are stocked and ready to fill our personal vehicles, that delivery trucks can stock our grocery and retail stores with essential goods, that our pharmacies and hospitals have the lifesaving medical supplies they need, and that millions of people can heat their homes when temperatures drop.

Our work also helps to provide the materials necessary to make solar panels, wind turbines, and the insulation that makes our homes and businesses more energy efficient. And there is greater potential for our domestic refining sector to produce even more of the products that will fuel a greener tomorrow - it's limitless. However, these benefits continue to face an existential threat because the RFS program is not operating as Congress originally intended, and as such, is creating extraordinary cost uncertainty for our nation's few remaining independent refiners.

The RFS requires transportation fuel sold in the U.S. to contain a minimum volume of renewable fuels such as ethanol. The blending of renewable fuels is usually done by blenders at the fuel "rack," or the part of the supply chain located just before a tanker truck leaves to deliver fuel to retail gas stations. The current structure of the RFS places the responsibility of complying with the program on refiners — many of whom do not own large-scale blending facilities, and thus have little to no ability to control the amount of renewable fuel that's blended into the gasoline and diesel sold into the market. Therefore, compliance with the RFS requires the purchase of costly credits called Renewable Identification Numbers (RINs), regardless of their price.

Unfortunately, the price of these credits often swing widely and have risen sharply over the years, which has caused refinery closures and capital projects at refineries to be put on the shelf. As a matter of fact, some of the independent refiners where we work are regularly spending more on RINs annually than on salaries, benefits, maintenance, and utility costs combined. This is stifling further investment and in our view, is unsustainable.

In recent years, the broken RFS compliance program has enriched multi-national oil conglomerates and Wall Street brokers at the expense of smaller and independent American refiners, reducing our nation's refining capacity and permanently eliminating thousands of jobs. This surely wasn't the intent of the RFS in its design, but without a compromise reform, the situation is expected to worsen. More refineries could close, more jobs will disappear forever, and our ability to achieve domestic energy independence will become more uncertain.

Luckily, with the bipartisan introduction of H.R. 4576 & S.2242 *the Safeguarding Domestic Energy Production & Independence Act of 2023*, we have an opportunity for a win-win solution that achieves real RFS reform, protects union jobs, and bolsters the environment without harming farming or biofuel interests. This legislation offers the most reasonable middle ground approach that all parties should be pleased with. Conversely, a push for year-round E-15 without any such RFS reforms threatens independent refiners and in turn, our jobs, as they are dependent upon these critical facilities.

We respectfully urge you not to consider any attempts to ram E-15 through during the remaining days of this Congressional session without some corresponding reforms to the RFS program such as the Safeguarding Domestic Energy Production & Independence Act. This is particularly important due to the fact that the ethanol lobby has historically used obtaining nationwide year round E15 as a precursor to pushing an already unachievable ethanol mandate even higher, which drives up RIN credit prices further. Additionally, we ask that you contact your caucus leadership expressing the same position.

Thank you for your time and consideration. We hope that we can count on you as a voice in support of a common sense approach to domestic energy security that benefits all parties.

Sincerely,

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John Bland: Former Business Manager, Boilermakers Local 13

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