

United States Senate

WASHINGTON, DC 20510

February 22, 2017

The Honorable E. Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

RE: EPA-HQ-OAR-2016-0544; FRL-9955-36-OAR
Proposed Denial of Petitions for Rulemaking to Change the RFS Point of Obligation

Dear Mr. Pruitt:

We write regarding the Environmental Protection Agency's (EPA) proposed denial of petitions for rulemaking to change the "point of obligation" under the Renewable Fuel Standard (RFS). We support the current point of obligation under the RFS and urge the EPA to finalize its decision to reject the petitions as soon as possible.

When Congress adopted the RFS in 2005, and subsequently expanded the program in 2007, it intended to drive investments in renewable fuels – such as ethanol, biodiesel, and advanced biofuels – while reducing the nation's reliance on foreign oil. Such a policy promotes cleaner air, a stable fuel supply, and stable prices. The RFS, as it is structured currently, has been remarkably successful at driving significant investments in the biofuels sector. However, future investments are reliant upon a stable program.

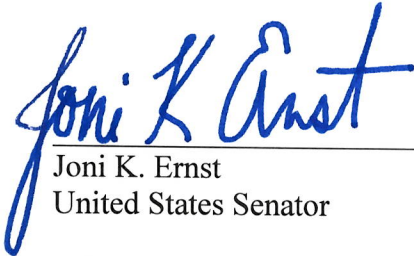
As you are aware, the current petitions before the EPA would move the point of obligation from refiners and importers to entities that operate further downstream, such as fuel blenders or those that operate at the fuel terminal, so-called "position holders." We are concerned that granting the petition may undermine the RFS and the progress that has been made towards increasing the amount of renewable fuels blended into our nation's transportation fuel supply. Such a change would needlessly inject uncertainty into the fuels market and deter future investments in biofuels.

Further, a change in the point of obligation would create a significant administrative burden for the EPA, as well as add additional compliance burdens to thousands of downstream fuel blenders or position holders. Today, there are substantially fewer refiners and importers than downstream fuel blenders or position holders. Thus, EPA's ability to ensure that all obligated parties are compliant with their RFS obligations is relatively straightforward and manageable under the existing structure. In its proposed denial, EPA acknowledged these facts, noting that the EPA believes "the number of obligated parties would dramatically increase, which would place greater strain on limited resources to ensure compliance and conduct program oversight." The potential for less oversight over such an important program is a risk the EPA should not take.

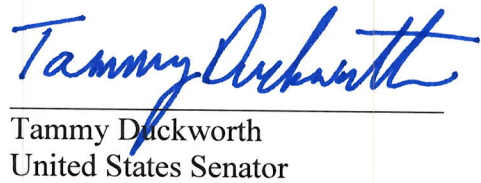
The biofuels sector is a vital component to our states' economies and the nation's security. Any change in the RFS program must be closely examined for unintended consequences that would jeopardize our investments in biofuels and the progress we have made over the last decade. In fact, EPA's initial reasoning in its proposal to deny the petitions indicates that EPA understands that many negative consequences would occur if the point of obligation were changed.

Thank you for your commitment to a transparent process and we urge you to finalize the denial as soon as possible. Please, do not hesitate to contact us or our staff if we can provide any additional information.

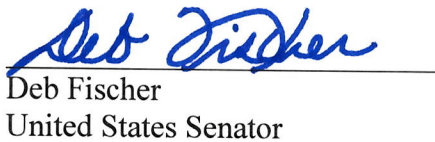
Sincerely,



Joni K. Ernst
United States Senator



Tammy Duckworth
United States Senator



Deb Fischer
United States Senator



Edward J. Markey
United States Senator