

United States Senate  
WASHINGTON, DC 20510

April 9, 2018

President Donald J. Trump  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President,

We appreciate your continued commitment to the Renewable Fuels Standard (RFS) and your sincere leadership in pursuing a win-win solution for the biofuels and refinery industries and associated stakeholders. On March 15, 2018, we wrote you to relay our strong opposition to placing a “waiver cap” on Renewable Identification Numbers (RINs) and reiterate constructive solutions to lower the cost of RINs in a way that truly represents the cooperative deal you are seeking. However, as we await the opportunity to meet with you to continue this dialogue, we must alert you to ongoing Environmental Protection Agency (EPA) action that is concurrently undermining your commitment of a 15 billion gallon RFS.

The EPA is using its small refiner economic “hardship” waiver authority in an unprecedented manner to benefit some of the largest refiners in the nation, including Andeaver, which posted a profit of approximately \$1.5 billion last year.<sup>[1]</sup> The application of such waivers appears to be incongruent with the EPA’s own definition, which states that “the exemption may be granted only if EPA determines, based on supporting evidence provided in the petition, that compliance with RFS obligations will impose ‘disproportionate economic hardship’ on the refinery in the year for which exemption is requested.”<sup>[2]</sup> The granting of waivers for 2016 Renewable Volume Obligations (RVOs) have effectively reduced the 2016 requirement of 15 billion gallons to 13.8 billion gallons. If this trend continues, demand for corn could drop by hundreds of millions of bushels, with some modeling equating such displacement to slashing corn prices as much as 50 to 70 cents per bushel, which would mean a nearly \$100 per acre loss for farmers. Notwithstanding the underlying uncertainty regarding the RFS, already suppressed commodity prices, and China’s threatened tariffs, the EPA’s liberal use of hardship waivers is striking a severe blow to farmers and biofuel stakeholders in our states and across the Midwest.

We therefore urge you to call on the EPA to cease all RFS waiver action until the agency’s administration of the RFS can proceed in a more transparent and impartial manner. We are concerned that any continued action will further undermine the RFS and violate the good-faith discussions you have fostered toward a true win-win solution.


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<sup>[1]</sup> <https://www.reuters.com/article/us-usa-biofuels-epa-refineries-exclusive/exclusive-epa-gives-giant-refiner-a-hardship-waiver-from-regulation-idUSKCN1HA21P>

<sup>[2]</sup> <https://www.epa.gov/renewable-fuel-standard-program/renewable-fuel-standard-exemptions-small-refineries>

We appreciate your continued attention to this matter and look forward to working with you.

Sincerely,




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JOHN THUNE  
United States Senator



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CHARLES E. GRASSLEY  
United States Senator



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ROY BLUNT  
United States Senator



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DEB FISCHER  
United States Senator



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JONI K. ERNST  
United States Senator

cc: The Honorable Scott Pruitt