

United States Senate

WASHINGTON, DC 20510

March 15, 2018

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

Dear Mr. President,

We appreciate your commitment to the Renewable Fuels Standard (RFS) and your earnest leadership in pursuing a win-win solution for the biofuels and refinery industries. The RFS is a key driver of economic growth and jobs across rural America. It expands markets for key commodities like corn, sorghum, and soybeans grown all across the country and is extremely important to the economic well-being of our constituents.

We are opposed to applying a “waiver cap” mechanism of any kind to the RFS. A waiver cap is designed to abruptly drive down the price of Renewable Identification Numbers (RINs) by reducing the amount of biofuels produced. The proposed waiver credit would replace gallons of manufactured biofuels with paper credits. Enacting such a policy makes it impossible for you to honor your commitment of a 15 billion gallon RFS.

Recently, an economic study commissioned by Valero became publicly available and projects outcomes in line with our expectations. The study states, “*a recent proposal of a \$0.10 per RIN waiver credit price would only be used for replacing RINs required beyond the blend wall.*” In other words, the \$0.10 RIN waiver is intentionally designed to limit the RFS to 10% ethanol blends. Implementing such a waiver would result in a significant reduction of higher blends of ethanol like E15 and E85, as well as biodiesel. In many areas, those fuels would be eliminated from the marketplace. Let there be no doubt—the consequences of a waiver would be severe and immediate across the Midwest, impacting farmers and biofuel stakeholders alike.


There are a number of options available that reduce RIN prices without intentionally undermining the RFS if that is the ultimate policy goal. As we all know from basic economics, if the price of an item needs to go down, producing more of that item is the simple solution. Therefore, we have suggested several true win-win solutions, such as allowing E15 to be sold year-round and generating more RINs, as constructive ways to lower RIN prices while still honoring your commitment to 15 billion gallons of biofuels.

We feel it is very important to let you know our strong opposition to placing a waiver cap on RINs that is intentionally designed to undermine our shared commitment of 15 billion gallons of annual biofuels production. We therefore request a meeting with you at your earliest convenience to discuss the harm a RIN waiver cap would impose on the American agriculture

sector, as well as offer constructive solutions that represent the win-win solutions you are seeking.

We appreciate your continued leadership on this issue and look forward to working with you.


Sincerely,



JOHN THUNE
United States Senator



DEB FISCHER
United States Senator



ROY BLUNT
United States Senator



CHARLES E. GRASSLEY
United States Senator



JONI K. ERNST
United States Senator