August 2, 2013

The Honorable Gina McCarthy
Administrator
U.S. Department of Environmental Protection
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator McCarthy:

We are writing to call your attention to a serious regulatory issue that is causing higher gasoline and diesel prices during the summer driving season at a time when higher gas prices could slow economic recovery in the United States. Specifically, uncertainty about the obligations associated with the Renewable Fuel Standard (RFS) has led to a spike in prices of Renewable Identification Number (RIN) credits, placing upward pressure on fuel prices. We are committed to working in a bipartisan manner to explore a longer term legislative solution to the issue; however, we believe the severity of this problem requires your immediate attention and action in order to alleviate uncertainty and reduce pressure on gas prices.

The primary cause of the spike in RIN prices is well known by regulators and the market. There is a practical limit - known as the “E10 blend wall” - on the amount of renewable fuels that can be safely and effectively blended into gasoline sold in the United States to generate the RIN credits required for annual compliance. Because of uncertainty about whether the E10 blend wall will be reached in late 2013 or early 2014, market participants are concerned there may not be enough RINs to meet the mandate, sending their price skyrocketing and resulting in an RFS program that is no longer functioning.

While we work together to explore a longer-term legislative solution, we believe it is imperative that the EPA act now through its 2013 RFS rulemaking process to bring rationality to the RIN market and lower costs. More specifically, the EPA should send a clear signal that it will exercise its waiver authority under the RFS to ensure that blending requirements are in line with market realities. The market for RINS has spiked because of uncertainty over the future of the program. Only through a clear signal from the EPA will the market for RINS function normally again.

Sincerely,

Jim Matheson
Member of Congress

Pat Meehan
Member of Congress
Joe Pitts
Member of Congress

Robert A. Brady
Member of Congress

Billy Long
Member of Congress

Tom Cole
Member of Congress

Lynn Westmoreland
Member of Congress

Chris Stewart
Member of Congress

Jason Chaffetz
Member of Congress

Phil Gingrey
Member of Congress

Rob Bishop
Member of Congress

Sanford Bishop
Member of Congress

Steve Chabot
Member of Congress

Doug Collins
Member of Congress

Pete Olson
Member of Congress

Mike Rogers
Member of Congress
Mike McIntyre
Member of Congress

Dennis Ross
Member of Congress

James Lankford
Member of Congress