

LOU BARLETTA

11TH DISTRICT, PENNSYLVANIA

**TRANSPORTATION AND
INFRASTRUCTURE COMMITTEE**

CHAIRMAN
SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS,
AND EMERGENCY MANAGEMENT

**EDUCATION AND THE WORKFORCE
COMMITTEE**

HOMELAND SECURITY COMMITTEE



Congress of the United States
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The Honorable Scott Pruitt
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Pruitt:

I write to you today in support of Philadelphia Energy Solutions Refining and Marketing, LLC (PES), which filed a plan of reorganization with the bankruptcy court in Delaware yesterday.

I understand that an important piece of PES's plan involves a reduction of the company's obligations under the Renewable Fuel Standard (RFS). I ask that your agency support the plan of reorganization as proposed by PES and allow the company to emerge quickly from bankruptcy with a sound financial base. Additionally, I ask that the Environmental Protection Agency (EPA) work quickly to address the continuing harm caused by the flawed Renewable Identification Number (RIN) compliance mechanism so that other merchant refiners aren't forced to file for bankruptcy or take other actions that hurt American workers and the economy.

There is no doubt that the RFS's RIN requirement played a primary role in PES's bankruptcy filing on January 21, 2018. In 2017 alone, the company's RINs expense totaled approximately \$218 million, representing more than twice the company's payroll, nearly one and one-half times its average annual capital expenditures, and roughly four times its interest expense. In fact, RINs compliance is now the company's single largest expense after crude oil.

As I have expressed in conversations with both President Trump and his advisors, the administration must act immediately to provide relief from the job-killing RINs compliance requirement. It is not sustainable to continue to force merchant refiners to purchase RINs on the secondary market, where prices are inflated and unpredictable. Without immediate action, more than 2,000 direct union jobs in the Philadelphia area could be lost. Nationwide, over 30,000 jobs are threatened.

It is clear that the cost of compliance coupled with the volatility of the RINs market has created an unsustainable situation for PES and other merchant refiners. I urge the EPA to move quickly to address RINs compliance before jobs, benefits, and wages are affected.

Thank you for your attention to my request.

Sincerely,

Lou Barletta
Member of Congress