

Opening Statement
Chairman Frank Pallone, Jr.
Energy and Commerce Committee
Subcommittee on Environment and Climate Change
Hearing on “Protecting the RFS: The Trump Administration’s Abuse of Secret Waivers”
October 29, 2019

Today, this Committee is continuing its oversight of the Trump Administration by examining the EPA’s abuse of secret waivers to undermine the Renewable Fuels Standard program, or “RFS.” Right now, President Trump is pitting farmers and refiners against each other to the detriment of all stakeholders and consumers. As a result, the RFS does not appear to be working the way it should for anyone involved.

Last Congress, then-Chairman Shimkus held a series of roundtables and hearings on the RFS in a quest to try to determine a new course for the program going forward. While I disagreed with the proposal he developed, his efforts were sincere, and the hearings illuminated many important issues that we must deal with as we approach 2022 and the sunset of the current phase of the program.

Unfortunately, President Trump does not seem interested in making the program work. In fact, the Trump Administration has done its best to undermine the program at a time when American farmers are already struggling to deal with the collapse of markets for many of the products they grow here at home.

The idea that EPA Administrator Andrew Wheeler is somehow acting without the President’s knowledge or approval defies logic. As we have seen throughout the last three years, anyone in the Administration who acts against President Trump’s stated desires is either subject to a public browbeating or are dismissed from the Administration. It’s clear that Administrator Wheeler is acting on the President’s orders – orders that once again show President Trump is captive to the oil industry.

Nowhere is this more evident than the President’s huge expansion of small refinery waivers. Before President Trump had taken office, EPA normally approved around seven or eight petitions for these waivers each year. But that changed dramatically when Trump came to office. Former Administrator Pruitt retroactively approved 19 exemptions for 2016, and then 35 were approved for 2017, followed by 31 in 2018.

Now, I think it’s fair to say that some exemptions to the law’s renewable fuel blending requirements are necessary and that there are refineries that would be harmed without an exemption. In New Jersey, we have a number of small refineries and these waivers can be important for a struggling facility. Unfortunately, today we have no way of knowing whether any of the refineries granted these exemptions are actually experiencing the hardship envisioned by Congress when we created the RFS. This is a frustration shared by both Democrats and

Republicans. Senator Chuck Grassley has said he's "very skeptical that every company receiving waivers truly needs them."

And this skepticism is completely understandable considering these hardship exemptions are granted in secret, with EPA not even revealing the name of the companies that receive them. Not even our Committee, which created the RFS, receives that information. There is simply no transparency in this process, and these decisions are far too consequential to be made in a dark, back room without any sunlight.

That's why today, we are holding a hearing on these exemptions and, specifically, on Representative Peterson's bipartisan legislation to bring at least part of this process out into the open. H.R. 3006, the *Renewable Fuel Standard Integrity Act of 2019*, requires public disclosure of any information included in petitions for exemption from the annual blending requirements. The bill also sets an annual deadline of June 1 for small refineries to petition for exemption from the upcoming year's blending requirements in order to make the process more predictable and rational.

Now, some of the information contained in the small refinery exemption petitions is likely to be confidential business information that shouldn't be divulged to the general public. But there is clearly a logical middle ground between releasing every bit of information on a petition and the complete blackout we are all subject to today.

We should be able to find a middle ground and move a version of this bill through the committee with bipartisan support. I yield back.