The op-ed below originally appeared in the Washington Examiner on September 27, 2019.

The U.S. refining sector is a steadfast economic engine, supporting more than 2 million jobs and providing the affordable, reliable fuels on which America runs — the gasoline and diesel that take us to work and our kids to school, supply heavy construction equipment and enable first responders, and even power tractors on the farm. But refining jobs could be at risk, reliance on imports could rise, and consumers may face higher fuel costs if the White House advances proposals to dramatically increase biofuel mandates.

Though U.S. consumption of ethanol and biodiesel is near record highs, reports indicate President Trump is considering increasing the amount of biofuel in the nation's fuel supply. This would all be done in an effort to appease corn-state ethanol interests claiming injury from the waivers granted to small refineries suffering hardship from the biofuel mandates, as well as the ongoing trade war with China. But increasing the mandates would erode the president's pledged support for U.S. manufacturing, increase costs for refiners, and incentivize more imported biofuels — all without helping U.S. farmers or small ethanol producers.

The ethanol lobby is insisting the president "make-up" for providing hardship relief to small refineries that have been disproportionately harmed by the Renewable Fuel Standard, the law requiring increasing amounts of biofuel to be used in our fuel supply each year regardless of cost or compatibility with our current fuel infrastructure. Refiners demonstrate RFS compliance by turning in credits, known as RINs, to the government. Many refiners spend more on RINs than they do on the employee payroll. In fact, RFS compliance costs can be the second-largest expense for a small refinery, trailing only the cost of crude oil.

Recently, the administration granted 31 small refinery exemptions to qualified refineries whose viability was at risk from the ethanol mandates. But now, under pressure from ethanol producers, the White House is signaling it may increase future RFS ethanol quotas for all refiners by an amount equal to the volumes waived by exemptions.

This would put upward pressure on RIN prices, potentially increasing costs for small and large refiners alike, threatening well-paying manufacturing jobs, and diverting resources away from investments in upgrades or maintenance projects that employ thousands of skilled construction workers. Higher RIN prices could also mean higher fuel prices for consumers.

All pf this would be at risk because of false claims that small refinery waivers have resulted in ethanol demand destruction. According to the federal Energy Information Administration, ethanol consumption is at a record high and not affected by hardship waivers. And yet, President Trump seems poised to comply with the corn lobby's demands: Media reports indicate the administration plans to mandate 1 billion additional gallons of biofuel in 2020 and 250 million additional biodiesel gallons in 2021.

Submitting to ethanol industry demands would not be in the best interests of our nation. The Environmental Protection Agency already sets annual biofuel volumes at the maximum level that can be

satisfied using domestically produced fuel. But last year, hundreds of millions of gallons of fuel were imported to meet these mandates, at the expense of domestically produced gasoline and diesel. Arbitrarily raising the mandates yet again will do nothing more than increase the financial burdens of U.S. manufacturers and incentivize imports, while putting consumers at risk of higher fuel costs. This is not consistent with an “America First” energy policy.

Unfortunately, the debate around this issue is less about sound policy and more about politics. Some of the president’s advisers are convinced that appeasement of the ethanol industry is needed to maintain support from states like Iowa and Nebraska. But these pundits miscalculate the importance of refinery workers in Pennsylvania, Ohio, Texas, Michigan, Wisconsin, and across the United States whose jobs are threatened by higher biofuel mandates.

We encourage the White House to rethink these drastic changes to the RFS and consider refinery worker jobs and the well-being of consumers when deciding ethanol policy.

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