A RESOLUTION URGING THE U.S. ENVIRONMENTAL PROTECTION AGENCY TO ADOPT RULES ADDRESSING PROBLEMS IMPACTING MINORITY CONSUMERS AND SMALL BUSINESSES IN THE RENEWABLE IDENTIFICATION NUMBERS MARKET

WHEREAS, Congress adopted a renewable fuel standard in 2005, and expanded it in 2007, to put more biofuels in the U.S. market in order to improve the environment and energy security;

WHEREAS, the Environmental Protection Agency developed Renewable Identification Numbers (RINs) as a way to keep track of each qualifying gallon of renewable fuels;

WHEREAS, big integrated oil companies and large gasoline convenience store chain are able to earn and sell RINs;

WHEREAS, Renewable Identification Numbers can be sold and traded on a secondary market, separately from biofuels, increasing the likelihood of fraud;

WHEREAS, the current method the EPA has chosen to demonstrate compliance with that standard, has caused both excessive Wall Street speculation and fraud in the market for renewable fuels, endangering the very purpose of the program;

WHEREAS, adverse impacts on refining related to these implementation problems endanger gasoline supply and price, creating substantial unequal impacts for consumers living on fixed incomes and in communities of color;

WHEREAS, people of color own about 42 percent of independent gasoline retail stations, which are often squeezed by these implementation problems;

WHEREAS, these implementation problems also create competitive disadvantages for small gasoline retailers and convenience stores with large numbers of minority owners; and

WHEREAS, a simple administrative change to the program moving the point of obligation for providing renewable identification numbers, or RINs, downstream could fix the problem for gasoline consumers and small businesses.
THEREFORE BE IT RESOLVED, the National Black Caucus of State Legislators (NBCSL) calls on the U.S. Environmental Protection Agency to adopt a rule to address problems in the RINs market by moving the point of obligation in order to eliminate incentives for excessive speculation and fraud;

BE IT FURTHER RESOLVED, the newly created Quality Assurance Program should have a component that addresses how fraud impacts minority owners and communities of color; and

BE IT FINALLY RESOLVED, that NBCSL send a copy of this resolution to the President of the United States, the Vice President of the United States, members of Congress, and other federal and state government officials as appropriate.

SPONSOR: Representative Billy Mitchell (GA)
Committee of Jurisdiction: Business and Economic Development Policy Committee
Certified by Committee Chair: Senator Jeffery Hayden (MN)
Ratified in Plenary Session: Ratification Date is December 3, 2016
Ratification is certified by: Senator Catherine Pugh (MD), President