



OAR 16 001 0778

July 15, 2016

Janet McCabe
Acting Assistant Administrator
Office of Air and Radiation
Environmental Protection Agency
Mail Code 6101A
1200 Pennsylvania Avenue, NW
Washington, DC 20460

RECEIVED
JUL 26 2016
EPA DOCKET CENTER

Attn: Docket ID No. EPA-HQ-OAR-2016-0004

Dear Assistant Administrator McCabe:

I write you directly on behalf of my petroleum marketing company, PetroTex Fuels, Inc., with regard to the circumstances negatively impacting my company as caused by the current Point Of Obligation under the current Renewable Fuels Standard ("RFS"). With that, my name is Harvey Steinhagen, and I own and operate, PetroTex, as headquartered in Beaumont, Texas. With that, for the past 26-years, I have operated PetroTex as a petroleum fuels marketing company in which markets petroleum motor fuel products under multiple brands in Texas and Southwest Louisiana, and in addition to that, PetroTex also operates a chain of retail convenience store fuel facilities in Southeast Texas, this in addition to our supplying some 100 plus customers at Wholesale under contract.

With that, I write you directly advising that my business is threatened by the large grocery and hypermarket retailers that have certain volume advantages to price fuel at a lower rate in the market than I have the ability to purchase at Rack. With that, be advised that one thing that makes it possible for these large retailers to take advantage of the smaller Marketer Network, is the ability to obtain extra revenues driven by the sale of renewable industry fuel blending credits, known as RINs. This revenue stream is significant as the smallest adjustment in the market place fuel cost has significant volume impact on our business as proven thus far. However, as you also must know, this RIN revenue generation by large retailers does not help the consumer in the long run, and because of that, I hereby make strong request to your Moving The Point Of Obligation under the Renewable Fuels Standard to Rack Sellers, so that my business and others like it in industry are not competitively disadvantaged, as caused by a government-created revenue stream that only subsidizes a certain class of trade, ... THIS IS NOT FAIR IN-TRADE.

Also with that, I likewise raise concern with regard to the Retailer Trade Groups that have surfaced speaking-out against moving the Point Of Obligation, and with that, as you also must know, these trade groups are merely speaking on behalf of their largest dues paying members, with those members being the large retailers to whom I am speaking about. With that, I ask you to make this change in obligation point, and sincerely request that you personally take-on this request as a serious requirement with merit in business. Also so you are made aware, please be advised that the smaller marketers with independent retailers make up approximately 70% of the

POSTMARKED

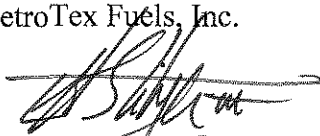
JUL 19 2016

retail gasoline market in the continental United States. In comparison, the large retailers makeup only about 17%, but have grown rapidly over the past decade in part due to the RIN revenues stream they currently enjoy. The disproportionate advantages that the EPA has created under the current RFS program allowance utilized by these large retailers has threatened the future of all marketer businesses like mine in industry, and these large retailers have the loudest voices in the national trade associations as you would expect. With that, the national trade association's opposition to moving the point of obligation is contrary to the position of all smaller marketer and retailers who absolutely support Moving The Point Of Obligation To The Rack. By these trade groups taking their stance against moving the point of obligation, they obviously are ignoring small marketers/retailer concerns and this disadvantaged circumstance also nets-out-to-be a government allowed competitive disadvantage being experienced in business by the small to mid-sized petroleum Marketer and Retailer class of trade, and it is wrongly allowed. With that, be advised that you do not represented fairness in trade with your allowing this point of obligation being in its current structure as it pertains to the Majority of Petroleum Marketer's across the country. With that, I hereby request that the EPA take into consideration the voice of the small Marketer segment in industry thereby Moving The Point Of Obligation To The Rack, so to eliminate the disadvantage circumstance in industry as currently being experienced under this current lopsided system.

Please confirm to me of your receiving this notification, as time is of the essence that you the EPA act in good conscience with regard to this substantial small business disadvantage in-which has been created through the Environmental Protection Agency.

Time is of the essence that you reply.

Sincerely,
PetroTex Fuels, Inc.



E. Harvey Steinhagen, III
President - CEO
409.842.0999