[**Insert Date**]

*Via* *Overnight Mail*

Janet McCabe

Acting Assistant Administrator

Office of Air and Radiation

Environmental Protection Agency

Mail Code 6101A

1200 Pennsylvania Avenue, N.W.

Washington, DC 20460

Re: Docket: EPA-HQ-OAR-2016-0004 - Request to change the point of obligation in the Renewable Fuel Standard

Dear Assistant Administrator McCabe:

My name is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and I am the [**insert title**] at [**insert company name and location**]. I am writing to you as a member of the Small Retailers Coalition, a group that was recently formed to help small and medium-sized gasoline retailers and fuel suppliers reach the EPA, The White House and Congress to inform them how the current point of obligation in the Renewable Fuel Standard (“RFS”) program is threatening the viability of thousands of small and medium-sized retailers all across the country.

The reason that we cannot compete fairly in the current market is because the current point of obligation is removed from the rack—the bulk terminal or truck loading terminal where entities control whether gasoline is blended. This means that large retailers are able to purchase gasoline unobligated and then blend it with ethanol or biofuels at the rack to generate a Renewable Identification Number (“RIN”). These large retailers then sell the RIN and generate enormous windfall profits. This allows our large retail competitors to have a direct price advantage over small and medium-sized retailers that I, and other small/medium-sized retailers, cannot match.

Simply put:

1. The current point of obligation gives large retailers a $.10 to $.15 cent per gallon advantage over small and medium suppliers.[[1]](#footnote-1)
2. The large retailers, who are able to purchase gasoline unobligated, sell the RINs for a profit. They make such a significant percentage of their profits from RIN sales, that they have no incentive to invest in infrastructure to support the further penetration of renewables in the market place.

My experience is \_\_\_\_ [talk about the impact on your business].

This is not in line with the intent of the RFS program. The RFS program was designed to drive the market towards making more renewable fuels available in the marketplace, not to drive small and medium-sized retailers out of business. We know that the EPA does not intend to put such businesses in jeopardy across the country, and that there are other issues that the EPA must contemplate in the RFS program. Moving the point of obligation is a simple step that the EPA can take to level the playing field for all gasoline retailers and allow the EPA to meet the goals that Congress laid out by eliminating this market barrier.

Thank you for your time and consideration, if you would like to learn more about this issue and how it is impacting our industry, you can visit the Small Retailers Coalition website at [insert web address] or contact [**insert contact information**].

Very truly yours,

1. There is extensive market research that demonstrates that customers will drive out of their way to purchase gasoline from an outlet selling gasoline $.03 cents a gallon less than nearby competitors. Thus, with large retailers having a $.10 to $.15 cent per gallon advantage, the small and medium-sized retailers will be forced out of the marketplace, leaving only the large retailers as viable providers. [↑](#footnote-ref-1)