



**Jack N. Gerard**  
President and Chief Executive Officer

1220 L Street, NW  
Washington, DC 20005-4070  
USA  
Telephone (202) 682-8500  
Fax (202) 682-8110  
Email [gerardi@api.org](mailto:gerardi@api.org)  
[www.api.org](http://www.api.org)

September 20 , 2012

Dear Member of the U.S. House of Representatives:

The American Petroleum Institute (API) encourages you to support H.R. 6444, the Stop RIN Fraud Act, introduced by Representatives Pete Olson (R-TX), Gene Green (D-TX), Marsha Blackburn (R-TN) and Jim Matheson (D-UT). This legislation will restore confidence in the Renewable Information Number (RIN) credit program under the Renewable Fuel Standard (RFS) by creating a RIN credit certification system and establishing protections for those who purchase and use certified RINs.

The RFS requires refineries and importers of gasoline and diesel, also known as obligated parties, to blend at least 36 billion gallons of renewable fuel annually by 2022. RINs are an integral part of the RFS. A RIN is a 38-digit serial number assigned to renewable fuel as it is produced. Each year, obligated parties must collect and submit to the Environmental Protection Agency (EPA) enough RINs to match their RFS compliance obligations.

Biodiesel is a renewable fuel mandated under the RFS, and RINs are also assigned to biodiesel as it is produced. Recent fraudulent activities in the biodiesel industry have created uncertainty in the RIN market and this uncertainty could threaten the very existence of many small biodiesel producers. To date, EPA has publicly disclosed that three companies have generated over 140 million fraudulent biodiesel RINs, accounting for 5-12 % of the biodiesel RIN market. In addition, there have been reports of ongoing investigations into other potential fraudulent actors.

EPA has created a "buyer beware" program where obligated parties are liable for using fraudulent RINs for compliance even if they had no actual knowledge that the RIN was invalid. By fining the obligated parties and then requiring them to replace the invalid RINs with new ones the EPA is penalizing the obligated parties for the fraudulent acts of others. Meanwhile, many innocent small biodiesel producers have stated that they are economically suffering due to this uncertain marketplace.

API encourages you to support H.R. 6444, the Stop RIN Fraud Act. The legislation restores confidence in the marketplace by requiring EPA to establish a system whereby EPA approves 3rd party RIN certifiers. It also provides protections for obligated parties who purchase certified RINs and an opportunity for smaller biodiesel producers to compete more effectively. Finally, it requires that the EPA act no later than January 1, 2013 so that confidence in the marketplace can be restored as quickly as possible. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jack Gerard". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jack N. Gerard  
President & CEO  
American Petroleum Institute