March 27, 2014

Christopher Grundler
Director, Office of Transportation and Air Quality
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Mr. Grundler

The below-signed trade associations represent independent marketers who blend renewable fuels into petroleum blendstock to produce finished transportation fuel (hereinafter referred to as "blenders"). They all urge the Environmental Protection Agency ("EPA" or the "Agency") to reject a recent petition to revise the Renewable Fuel Standard ("RFS" or the "Program") regulations in a manner that would make blenders – rather than refiners and importers – "obligated parties."[1]

For the reasons articulated below, the petition exhibits a misunderstanding of how the Program works. If the petition is granted, blenders would be subject to obligations that they would not necessarily be capable of satisfying. This would disrupt the renewable fuels market and increase the Agency's burdens in implementing the RFS. These consequences would hinder the achievement of the Program's objectives.

I. SUMMARY

- In enacting the RFS, Congress sought to displace traditional fuel from unstable sources with domestically-produced renewable substitutes. These objectives can be achieved only if renewable fuels are price-competitive with petroleum-based fuel. Thus, regulations implementing the RFS should be designed to achieve the Program's objectives while imposing the minimum amount of burdens and disruptions on the entities

[1] "Petition to Revise The Renewable Fuel Standard Regulations," Letter from David W. DeBruin, Counsel, Monroe Energy LLC, to Gina McCarthy, Administrator, U.S. EPA (Jan. 27, 2014); *see also* Brief for Petitioner at 6, Monroe Energy LLC v. EPA, No. 14-1014, (D.C. Cir. filed Jan. 28, 2014).

that bring renewable fuels to market. Every incremental increase in such burdens results in an associated increase in the cost of renewable fuels.

- Making blenders obligated parties would inject substantial disruptions into the renewable fuels market and impose significant burdens on its participants. It is appropriate to make refiners and importers obligated parties because those entities control how product is introduced into commerce. Blenders, conversely, do not have such control because they are fundamentally *buyers* of refined products. Thus, if they were classified as obligated parties, their ability to satisfy their obligations would be dictated by their upstream counterparts. This anti-competitive result would lead to upward pressure on the retail price of motor fuel.
- Notwithstanding petitioner's statements to the contrary, the rationale for placing compliance obligations on refiners and importers remains valid. To change the regulatory scheme now would substantially disrupt the motor fuels market, impose unfair and inefficient obligations upon blenders, increase the Program's complexity and the Agency's administrative and enforcement burdens, and generally hinder the achievement of the Program's objectives.

II. THE RFS'S OBJECTIVES

The objectives of the RFS are to displace traditional fuel from unstable sources with domestically-produced renewable substitutes.

When the RFS was enacted in 2005 and expanded in 2007, domestic oil production was in the midst of a decades-long decline while demand for transportation fuels was rising. This situation generated concerns that the growing gap between domestic supply and demand would be filled by oil imports. The nations that were capable of filling this gap through increased exports to the United States were generally members of the Organization of Petroleum Exporting Countries ("OPEC").

Biofuels were considered a viable source of domestic liquid fuels that could be increased to counter dependence on oil imports. Biofuels' proponents anticipated environmental, economic, and energy security benefits to flow from increased use of biofuels. Thus, Congress in 2005 created the first federal biofuels mandate in the Environmental Policy Act ("EPAct") with the RFS. Two years later, Congress expanded the RFS in the Energy Independence and Security Act of 2007 ("EISA"). EISA expanded the RFS's biofuels targets from 7.5 billion gallons by 2012 to 36 billion gallons by 2022.

In enacting EISA, it was the sense of Congress that "the production of transportation fuels from renewable energy would help the United States meet rapidly

growing domestic and global energy demands, reduce the dependence of the United States on energy imported from volatile regions of the world that are politically unstable, stabilize the cost and availability of energy, and safeguard the economy and security of the United States."[2]

III. MAKING BLENDERS OBLIGATED PARTIES WOULD HINDER THE ACHIEVEMENT OF THE RFS'S OBJECTIVES

A. The Importance of an Efficient, Well-Functioning and Competitive Marketplace for Renewable Motor Fuels

Achieving the RFS's objectives requires an efficient, well-functioning and competitive marketplace for renewable motor fuels. If these prerequisites do not exist, renewable fuels will not be priced competitively with petroleum based fuels. Although the RFS contains a number of mandates, the Program does not mandate that consumers purchase anything. As operators of retail motor fuel outlets with large street-side price display signs for consumers to view without leaving their vehicles, members of the below-signed trade associations are well aware that consumers make purchasing decisions based on price. Indeed, statistics establish that consumers will drive well out of their way to purchase the cheapest fuel available.

Imposing unnecessary burdens and disruptions on the market for renewable motor fuels will increase regulated entities' costs, and ultimately the price consumers pay. If the cost of renewable fuels is greater than the cost of petroleum-based fuels, consumers will not buy renewable fuels and the RFS will not achieve its objectives. It follows that RFS regulations should be designed to achieve the Program's objectives while imposing the minimum amount of burdens and disruptions on the entities that bring renewable fuels to market. Every incremental increase in such burdens will lead to an associated increase in the cost of renewable fuels.

The Program's objectives can only be achieved inasmuch as consumers want to purchase the fuels that the Program incentivizes. For example, one objective of the RFS is to enhance U.S. "energy security," *i.e.*, generate adequate supply of product that is priced competitively with petroleum. In this regard, the RFS contributes to U.S. energy security inasmuch as it decreases U.S. reliance on foreign fuels (through the enhanced use of ethanol in gasoline and diesel fuels) and thus helps moderate the impact of global price fluctuations on the U.S. energy market. Consumers at this juncture, however, have shown little demand for gasoline blends with greater than 10 volume percent ethanol. This lack of consumer demand imposes a ceiling on the degree to which the RFS can enhance U.S. energy security.

[2] EISA Section 806(a)(4); Note: 42 U.S.C. § 17285.

The "blend wall" is analogous to the potential pitfalls of injecting additional disruptions into the motor fuels market. Such disruptions will inevitably lead to higher prices for the renewable fuels that the Program seeks to incentivize. Such higher prices will diminish renewable fuels' market infiltration, which – like the blend wall – will hinder achievement of the Program's objectives.

B. Making Blenders Obligated Parties Would Disrupt the Marketplace

i. Most product today is blended at the rack

The terminal "rack," *i.e.*, the point at a petroleum storage terminal[3] from which gasoline and diesel fuel are transferred from storage into transport trucks for delivery to retail motor fuel outlets, is the proverbial "heart" that pumps renewable fuel into the marketplace. Because ethanol cannot be shipped via pipeline, most ethanol today is blended with gasoline at the rack rather than at the refinery.

Regardless of which actor in the chain of commerce is an "obligated party," the RFS is effectuated through transactions that are consummated at the rack, and activities that are conducted at the rack. Because of this fact, most obligated parties prefer to introduce product into commerce at the rack.

In so doing, there are several ways that obligated parties can satisfy their RFS obligations:

- Blend gasoline and/or diesel fuel with ethanol prior to selling the fuel. Such blending will enable the obligated party to separate renewable identification numbers ("RINs") from the renewable fuel, and use the RINs to satisfy their renewable volume obligations ("RVOs") under the Program.
- Sell neat (straight) gasoline and/or diesel fuel to a blender, and contractually obligate the blender to separate RINs after blending such gasoline and/or diesel fuel and remit them back to the obligated party. The RINs can then be used to satisfy the obligated party's RVOs.
- Sell neat gasoline and/or diesel fuel to a purchaser, and simply acquire RINs through the secondary market in order to satisfy their RVOs.

[3] Refined product is shipped via pipeline to such terminals.

ii. Refiners and importers should be obligated parties because they introduce product into commerce

Unlike blenders, refiners and importers have control over how much refined product is introduced into the stream of commerce, and the manner in which such product is introduced. As described above, the RFS affords refiners and importers multiple ways to accumulate sufficient RINs to satisfy their obligations. This includes generating RINs directly through blending operations, or acquiring RINs in the open market.

Blenders on the other hand are fundamentally buyers. They can only buy – and blend – what refiners and importers are willing to sell to them. Thus, if blenders were obligated parties, they would not have the same ability to satisfy their RVOs that refiners and importers currently have because blenders do not control how refined product is introduced into commerce. More specifically, blenders would be unable to acquire RINs directly if the market encouraged refiners and importers to blend product prior to sale and sell any superfluous RINs in the open market. In this scenario, blenders would not be capable of satisfying their obligations other than through the purchase of RINs on the open market.

In other words, whereas obligated parties today can determine for themselves how to meet their obligations, blenders' ability to satisfy their obligations would be dictated by their upstream counterparts.

This would severely disrupt the retail motor fuels market, imposing upward pressure on the price consumers pay for renewable fuels. At the very least, making blenders obligated parties would increase their costs of selling renewable fuels. Such costs are ultimately absorbed by the consumer. Beyond this, however, it would diminish competition in the retail motor fuels market. Refiners would undoubtedly offer more favorable terms to marketers that sold the refiners' respective branded product. Those blenders and marketers that currently trade in unbranded product would have to sell branded product or risk being left without a product to sell on a cost-competitive basis. This would diminish the diversity of renewable fuel supply, and impose upward pressure on the retail price of renewable motor fuel.

iii. Refiners and importers should be obligated parties because it facilitates easier administration of the Program

Making refiners and importers obligated parties facilitates easier administration of the RFS because there are so few of them relative to downstream blenders. The fewer parties that are obligated to demonstrate compliance with the RFS, the less burdensome it is for the Agency to administer and enforce the Program. There are many more downstream blenders operating today than there are obligated parties.

What's more, to the extent Program regulations would continue the exemption for smaller obligated parties,[4] administering this exemption would be particularly straining for EPA since so many blenders today are small businesses.

Increasing the Agency's administrative workload in this manner would add to the Program's complexity, and would not be conducive to achieving the RFS's objectives.

iv. Any regulatory approach to making blenders obligated parties would substantially disrupt the motor fuels market and the implementation of the RFS

There are two primary approaches the Agency could take were it to grant the petition. Either of these approaches would substantially disrupt the motor fuels market and the implementation of the RFS.

1) *Changing the definition of "obligated parties"*

The first approach the Agency could take in granting the petition would be to simply change the definition of "obligated parties" in 40 CFR 80.1406 to cover "blenders" rather than refiners and importers.[5] An "ethanol blender" is defined as any person who owns, leases, operates, controls, or supervises an ethanol blending plant.[6] An "ethanol blending plant" is defined as any refinery at which gasoline is produced solely through the addition of ethanol to gasoline, and at which the quality or quantity of gasoline is not altered in any other manner.[7] A "refinery" is defined to include any facility, including a plant or tanker truck, at which blendstock is added to gasoline or diesel fuel.

EPA could simply redefine the term "obligated party" to cover solely "ethanol blenders." This would generally cover those actors who today are considered "blenders." As a practical matter, however, those who blend today would simply cease their blending operations because there would be no incentive to continue. In fact, there would be a strong *disincentive* to continue, since blending would require the entity to assume the burdens of being an obligated party. Rather than *encouraging* the introduction of renewable fuels into the market, this revised RFS would *discourage* introduction of renewable fuels into the market.

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[4] *See generally* 40 C.F.R. 80.1126(b); *see also* 40 C.F.R. 80.1426(c)(3).
[5] *See* 42 U.S.C. 7545(o)(3)(B)(ii)(l) (directing EPA to designate as obligated parties "refineries, blenders, and importers, as appropriate.")
[6] 40 C.F.R. 80.2(v); *see also* 40 C.F.R. 80.1401 (stating that the definitions of section 80.2 apply for the purposes of the RFS regulations).
[7] 40 C.F.R. 80.2(u).

This approach would effectively amount to a repeal of the RFS.

2) *Eliminate RBOB and CBOB from the list of fuels that are subject to the RFS*

Another approach the Agency could take would be to eliminate reformulated gasoline blendstock for oxygenate blendstock ("RBOB") and conventional gasoline blendstock for oxygenate blending ("CBOB") from the list of fuels that are subject to the RFS, such that a party's RVO would be based only on the non-renewable volume of finished gasoline or diesel that the party produces or imports. Parties that blend ethanol into RBOB and CBOB to make finished gasoline would thus be obligated parties, and their RVOs would be based upon the volume of RBOB and CBOB prior to ethanol blending.

There are a number of flaws to this approach. First, as discussed above, it would impose an unfair burden on blenders because blenders – who do not introduce product into commerce – would not have control over their ability to satisfy their newfound obligations. This unfair burden would lead to an increase in the retail price of renewable fuels, which would hinder the achievement of the Program's objectives.

Second, it would substantially disrupt the motor fuels market. Not only would it increase the number of obligated parties, but it would result in a significant change in the movement of RINs. Newly obligated parties would be forced to implement new systems for determining and reporting compliance. This increase in input costs would inevitably lead to an increase in the retail price of renewable fuel. Indeed, making blenders obligated parties would effectively turn the Program on its head, and eliminate the investments and market adjustments that have been predicated upon the current definition of obligated party.

Finally, it would impose real administrative and enforcement burdens on the Agency, since the number of obligated parties would increase likely by a factor of ten. Such added complexity would hinder the achievement of the Program's objectives.

IV. THE RIN TRADING SYSTEM'S PURPOSE

A. The RIN System was Designed at the Request of Obligated Parties as a Method of Demonstrating Compliance that Imposed Minimal Logistical Burdens

In evaluating the petition, it is important to remember that the RIN system to which petitioner objects was established at the request of obligated parties – including refiners – as a method of demonstrating compliance with the Program without imposing excessive logistical burdens. The system affords obligated parties the

flexibility to demonstrate compliance by *either* acquiring the required volumes of renewable fuels (together with their associated RINs), *or* by acquiring the RINs without the associated fuel.

The system affords obligated parties further flexibility. Under certain conditions, obligated parties may carry an RVO deficit into the next calendar year. Conversely, if an obligated party acquires more RINs than it needs to meet its RVOs, it can transfer the excess to another party or retain them for compliance with its RVOs the following year. These flexibilities reduce the costs to obligated parties of meeting their RVOs. The flexibilities are made possible by the RIN system to which the petitioner now objects. In addition, to further minimize compliance burdens, the Agency worked with obligated parties to develop a centralized, electronic data transaction system, the EPA Moderated Transaction System ("EMTS") to support real time submission of RIN transactions.

B. Petitioner Misstates Various Justifications for Current RIN System

i. *The rationale for placing compliance obligations on refiners and importers remains valid*

The petitioner takes the Agency's statements out of context to insinuate that EPA's original rationale for making refiners and importers obligated parties is no longer valid. As stated in the petition:

> *In 2010, however, EPA determined, in its rulemaking implementing the second version of the RFS program, that 'the rationale . . . for placing the obligation on just the upstream refiners and importers is no longer valid.'"*[8]

A review of the entire EPA statement that the petitioner quotes above reveals something much different. In fact, the Agency was simply stating that a greater quantity of gasoline would be blended with ethanol under the RFS2 than was the case under the RFS1, and thus to the extent any provisions in the final RFS1 rules were premised upon a lesser quantity of gasoline being blended with renewable fuels, that rationale was naturally "no longer valid":

> *When the RFS1 regulations were drafted, the obligations were placed on the relatively small number of refiners and importers rather than on the relatively large number of downstream blenders*

[8] Petition at pg. 4.

> *and terminals in order to minimize the number of regulated parties and keep the program simple. However, with the expanded RFS2 mandates, essentially all downstream blenders and terminals are now regulated parties under RFS2 since essentially all gasoline will be blended with ethanol. Thus the rationale in RFS1 for placing the obligation on just the upstream refiners and importers is no longer valid.*[9]

The RFS1 regulations were narrow enough in scope that by making refiners and importers obligated parties, certain downstream blenders and terminals may not have been implicated by the rules at all. Thus, one of the original virtues of making refiners and importers obligated parties was that there would be certain segments of the market that did not face augmented obligations. This was no longer true under the RFS2 regulations, since virtually all gasoline in the country was to be blended with ethanol under that Program. The rules would necessarily impact downstream blenders and terminals that were not necessarily implicated under the RFS1.

In other words, the statement that petitioner quotes was simply saying that the final rules would implicate downstream terminals and blenders that may not have been implicated under the RFS1 rules. It is inaccurate for the petitioner to suggest that the statement undercuts the Agency's entire rationale for making refiners and importers obligated parties.

The petitioner's misreading of the Agency's statements is apparent by analyzing the first proposed rule implementing the RFS1 under EPAct. As the Agency said in the preamble to that proposal:

> *In implementing [EPAct's] renewable fuels requirement, our primary goal is to design a requirement that is simple, flexible, and enforceable. If the program were to include renewable fuels in the volume of gasoline used to determine the renewable fuel obligation, then every blender that blends ethanol downstream from the refinery or importer would be subject to the renewable fuel obligation for the volume of ethanol that they blend. There are currently approximately 1,200 such ethanol blenders. Of these blenders, only those who blend ethanol into [reformulated*

[9] 75 Fed. Reg. 14722 (March 26, 2010).

> *gasoline blendstock for oxygenate blending, or RBOB] are regulated parties under current fuels regulations. Designating all of these ethanol blenders as obligated parties under the RFS program would greatly expand the number of regulated parties* ***and increase the complexity of the RFS program beyond that which is necessary to carry out the renewable fuels mandate under [EPAct].”***[10]

The overarching rationale underlying the statement that the petitioner quotes remains valid today: Having “the relatively small number of refiners and importers” be obligated parties “rather than the relatively large number of downstream blenders and terminals” serves to “minimize the number of regulated parties and keep the program simple.”[11] Although the downstream parties are regulated today, their burdens would be larger if they were obligated parties. Indeed, “the designation of ethanol blenders as obligated parties would . . . greatly expand[] the number of regulated parties and increase[] the complexity of the RFS program beyond that which [is] necessary to carry out the renewable fuels mandate under CAA section 211(o).”[12] This is not arbitrary decision-making; it is a rational approach that furthers the Agency’s longtime goals of implementing a Program that is “simple, flexible, and enforceable.”[13]

ii. ***The fact that petitioner chooses to bring its product to market in a particular manner does not render its classification as an obligated party arbitrary and capricious.***

The petitioner is a subsidiary of Delta Air Lines which, after receipt of $30 million in state government assistance for job creation and infrastructure improvement, purchased a refinery in Trainer, Pennsylvania (just outside of Philadelphia) in 2012 (two years after the RFS2 rules were finalized) for $150 million as a way to hedge against jet fuel costs.[14] The facility had historically been geared to the gasoline market in the Northeast, but as consumption dropped and light crude oil costs rose faster than other types of crude oil, the plant struggled. Around the time that the petitioner purchased the facility, another refinery in the Philadelphia region – Sunoco’s Marcus

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[10] 71 Fed. Reg. 55573 (Sept. 22, 2006) (emphasis added).
[11] 75 Fed. Reg. 14722 (March 26, 2010).
[12] 74 Fed. Reg. 24963 (May 26, 2009).
[13] 71 Fed. Reg. 55573 (Sept. 22, 2006).
[14] CNBC.com, *Delta’s jet fuel gamble is starting to pay off* (Dec. 6, 2013), available at: http://www.cnbc.com/id/101253932.

Hook – had recently shut down. Prior to purchasing the Trainer facility, Delta had never owned or run a refinery.[15]

As part of the agreement to purchase the refinery from Phillips 66, the petitioner agreed to swap the refinery's gasoline, diesel, and other products in exchange for jet fuel produced elsewhere by Phillips 66 and British Petroleum. In reporting its second-quarter earnings in 2013, Phillips 66 said it benefitted from selling RINs that it generated from blending renewable fuel with the refined product it acquired from the petitioner.[16] The petitioner, it was reported late last year, was on track to spend more money purchasing sufficient RINs to meet its RVOs than it paid for the refinery in the first place.[17]

In asking the Agency for relief from its very predictable obligations, the petitioner claims that forcing it to satisfy its annual RVOs contradicts a fundamental purpose of the RFS:

> *EPA recognized at the time [that the RFS2 rules were finalized] that high RIN prices could result if the market approached the blendwall, and that high prices can affect refiners and importers differently depending on whether they are affiliated with blenders. Refiners and importers affiliated with blenders can obtain most, if not all, of the RINs they need for compliance without incurring any cash cost, simply by receiving those RINs from their affiliated blenders. Refiners and importers without blending capabilities, by contrast, must acquire RINs on a secondary market, and they incur significant cash costs to do so. A differential impact on obligated parties is inconsistent with a fundamental purpose of RINs, which is to allow refine and importers to comply with the RFS requirement regardless of whether they themselves blend fuel or are affiliated with blenders. RINs are intended to be a competitively neutral means of compliance.*[18]

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[15] The New York Times, *Delta Buys Refinery to Get Control of Fuel Costs* (Apr. 30 2012), available at: http://www.nytimes.com/2012/05/01/business/delta-air-lines-to-buy-refinery.html?_r=0.
[16] Fuelfix.com, *Airline joins battle over biofuels* (Dec. 1 2013), available at: http://fuelfix.com/blog/2013/12/01/airline-joins-battle-over-biofuels/
[17] *Id.*
[18] Petition at pg. 2.

When the RFS2 rules were finalized, market actors responded by evolving their business models in accordance with their new regulatory burdens. Some obligated parties invested in blending capabilities to ease their compliance burden; others did not but instead contractually required blender-purchasers to remit RINs that were detached through blending back to the obligated parties.

The petitioner is apparently not requiring parties to which it is selling product to remit RINs back to the petitioner once the product is blended. Indeed, as noted above, the experienced refining company Phillips 66 has reported that it is profiting from the sale of RINs it is acquiring through product purchased from the petitioner's refinery. This is the result of a contract into which the petitioner voluntarily entered. It was a business decision.

By choosing to conduct its business in this manner, the petitioner is avoiding various cash costs that its competitors incur. Indeed, as with lunch, there's no such thing as a free ethanol blending plant. Such facilities cost money that the petitioner has not had to pay.

Rather than take their refined product and market it downstream, as many of its competitors do, the petitioner has chosen to trade such product for jet fuel. This also is a business decision. The petitioner is (presumably) reaping rewards through the sale of refined product with (apparently) no obligation on the part of the purchaser to remit RINs back to the petitioner. As these arrangements have been historically structured, there is a premium for the sale of such product relative to product for which detached RINs must ultimately be remitted to the refiner. (Without this premium, the selling party receives less money for the product than it should, and the purchasing party makes more money than it should.)

While the petitioner's predicament is unfortunate, it is not the result of a flawed Program. The Program affords the petitioner – and all obligated parties – ample opportunity to meet its RVOs because the petitioner controls how its product is introduced into the stream of commerce.

Ironically, the dire scenario that the petitioner fallaciously claims it is confronting *would befall* downstream blenders if they were to become obligated parties since, because they do not introduce product into commerce, they would not control their own ability to meet their RVOs.

V. CONCLUSION: IT IS NOT "APPROPRIATE" FOR EPA TO RECONSIDER ITS DEFINITION OF OBLIGATED PARTIES.

For the reasons discussed above, were EPA to designate blenders as "obligated parties" under the RFS, it would substantially disrupt the motor fuels market, impose unfair and inefficient obligations upon blenders, increase the Program's complexity and the Agency's administrative and enforcement burdens, and generally hinder the achievement of the Program's objectives. Such a dramatic policy shift is not "appropriate."[19]

NACS is an international trade association composed of more than 2,200 retail member companies and more that 1,600 supplier companies doing business in nearly 50 countries. The convenience and petroleum retailing industry has become a fixture in American society and a critical component of the nation's economy. In 2012, the convenience store industry employed more than 1.84 million (1.82m in 2011) workers and generated $700.3 billion in total sales, representing approximately 4.5 percent of the United States' GDP – or one of every 22 dollars spent – in 2012.

SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel. Ninety-two percent of SIGMA's membership are involved in gasoline retailing, 66 percent are involved in wholesaling, 36 percent transport product, 25 percent have bulk plant operations, and 15 percent operate terminals. Member retail outlets come in many forms, including travel plazas, traditional "gas stations," convenience stores with gas pumps, cardlocks, and unattended public fueling locations. Some members sell gasoline over the Internet, many are involved in fleet cards, and a few are leaders in mobile refueling.

PMAA member associations represent 8,000 independent petroleum marketing companies who represent wholesaler and retailers of gasoline, diesel, heating oil, lubricants and renewable fuels. PMAA marketers own 60,000 retail fuel outlets such as gas stations, convenience stores and truck stops. Additionally, these companies supply motor fuels to 40,000 independently owned retail outlets and heating oil to seven million homes and businesses. They sell their product under either their own private brand or the trademark of their supplier.

NATSO is the national trade association representing travel plaza and truck stop owners and operators. It is estimated the highway travel plaza and truck stop industry sell about 90 percent of all diesel fuel sold at retail in the United States. NATSO currently represents nearly 1300 travel plaza and truck stop locations nationwide, with the membership comprised of both large chain businesses and independent owner operators. About 80 percent of NATSO members' facilities are located within one-quarter mile of the Interstate Highway System, serving Interstate travelers exiting the highway and serving as the "home away from home" for our nation's professional truck drivers. Many NATSO members have invested significant financial resources in blending operations, primarily focused on blending biodiesel into diesel fuel.

[19] *See* 42 U.S.C. 7545(o)(3)(B)(ii)(l) (directing EPA to designate as obligated parties "refineries, blenders, and importers, as appropriate.")