

May 26, 2009

The Honorable Lisa Jackson  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

Dear Administrator Jackson:

The undersigned organizations are writing to you in regard to the U.S. Environmental Protection Agency's (EPA) recent Notice of Proposed Rulemaking for implementation of the updated Renewable Fuel Standard (RFS). We are pleased to see the EPA validate what our industry has long known – that when in direct comparison to gasoline, biofuels significantly reduce greenhouse gas emissions. In addition, we appreciate the work that EPA has done to develop a framework upon which the expanded renewable fuels standard will be implemented. Yet, we continue to have serious concerns with several provisions in the proposed rule and the potential impacts this could have on agriculture and the biofuels industry.

Our industry has been, and is currently, a major force in the revitalization of rural America by helping to create green jobs and by stimulating economic activity in rural communities. Through our groundbreaking efforts, American Agriculture is uniquely positioned to help achieve energy independence for our nation. Recently Secretary of Agriculture Tom Vilsack noted the importance of our industry, saying “Expanding our biofuels infrastructure provides a unique opportunity to spur economic development while reducing our dependence on foreign oil – one of the greatest challenges of the 21<sup>st</sup> century.”

While our industry along with many others is feeling pressure from the economic downturn in the U.S. and world economies, we should continue to work together to build a stronger, greener economy. It is imperative that at a time when our country is facing an economic crisis, we recognize the significant role of the ethanol and biodiesel industries in promoting, energy independence, which will lead to a more stable and prosperous U.S. economy.

Unfortunately, the risks and potential costs associated with EPA's current proposal are cause for great apprehension. Included in the proposal are numerous items which have the potential to place onerous and unnecessary regulations on agriculture producers. To avoid placing an undue burden on the agriculture community, we urge your continued collaboration with the United States Department of Agriculture (USDA).

It is our understanding that USDA has had a very constructive and cooperative relationship with EPA as they have developed this proposal. However, as indicated by officials from USDA at a recent hearing, the proposal raises “challenging issues for public comment.” Furthermore, USDA discussed some key uncertainties noted in the research efforts. We feel strongly that USDA should be closely consulted on any provisions in the proposal which impact the agriculture industry.

As previously mentioned, we appreciate EPA's analysis and inclusion of results indicating the positive impact of ethanol and biodiesel on reducing greenhouse gas emissions. However, we continue to have major concerns regarding the measurement of emissions resulting from indirect land-use change, particularly the inclusion of international land use changes. The USDA is best

positioned to provide the most accurate information and data related to crop production and market mediated effects. Therefore, it is imperative that input from USDA be considered as further analysis continues.

Also of concern is a provision related to “existing cropland.” As part of the proposed rule, biofuels feedstocks must comply with the “existing cropland” requirement. This could place additional stringent compliance, reporting and verification requirements on agriculture producers, if not implemented appropriately. In order to avoid unnecessarily complicating business practices for producers we strongly recommend using reporting tools and data currently available and in use by USDA.

Furthermore, the science of market-mediated, secondary impacts is very young and requires more reliance on verifiable data and less reliance on unproven assumptions. As a result, it is critically important that the data, information and expertise at USDA be included as part of the process. This is yet another area where USDA will be able to provide guidance and assistance in further implementation of the RFS.

In closing, we are pleased President Obama continues to demonstrate his commitment to the biofuels industry. The formation of the Biofuels Interagency Working Group will be a key component of making implementation of the RFS II a success. The agriculture industry believes this further demonstrates the President’s commitment to our industry and the role that USDA will play in implementation of this rule.

We appreciate your willingness to work with the agriculture community on this issue and hope to continue a positive dialogue with EPA in the future. We again commend you and Secretary Vilsack for your collaborative efforts and encourage continued cooperation between USDA and EPA to address this issue of critical importance.

Thank you for your time and consideration in this matter of mutual interest. We look forward to working with you on this and other issues in the future.

Sincerely,

American Farm Bureau Federation  
American Sugar Alliance  
American Sugar Beet Association  
National Association of Wheat Growers  
National Corn Growers Association  
National Council of Farmer Cooperatives  
National Farmers Union

cc: The Honorable Tom Vilsack, Secretary of Agriculture  
The Honorable Collin Peterson, Chairman, House Committee on Agriculture  
Joe Glauber, Chief Economist, USDA