

# WORC

## *Western Organization of Resource Councils*

18 June 2008

Robert J. Meyers

Principal Deputy Assistant Administrator

Office of Air and Radiation

Air and Radiation Docket No. EPA-HQ-OAR-2008-0380

EPA Mailcode: 6102T

1200 Pennsylvania Avenue, NW

Washington DC 20460

Dear Mr. Meyers:

I am writing on behalf of the Western Organization of Resource Councils, a grassroots organization made up of 10,000 members in seven states. We are responding to your request for public comment on the request of Texas Gov. Perry for a 50% waiver of the Renewable Fuel Standard for ethanol. We strongly urge you to leave in place the Renewable Fuel Standard passed by Congress and signed by the President in December 2007 in the Energy Security and Independence Act, a mere six months ago, which we supported.

WORC supported the adoption of the RFS in the ESIA and worked hard throughout 2007 to ensure that it would include safeguards to promote sustainably produced biofuels. Revising the standards at this early date will seriously undermine the advancement of second generation advanced biofuels. Advanced biofuels from cellulosic sources such as perennial grasses present the greatest potential energy and ecological benefits both from a climate change standpoint, and also from the standpoint of resource and soils conservation, land use, wildlife, and water quality.

The ESIA contains Low Carbon Fuel Standards which provide regulators with the tools to prevent the kind of destructive outcomes that people cite when expressing concerns about biofuels. These tools include the requirement to include indirect land use in assessing the lifecycle greenhouse gas emissions of biofuels in the standard. With these safeguards in place, it will be possible for the nation to pursue an ambitious agenda of energy independence through the development of renewable fuels.

It is not surprising that many are unaware of the far-sighted provisions woven into the Act. Very little reporting on the ESIA of 2007 acknowledges the significant, precedent-setting safeguards enacted to moderate and indemnify against adverse impacts of conventional biofuels and advanced biofuels.

WORC's members are farmers and ranchers, small business persons, and people who are primarily living in rural communities and small cities in the West. We are directly affected by the effects of high fuel prices on the long distances we must travel to school, to work, to markets and to conduct our lives. We are directly affected by the high cost of feeding livestock. And, we are affected by the high cost of food in our grocery stores.

Because of this, we have closely followed the rapid escalation in food prices, and understand that this price spike has very little to do with increased production of corn based ethanol in the US. Biofuels consume only 4% of the world grain, and are an insignificant contributor to the current global price spikes. A number of credible analysts have concluded that only 3-4% of the increases in commodity prices can be attributed to biofuels.<sup>1</sup>

Mostly the increases in food prices reflect the inflationary effects of fossil fuels, which are a large variable cost in the industrial, globalized food chain.<sup>2</sup> In fact, economists have estimated that ethanol has moderated gasoline prices by as much as 35 cents per gallon.<sup>3</sup> Tampering at this point with the RFS would tend to increase fuel costs with further inflationary ramifications in the food chain.

A recent investigative report in the Toronto Globe and Mail and testimony in the Senate Committee on Homeland Security and Governmental Affairs by Michael Masters on May 20, 2008, elucidate the dramatic impacts of deregulation of commodities and derivatives in the futures markets on rising food and feed prices.

Changes in domestic and foreign food policies have contributed to shortages and price spikes. WORC strongly supports reforms in global trade policies to allow for national food sovereignty and national grain reserves, both at home and abroad, as a basic principal of farm policy which makes even more sense with the advent of biofuels production from farms.

Finally, a recent, widely reviewed analysis prepared by Texas A & M University found that cutting the RFS in half for corn based ethanol would reduce prices for corn by only 30 cents per bushel over the next four years.<sup>4</sup>

For all of these reasons, WORC believes that intervening in the newly adopted RFS would be highly premature, would undermine and jeopardize energy independence and the development of much-needed renewable energy production in the U.S., and would do nothing to alleviate the rise in global food prices. Therefore, we urge you to deny the request of the Governor of Texas to grant a waiver of 50% of the ethanol RFS.

Sincerely,

Randy Joseph  
WORC Chair

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<sup>1</sup> Edward Lazear, Testimony before the Senate Foreign Relations Committee, May 14, 2008.  
Jim Lane, Biofuels Digest, April 2008, “**Meat vs Fuel: Grain use in the U.S. and China, 1995-2008**”

<sup>2</sup> Texas A&M Agriculture and Food Policy Center, “The Effects of Ethanol on Texas Food and Feed”, April 10, 2008

<sup>3</sup> E&E Daily, Allison Winter, “Biofuels: Struggling with ethanol backlash, senators question waiver’s effects”, June 13, 2008

<sup>4</sup> Texas A&M, Op cit.