

September 22, 2009

RE: Harkin Indirect Land Use Change Amendment to Interior Appropriations Bill

Dear Senator,

We are writing to urge you to vote YES on the Harkin amendment to HR 2996, the fiscal year 2010 Interior-Environment Appropriations bill.

Senator Harkin's amendment would prohibit the use of fiscal year 2010 funds by the EPA to include international indirect land use change (ILUC) emissions in the implementation of the Renewable Fuel Standard (RFS) program. We strongly endorse Senator Harkin's effort to call a time out in the U.S. Environmental Protection Agency's (EPA) plans to impose onerous regulations on the U.S. biofuels industry and the American farmers who grow the feedstocks used to produce the fuel.

The inclusion of international ILUC would undermine Congress' intention in expanding the RFS in the Energy and Independence Act of 2007. The tremendous uncertainty and inherent lack of transparency associated with the analysis of international ILUC makes it extremely difficult for regulators to legitimately use these results to assign penalties for international indirect effects to the carbon score of various biofuels.

Moreover, ILUC sets a dangerous precedent within our overall domestic economic policy. What is to prevent ILUC from applying to shopping malls, roads, residential homes schools and hospitals if it is arbitrarily allowed here?

The ILUC provision was not debated before it was included in the Energy Independence and Security Act of 2007. A one year delay would give Congress and the Administration the more time to thoroughly evaluate the theory of ILUC. It is not a good idea for EPA to regulate an industry before they have all of the necessary data. The House has already spoken on this issue and taken the right approach by including a provision in the American Clean Energy and Security Act of 2009, H.R. 2454, that prevents the EPA from implementing this ILUC rule for six years until the National Academy of Sciences studies more thoroughly whether the theory of ILUC is corroborated by the actual on-the-ground evidence and should be applied in a policy context. Due to the nature of the amendment to an appropriations bill, Senator Harkin's amendment would give the EPA one year to reconsider its assessment of international ILUC as part of the RFS program.

The Environmental Protection Agency's proposed ILUC rule would penalize domestic production of ethanol and biodiesel. ILUC incorrectly assumes that increased production of U.S. biofuels will cause deforestation in Brazil and other foreign countries. The facts contradict this bizarre theory. Deforestation in Brazil during the past four

years has been reduced by 50%, while during those same four years the production of U.S. biofuels has nearly tripled.

The international ILUC theory is not only flawed and premature, it is also not equitably imposed on all energy producers. The EPA's proposed rule on the RFS in no way accounts for the international or domestic indirect impacts of other transportation fuels, including Middle East oil, Canadian tar sands oil or the coal fired electricity needed to power plug in hybrid vehicles. If the indirect impact of one type of transportation fuel should be regulated, then it only makes sense that all transportation fuels should face the same level of scrutiny.

Senator Harkin's amendment would correct this problem by preventing the EPA from spending money during fiscal year 2010 to implement a final rule that included the assessment of international ILUC. The amendment also clearly states that the EPA cannot use this amendment to stall implementation of other aspects of the RFS included in the Energy Independence and Security Act of 2007.

U.S.-made biofuels are the only alternative we have today to foreign oil. The U.S. biofuels industry creates U.S. green jobs, enhances our national and economic security, and reduces greenhouses gases. Please support Senator Harkin's amendment prohibiting the use of funds by the EPA to include international ILUC in the implementation of the RFS program.

Sincerely,

Growth Energy

American Coalition for Ethanol

Renewable Fuels Association

American Farm Bureau Federation

National Corn Growers Association

National Farmers Union

National Sorghum Producers