



12125 WOODCREST EXECUTIVE DRIVE, SUITE 100, S. LOUIS, MO 63141 5009 • PHONE: (314) 576-1770 • FAX: (314) 576-2766

October 29, 2008

The Honorable Stephen L. Johnson  
Administrator  
U.S. Environmental Protection Agency  
Ariel Rios Building  
1200 Pennsylvania Ave., NW  
Washington, D.C. 20460

Dear Administrator Johnson:

On behalf of the American Soybean Association, I am writing to express our significant concerns with an approach that we understand EPA is considering regarding the inclusion of international indirect land use as part of the life cycle greenhouse gas (GHG) emissions for biodiesel under the rulemaking for the new Renewable Fuel Standard (RFS).

As you may know, soybeans are the primary feedstock used in the U.S. production of biodiesel. We are very proud of the contribution that soybean farmers are making to the national effort of energy independence. We are also very proud of the many environmental benefits that soy biodiesel provides. Biodiesel reduces engine emissions, is nontoxic, biodegradable, and essentially free of sulfur and aromatics. It significantly reduces emissions of carbon monoxide, particulate matter, unburned hydrocarbons, and sulfates. Under the GREET model, the standard used to this point, soy biodiesel was credited with achieving a 78% reduction in GHG emissions compared to petroleum diesel.

The Energy Independence and Security Act established a RFS for biomass based diesel while requiring that it meet a 50% GHG emission reduction threshold. When calculating the life cycle GHG impact of biofuels, the statute directs EPA to consider direct and indirect emissions (such as indirect land use) of all stages of the fuel and feedstock production. It is our understanding that the EPA is planning to move forward with a proposed rule on the new RFS in the coming days or weeks. Based on the indications that we have received, we believe the approach being used by EPA for this proposed rule is significantly flawed and would do unnecessary and irreversible harm to the competitive position of the U.S. soy biodiesel industry and ultimately U.S. soybean farmers.

With the numerous gaps and questions existing around the complicated issue of international indirect emissions, EPA should not rush forward with such a flawed proposal. A much better rule can be developed with more analysis on indirect emissions. While the statute directs EPA to consider indirect emissions, it does not require or suggest that EPA should attempt to include *international* indirect emissions in their life-cycle analysis for biofuels. Such

an approach is contrary to the intent of the RFS, is significantly flawed and inaccurate, and is detrimental to the overall goals of U.S. energy and environmental policy.

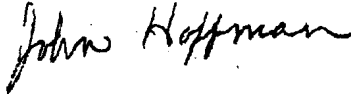
If EPA believes that international indirect emissions should be factored into the life-cycle analysis for biodiesel, then it must acknowledge that the data and analysis is immature and take the necessary time to collect and develop more accurate and sound scientific analysis of the factors involved in land-use change. EPA should absolutely not include, in the proposed rule, numbers on the life-cycle greenhouse gas emissions of vegetable oil biodiesel that is derived from its current limited and flawed analyses. If EPA is intent on issuing a proposed rule in 2008 it should publish only the methodology it proposes to utilize in making indirect land use assumptions, and use the rulemaking process to further refine and improve the lifecycle analysis that will ultimately be used to implement the RFS program.

Our concerns and questions regarding EPA's approach to using international indirect land use are numerous, and we are not alone in this regard, as evidenced by the various letters signed by scientists and industry leaders. Enclosed are copies of two such letters that support our position. In addition to the views expressed above and in these other letters, we would point out and reiterate the following:

- There are no generally accepted methods for determining indirect land use change.
- Currently, there are no credible published papers in the lifecycle literature using indirect effects; the International Standards Organization (ISO) has not published any standards for analyzing indirect effects; and there is no generally accepted methodology in any country on this issue.
- Many factors, such as urbanization, dietary changes, market economics, hardwood prices, etc. go into land use changes. U.S. biofuels cannot be singled out for responsibility for all land use changes.
- *Even if all* land-use change was driven by biofuels, the U.S. only produces 17% of the world's biodiesel, thus should not be accountable for all global land-use change.
- The indirect emissions of diesel (the baseline against which biodiesel is being measured) are not factored into the baseline.
- The market factors (petroleum & soy oil prices, planting decisions, hardwood prices) that impact land use changes can shift quickly and EPA will not be nimble enough to appropriately adjust the GHG life-cycle assessments that will impact RFS eligibility.
- At this point, it would be inappropriate for EPA to draw conclusions or attempt to construct a program where the EPA has no methodology and no reliable science on the future planting decisions of farmers in Brazil or other countries.

Again, we urge you to carefully consider the use of international indirect land use in the EPA's proposed rulemaking for the new RFS and not move forward on these aspects until the science is ready. Thank you for your consideration and please let us know if we can be of assistance in any way.

Sincerely,



John Hoffman  
President

Cc: The Honorable Ed Schafer  
Secretary  
U.S. Department of Agriculture

The Honorable Samuel Bodman  
Secretary  
U.S. Department of Energy

The Honorable Jim Nussle  
Director  
Office of Management & Budget