



March 31, 2009

The Honorable Lisa Jackson
Administrator
United States Environmental Protection Agency
1200 Pennsylvania Ave., NW
Washington, DC 20460

Mr. Peter Orszag
Director
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Ave., NW
Washington, DC 20503

Dear Administrator Jackson and Director Orszag:

We are writing to you regarding the need to expediently promulgate the Notice of Proposed Rulemaking for the Renewable Fuels Standard (RFS-2) as enacted in the Energy Independence and Security Act (EISA) of 2007 (P.L.110-140). We support your goal of having a workable renewable fuels program in place by January 1, 2010.

RFS-2 will displace petroleum with specified volumes of conventional biofuels and advanced biofuels such as cellulosic ethanol and biodiesel. RFS-2 also requires fuels to meet specified greenhouse gas (GHG) emission targets to qualify for the program.

By statute, the EPA is required to consider "significant indirect emissions" when determining the GHG emission profile of fuels under the RFS-2 program. It is our understanding that the EPA is including GHG emissions associated with Indirect Land Use Changes (ILUC) in its calculations

of indirect emissions. We all recognize that there is a range of opinions on the methodology that should be applied to this calculation. For example, there is no consensus on any proposed time horizons, discount rates, or global imaging for biofuels, which means initial numbers derived from EPA's proposed calculations will likely be modified in the final regulation.

Furthermore, we understand that the RFS-2 rulemaking process provides an opportunity for various stakeholders to review and comment on the methodologies and assumptions employed by EPA in calculating the GHG emissions of various biofuels under the RFS-2 program. We understand that while EPA has to propose one specific approach, the Agency plans to solicit comments on a wide variety of approaches and assumptions, with the result that the Notice of Proposed Rule Making will most accurately be understood to be presenting a range of methods and values. We urge you to make sure this is abundantly clear in the NPRM's preamble.

Furthermore to facilitate review, informed public input and general transparency, we request that you present not just the final proposed values but also the interim and component values that contribute to the totals. In particular, please make sure to break out the emissions from direct and indirect sources.

Accordingly, we urge you to move with all due haste to issue the RFS-2 Notice of Proposed Rulemaking, allow the public comment period to commence, and ensure transparency of your proposal by presenting the component values including the direct and indirect emissions. We look forward to working with you to ensure that the public understands that you are seeking input on a wide range of alternatives so that the final rule can be based on the best science and economics.

Sincerely,

Frances Beinecke
President
Natural Resources Defense Council

Bob Dinneen
President and CEO
Renewable Fuels Association