

United States Senate

WASHINGTON, DC 20510

June 28, 2006

The Honorable Stephen L. Johnson
Administrator
United States Environmental Protection Agency
1200 Pennsylvania Ave., NW
Washington, D.C. 20460

Dear Administrator Johnson:

We write today to reiterate our commitment to implementation of a robust Renewable Fuels Standard (RFS). We believe that it is critically important that the rules implementing the RFS be properly crafted to ensure continued growth in ethanol and biodiesel production and use.

With passage of the Energy Policy Act last year, Congress made a commitment to fight our addiction to oil by passing policy designed to significantly increase the amount of renewable fuels used in our transportation sector. The core of these new policies is the RFS which sets the baseline for the use of these fuels in the United States. The biofuels industry has responded aggressively to the new law. For example there are now 101 ethanol plants in operation with the capacity to produce approximately 4.8 billion gallons annually. In addition there are thirty two ethanol facilities and several expansions under construction with a capacity to produce another 2 billion gallons.

It is critically important that the EPA implement the provisions of the RFS in a manner that lives up to the promise of the legislation. The specific language of the RFS was painstakingly crafted over five years and is designed to promote steady, reliable growth in the use of renewable fuels to reduce our dependence on foreign oil and stimulate economic activity in rural America.

Specifically, the credit trading and waiver language of the final bill ensures that the effect of these provisions would not significantly undermine the integrity of the RFS or the goal of encouraging the growth of farmer and investor owned renewable fuels facilities throughout the United States.

The final version of the RFS included in the Energy Policy Act reflects the Congress' desires that neither the waiver nor the credit provisions be applied in ways that would impede the growth of renewable fuels production and use. The waiver provisions in the final bill set a clear threshold before the Administrator could waive the RFS. Additionally, the conference report makes clear that the life of a credit generated under the program is explicitly limited to twelve months from its generation. This was done intentionally to prevent excess credits from being generated that would overhang the market and depress actual renewable fuels use in carrying out the requirements of the RFS.

The RFS holds great promise to further spur use of renewable fuels in the United States as long as it is implemented correctly. We encourage you to ensure that the rules that the EPA promulgates to implement the RFS meet the intent of Congress.

Thank you for your attention to this critical issue.

Sincerely,

Tom Harkin

Dick Lugar

Bill Dera

Sam Brownback

Ernie Boyle

Mike DeWine

Ken Salazar

Chuck Grassley

Don Hues

John V. ...

Byron L. Dorgan
