

United States Senate

WASHINGTON, DC 20510

August 7, 2012

Administrator Lisa P. Jackson
U.S. Environmental Protection Agency
Room 300, Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator Jackson:

With record droughts across the continental United States causing corn supplies to shrink and prices to spike, we ask you to use your existing waiver authority to adjust the corn-ethanol mandate for the Renewable Fuels Standard.

As you know, the Renewable Fuels Standard (RFS) -- approved as part of the Energy Independence and Security Act of 2007 (EISA) -- increased the original RFS. It was designed to enable continued utilization of corn-based ethanol as next-generation biofuels developed and assumed an increasingly larger share of the total RFS. While we believe the RFS will stimulate advanced biofuels to commercialization, adjusting the corn grain-ethanol mandate of the RFS can offer some relief from tight corn supplies and high prices.

As part of EISA, the Congress included "safety valves" that enable the agency to adjust the RFS in the event of inadequate supplies or to prevent economic harm to the country, a region, or a state. Recent data from the United States Department of Agriculture (USDA) suggests the EPA should exercise its waiver authority for the conventional, corn grain-ethanol mandate.

Earlier this year, the USDA indicated that 72 percent of the U.S. corn crop was in good or excellent condition. However, because of persistent extreme heat and drought, the USDA recently rated only 23 percent of the crop as good to excellent and 50 percent as poor to very poor. USDA's July World Agricultural Supply and Demand Estimates (WASDE) report projects that 2012/13 U.S. corn yields would be 146 bushels per acre, 20 bushels less than two months ago.

As stressful weather conditions continue to push corn yields lower and prices upward, the economic ramifications for consumers, livestock and poultry producers, food manufacturers, and foodservice providers will become more severe. In fact, USDA recently announced that the drought gripping half the country will help push food prices above-normal food price inflation to 3 percent to 4 percent next year. Therefore, we ask you to adjust the corn grain-ethanol mandate of the RFS to reflect this natural disaster and these new market conditions. Doing so will help to ease supply concerns and provide relief from high corn prices.

Sincerely,

Kay R. Hagan

Sally Chaublin

Mark Royce

John Boorman

Ken Can L.

Jimmy Smith

Chris Coen

Kay Bailey Hutchison

Dennis Feinstein

Jeff Leeson

Tom Carper

Bob

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Mark R. Warner

John McGinnis

Maryland Landis

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Joe Manchillo

Deanne Shaker

Tom Udare

cc: Secretary Tom Vilsack, U.S. Department of Agriculture
Secretary Steven Chu, U.S. Department of Energy