

BIO Testimony

Public Hearing for the RFS2 Rule

June 9, 2009

Dupont Hotel

1500 New Hampshire Avenue, NW.

Washington, DC 20036

I am Matt Carr, policy director for the Biotechnology Industry Organization (BIO). BIO is the world's largest biotechnology organization, with more than 1,200 member companies worldwide. BIO represents leading technology developers of advanced biofuels and other sustainable solutions to energy and climate change. BIO also represents leaders in the development of new crop technologies for food, feed, fiber, and fuel.

BIO wishes to thank EPA for a very thoughtful and thorough rulemaking, given the very difficult task assigned to you by Congress. The Renewable Fuels Standard (RFS) will be a critical tool to accelerate the commercialization of advanced biofuels, and BIO appreciates EPA's effort to implement the RFS in a timely and carefully considered manner.

As EPA's preliminary analysis shows, advanced biofuels from switchgrass and other renewable sources of biomass have the potential to provide dramatic GHG benefits – even helping to reduce atmospheric carbon dioxide by providing net carbon sequestration – while enhancing energy security and revitalizing rural economies.

But the deployment of these advanced technologies depends critically on both the continued growth and evolution of first-generation biofuels and on fair, consistent, flexible, and reliable regulatory support from the federal government. EPA's proposal to impose speculative indirect land use change (ILUC) penalties on biofuels despite gross scientific uncertainty in both methodology and modeling of ILUC impacts destabilizes both of these foundations and risks chilling investments in the very technologies that could provide the greatest GHG benefits in the transportation sector. The agency's proposed petroleum baseline – which does not include significant indirect emissions or emissions from future, more environmentally troubling petroleum sources – further exacerbates the issue.

EPA has done a highly laudable job of analyzing the current literature and attempting to meld multiple models to estimate ILUC impacts. EPA's analysis is probably the most thorough to date. But its own analysis makes clear that the infancy of ILUC science makes the determination of ILUC impacts at best highly uncertain. EPA has not released any formal uncertainty analysis, but BIO's own analysis suggests that the margin of error is intolerably wide.

Furthermore, EPA's proposed approach to classifying biofuels into a limited number of rigid, pre-determined categories substantially limits the industry's ability to innovate and drive further GHG improvements, since practice and process improvements within a given category are not recognized or rewarded.

BIO wishes to work with EPA to help the agency evolve its analysis towards a robust and consistent methodology that will help ensure the maximum possible GHG benefits from the emerging advanced biofuels industry. To that end, BIO looks forward to actively participating in upcoming workshops and to developing detailed formal comments. BIO asks in the meantime that EPA regulations be flexible, and include room to be adjusted over time as the science improves, and that the agency limit the use of its methodology to the narrow task of determining which alternative fuel paths meet the statutory standards for cellulosic and advanced biofuels. EPA should expressly disclaim any intent to use this methodology for other regulatory purposes, until sufficient methodological rigor is established.