

Full length version of articles abbreviated in TCFA *Newsletter* print edition.

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EPA Denies Waiver Request

EPA this week rejected Texas Governor Rick Perry's request for a 50% reduction in the 2008 Renewable Fuels Standard (RFS) after determining that any economic harm caused by the ethanol mandate is not significant enough to warrant granting a waiver.

The RFS will remain 9 billion gallons this year and increase to 11.1 billion gallons next year.

TCFA is disappointed by the EPA's decision. But TCFA President & CEO Ross Wilson said the Association "appreciates Governor Rick Perry's efforts on behalf of the livestock industry, which brought national attention to the challenges U.S. ethanol policy has created for livestock producers."

Industry figures show cattle feeders nationwide have lost approximately \$1.5 billion this year, primarily due to high feed costs.

Perry issued a statement saying EPA's decision will harm both families and the livestock industry.

"Good intentions and laudable goals are small compensation to the families, farmers and ranchers who are being hurt by the federal government's efforts to trade food for fuel," Perry said. "Any government mandate that artificially props up a single industry to the detriment of millions of Americans is bad public policy."

In a conference call with reporters Thursday, EPA Administrator Stephen Johnson said, "We examined the impact that a waiver would have on ethanol use, corn prices, food prices and fuel prices, as well as the current price for renewable fuel credits which are used to demonstrate compliance with the RFS mandate. This research found that the RFS mandate is not causing severe economic harm. Rather, the RFS is strengthening our nation's energy security and supporting America's farming communities."

Johnson acknowledged that there is an increase in feed prices due to biofuels production. However, he said that those increased prices are not being caused specifically by the RFS.

According to analysis by EPA, even if a waiver was adopted and ethanol production was reduced, the resulting decrease in corn prices would only be around 30 cents per bushel.

To read the official notice of EPA's decision, go to <http://www.epa.gov/otaq/renewablefuels/decision.pdf>.

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NBAF Meeting: TCFA staff attended a public meeting Thursday in San Antonio sponsored by USDA and the Department of Homeland Security to solicit comments regarding the draft environmental impact studies (EIS) for the proposed National Bio and Agro-Defense Facility (NBAF). San Antonio is among six potential sites in the running for NBAF—a new lab that will study foreign animal and zoonotic diseases, replacing the aging Plum Island facility. A decision on the NBAF location is expected late this fall. Construction is expected to begin in 2010, with the lab operational in 2015. You can read the EIS for San Antonio and the other sites by going to http://www.dhs.gov/xres/labs/gc_1187734676776.shtm.