United States Senate

WASHINGTON, DC 20510

May 2, 2008

The Honorable Stephen Johnson
Administrator
United States Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator Johnson:

We are writing to convey the frustrations of consumers and animal agriculture producers about the consequences of food-to-fuel mandates that the U.S. Environmental Protection Agency (EPA) is currently implementing and to inquire about the pending rule-making process for the Energy Independence and Security Act of 2007 (EISA).

EISA essentially requires fuel marketers to blend 15 billion gallons of corn ethanol and directs 1 billion gallons of bio-diesel into the nation's fuel supplies by 2015. To meet this requirement, a substantial volume of our corn crop and our vegetable oils will have to be diverted into our fuel supplies, severely impacting food and feed prices. Congress gave the EPA authority to waive all or portions of these mandates, as well as rule-making authority to structure the mandates for the benefit of all Americans. We believe the EPA should begin the process of examining alternatives to ease the severe economic and emerging environmental consequences that are developing in America as a result of the mandate.

We are very concerned that food-to-fuel mandates and subsidies have contributed to higher domestic and global food prices. According to the USDA, 25 percent of America's corn crop was diverted to produce ethanol in 2007, and 30 to 35 percent of our corn will be diverted in 2008. This problem will only be compounded as we move towards 2015 with ever increasing mandates. Further, farmers could supplant other grains with corn, thereby decreasing supply and increasing prices of numerous agriculture products. Although many factors may contribute to high food costs, food-to-fuel mandates are the only factors that can be reconsidered in light of changing circumstances.

American families are feeling the financial strain of these food-to-fuel mandates in the grocery aisle and are growing concerned about the emerging environmental concerns of growing corn-based ethanol. It is essential for the EPA to respond quickly to the consequences of these mandates. Congress made the mandates in the EISA different from existing mandates to provide flexibility and to encourage innovation in advanced and cellulosic fuels. We believe today's circumstances merit the use of this flexibility.

The Bureau of Labor Statistics reports that food inflation is rising by 4.9 percent and other studies predict that food inflation could increase by 7 to 8 percent in the next few years. We are concerned that inflationary pressure on food will only escalate in the coming months and could be further complicated by severe weather. We urge you to take the foregoing into consideration as part of your current rule-making process and ask that you provide us with a status report at your earliest convenience.

Sincerely,

Kay Bailey Hutchison

John McCain