UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 12 2012

OFFICE OF
AIR AND RADIATION

Ms. Marie Brill
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Dear Ms. Brill:

This is the response to your October 13, 2011, Information Quality Guidelines (IQG) Request for Correction (RFC 12001)[1] submitted by the Competitive Enterprise Institute and ActionAid USA. In that letter, you request correction of information in the Environmental Protection Agency's analyses of the impact of increased biofuel use on food availability and prices. You maintain that those analyses incorrectly minimize the food price impact of expanded biofuels and make no mention of the resulting global risks of mortality and morbidity; furthermore, you maintain that an EPA website[2] contains similar errors.

The EPA analyses referenced in this RFC were conducted as part of the Renewal Fuel Standard (RFS2) rulemaking[3] to implement provisions of the Energy Independence and Security Act (EISA) of 2007.[4] As part of the final RFS2 rulemaking, EPA assessed a variety of impacts from an increase in production, distribution, and use of the renewable fuels required to meet the RFS2 volumes established by Congress. The Regulatory Impact Analysis (RIA) done for the rule examined the impact of increased biofuel use resulting from EISA's mandates both on food prices in the U.S. and on world food consumption. The RIA also analyzed effects of the volume mandates on human health, namely effects resulting from changes in air quality.[5]

This RFC cites the Goklany study,[6] which was published after the final rule was issued. It is important to note that the Goklany study analyzes the impacts of *global* biofuel policies on poverty and morbidity/mortality, whereas EPA's analyses were focused on the effects of the incremental increase in biofuel production based on EISA's requirements. The scope of Goklany's study, therefore, differs significantly from the analysis the EPA conducted.

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[1] RFC 12001, October 2011 (http://epa.gov/quality/informationguidelines/documents/12001.pdf)
[2] "Economics of Biofuels," *National Center for Environmental Economics – Economics of Biofuels.* Environmental Protection Agency. Web. 1 June 2011. <http://yosemite.epa.gov/ee/epa/eed.nsf/pages/Biofuels.html>.
[3] *Regulation of fuels and Fuel Additives: Changes to Renewable Fuel Standard Program,* 40 CFR Part 80, 75 Fed. Reg. 14670 (March 26, 2010) (final rule).
[4] Public Law 110-140 (2007).
[5] See *Renewable Fuel Standard Program Regulatory Impact Analysis,* http://www.epa.gov/otaq/renewablefuels/420r10006.pdf.
[6] Goklany, Indur M., "*Could Biofuel Policies Increase Death and Disease in Developing Countries?*". Journal of American Physicans and Surgeons, Volume 16, Number 1, pp. 9-13 (Spring 2011).

EPA's website on the "Economics of Biofuels" provides a synopsis of the large body of literature that addresses the economics of renewable fuels and the effects of renewable fuel mandates on food prices, both in the U.S. and globally. In the section entitled the "Economic Costs of Biofuel Production," The EPA states that "biofuel feedstocks include many crops that would otherwise be used for human consumption directly, or indirectly as animal feed. Diverting these crops to biofuels may lead to more land area devoted to agriculture, increased use of polluting inputs, and higher food prices. Cellulosic feedstocks can also compete for resources (land, water, fertilizer, etc.) that could otherwise be devoted to food production. As a result, biofuel production may give rise to several undesirable developments," including the possibility that "the quantity of food brought to market might decrease, resulting in higher food prices and possibly more malnutrition."

Discussion and Conclusion

We note that the RFS2 rulemaking process provided an opportunity for stakeholders to submit comments on the proposed rule and associated analyses, including those that that examined potential impacts of the program. Comments we received, including those comments pertaining to EPA's analysis of the economic and health-related impacts of the biofuel mandates, were considered and addressed in the final rule.[7] Per EPA's Information Quality Guidelines, the EPA maintains that the "thorough consideration provided by the public comment process serves the purposes of the Guidelines [and] provides an opportunity for correction of any information that does not comply with the Guidelines."[8]

Nevertheless, we recognize that the Goklany study discussed in the RFC was published after the RFS2 rule was finalized, and we would like to take the opportunity to address the concerns raised in your letter. After review of your RFC, the EPA concludes that the scope and nature of our analysis conducted as part of the final RFS2 rule were appropriate, and that the information presented in those analyses meets standards of quality, objectivity, and utility. The RFS2 RIA provided a detailed assessment of a wide variety of key impacts from the program. EPA's analysis addressed impacts of EISA's requirements both on U.S. food prices and global food consumption, and contains explicit information about the assumptions and limitations of the data used to support the analyses. Given the relatively small volumes in question (i.e., the marginal increase in biofuel volumes analyzed in the RIA) relative to the global supply, assessing effects on global poverty levels and resulting morbidity and mortality was appropriately beyond the scope of our analysis.

The EPA further concludes that the information provided on the EPA website is also appropriate for its intended use. The website acknowledges potential food price impacts in a level of detail consistent with the discussion of other possible effects of biofuel production. Furthermore, as part of our ongoing efforts to update our online materials, we will be including a reference to the 2011 National Research Council report on the Renewable Fuel Standard,[9] in particular the report's overview of biofuel production's impacts on agricultural markets.

If you are dissatisfied with this response, you may submit a Request for Reconsideration (RFR), and the EPA requests that any such RFR be submitted within 90 days of the date of EPA's response. If you choose to submit an RFR, please send a written request to the EPA Information Quality Guidelines

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[7] See, for example, EPA (2010), *Renewable Fuel Standard Program (RFS2) Summary and Analysis of Comments*, http://www.epa.gov/oms/renewablefuels/420r10003.pdf , Chapter 10.

[8] EPA (2002), *Information Quality Guidelines, http://epa.gov/quality/informationguidelines/documents/EPA_InfoQualityGuidelines.pdf*

[9] National Research Council (2011). *Renewable Fuel Standard: Potential Economic and Environmental Effects of U.S. Biofuel Policy*. Washington, DC: The National Academies Press.

Processing Staff via mail (Information Quality Guidelines Processing Staff, Mail Code 2811R, U.S. EPA, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20460); electronic mail, quality@epa.gov; or fax, (202) 565-2441. Additional information about how to submit a RFR can be found on the EPA IQG website (www.epa.gov/quality/informationguidelines).

Sincerely,

Gina McCarthy
Assistant Administrator

cc: Malcolm D. Jackson, Assistant Administrator and Chief Information Officer, Office of Environmental Information
Hans Bader, Senior Attorney, Competitive Enterprise Institute
Sam Kazman, General Counsel, Competitive Enterprise Institute