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HOUSE JOINT RESOLUTION NO. 621

Offered January 14, 2009

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Requesting the United States Environmental Protection Agency to grant a temporary waiver from the Renewable Fuel Standard under the Energy Independence and Security Act of 2007 (EISA).

Patron—Marshall, R.G.

Referred to Committee on Rules

WHEREAS, federal law allows a state to petition the United States Environmental Protection Agency to consider whether maintaining the Renewable Fuel Standard in a given year would "severely harm the economy or environment of a State, a region or the United States"; and

WHEREAS, the EISA increased the ethanol mandate to 9 billion gallons of corn for 2008, an increase of more than 25 percent over the amount of ethanol used in 2007; and

WHEREAS, intended and actual corn planting in the U.S. was reduced in 2008 versus 2007; and

WHEREAS, corn ethanol does not operate in a free market, as it is subsidized by a 51 cents-per-gallon federal ethanol blending credit fuel, an import tariff, and the Renewable Fuel Standards mandate for usage; and

WHEREAS, such subsidies are a significant factor in generating increased demand for corn in ethanol and further puts traditional uses of corn, such as food and feed, at an economic disadvantage in purchasing corn; and

WHEREAS, the Virginia Cooperative Extension Service of Virginia Polytechnic Institute and State University noted in Publication Number 442-884, posted May 2007, that all blend of ethanol reduce gasoline mileage; and

WHEREAS, the Environmental Protection Agency's model year 2006 Fuel Economy Guide documents the fuel economy and driving range values for ethanol flexible-fuel passenger cars, which are designed to operate on gasoline, E85 (a mixture of 85 percent ethanol and 15 percent gasoline), or any mixture of the two fuels; and

WHEREAS, for all automobile models tested, the miles per gallon (city and highway) was significantly less and the annual fuel cost was greater for ethanol flexible-fuel vehicles than for cars using gasoline; and

WHEREAS, the Renewable Fuel Standard prescribed demand for ethanol production has been a major factor in the increased price of corn for animal feed as well as the higher price of food for human consumption; and

WHEREAS, with corn- and soybean-based feed costing twice what it did last year, stockyards are passing the additional expense to Virginia's cattle producers, in the form of considerably lower cattle prices—almost \$100 less for a 950-pound cow, according to Virginia cattlemen; and

WHEREAS, the higher cost of feed has severely impacted Virginia's broiler and turkey production; and

WHEREAS, a bushel of corn (approximately 56 pounds) cost about \$2.50 in 2006, but has now reached an historic high of \$8, and over the same period the price for a bushel of soybeans increased from \$5.50 to more than \$15; and

WHEREAS, because of the recent floods in the Midwest, weather has to be considered a significant factor in the amount of productive corn acreage and the end price of corn; and

WHEREAS, as demand for corn for ethanol grows, the resulting increases in corn and other commodity prices are expected to lead farmers, including those in the Chesapeake Bay watershed, to put more acres of land into corn; and

WHEREAS, corn uses large amounts of fertilizer and pesticides compared to other crops, resulting in an expected increase in nitrogen and phosphorus runoff to streams and rivers throughout the Chesapeake Bay watershed; and

WHEREAS, most experts acknowledge that without subsidies, corn-based ethanol does not represent a long-term solution but a mere transition period until new technologies and the associated infrastructure are developed; and

WHEREAS, the United States Environmental Protection Agency, per a notice in the Federal Register on May 22, 2008, is seeking comments, under the agency's authority under Section 211(o)(7)(A) of the Clean Air Act, with regard to the authority of the Administrator of the United States Environmental Agency to grant a waiver of the implementation of the national Renewable Fuel Standard requirements; and

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59 WHEREAS, the standard for such a waiver is that full implementation of the Renewable Fuel  
60 Standard "would severely harm the economy or environment of a state, a region, or the United States;  
61 now, therefore, be it

62 RESOLVED by the House of Delegates, the Senate concurring, That the General Assembly request  
63 the United States Environmental Protection Agency to grant a temporary waiver from the Renewable  
64 Fuel Standard under the Energy Independence and Security Act of 2007; and, be it

65 RESOLVED FURTHER, That the Clerk of the House of Delegates transmit copies of this resolution  
66 to the Administrator of the United States Environmental Protection Agency, and to the Virginia  
67 Congressional delegation and the Governor so that they may be apprised of the sense of the General  
68 Assembly of Virginia in this matter.