



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

SEP 26 2007

THE ADMINISTRATOR

Mr. John L. Howard, Jr.  
Chair, National Advisory Council for  
Environmental Policy and Technology  
Vinson & Elkins, LLP  
2801 Via Fortuna, Suite 100  
Austin, Texas 78746

Dear Mr. Howard:

I thank the National Advisory Council for Environmental Policy and Technology and its Energy Workgroup for the thoughtful and timely letters of February 20, 2007, and July 13, 2007. Events related to biofuels are moving rapidly ahead, and NACEPT's approach of submitting letter reports helps the U.S. Environmental Protection Agency be responsive to the emerging challenges and opportunities in this area.

NACEPT's letters have already had an impact on EPA's actions. The February 20 letter urged that EPA act promptly to make a high-level appointment to the federal interagency Biomass Research and Development Board. As you know, I have appointed Dr. George Gray, EPA's Science Advisor and Assistant Administrator for Research and Development, to serve on the Biomass R&D Board. The Board is now meeting monthly, and Dr. Gray is committing significant time and resources to effectively represent EPA and coordinate with other federal agencies.

EPA has also taken significant action on several other NACEPT recommendations:

1. Develop an integrated, multi-media biofuel strategy and create the position of Biofuels Coordinator.
2. Give the EPA biofuel initiative strong, high-level support.
3. Adopt the NACEPT-proposed biofuel supply chain framework for organizing EPA strategy.
4. Produce an inventory of EPA activities under the proposed framework and use the results to develop a comprehensive EPA strategic plan and program.

I have asked Dr. Gray, in coordination with the Office of Air and Radiation's Principal Deputy Assistant Administrator Bob Meyers, my Agricultural Advisor Jon Scholl, and Region 7 Administrator John Askew, to convene an Agency-wide meeting to develop an internal biofuel strategy. I look to this team to provide coordination across EPA on these critical issues. The

development of the EPA biofuel strategy will be closely coordinated with the work of the interagency Biomass R&D Board as it revises the overall national biofuels action plan. EPA is also adopting the biofuel supply chain framework recommended in NACEPT's July 13 letter. As it proposed, an inventory of EPA-related activities across the biofuel supply chain will be conducted prior to the Agency-wide meeting.

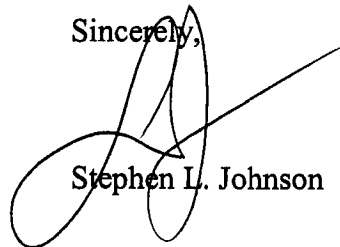
The sustainable production of biofuels is an important element of EPA's overall efforts to improve energy efficiency and reduce emissions of greenhouse gases. On April 10, 2007, EPA established the Renewable Fuels Standard that requires an increase in the use of renewable fuels in motor vehicles to 7.5 billion gallons per year by 2012. Earlier this year, in his State of the Union address, President Bush set an even more ambitious goal of reducing gasoline consumption by 20 percent in 10 years ("Twenty in Ten"), with a 15 percent contribution from renewable and alternative fuels and a 5 percent contribution from new fuel efficiency standards for passenger vehicles. In May, President Bush signed an Executive Order directing EPA and other federal agencies to develop regulations using his "Twenty in Ten" plan as a starting point. As part of this effort, EPA will issue proposed regulations later this year to require the use of up to 35 billion gallons of renewable and alternative fuels.

Our regional offices are keenly aware of the increased number of ethanol plants, especially in the Midwestern states. EPA regions and programs are increasingly being called on to give technical assistance to permit writers; to assess environmental impacts on water, soil, air, land, and ecosystems; and to assess the environmental performance of emerging technologies. Environmental policies concerning air, water, waste, and toxic substances will apply in many scenarios in the biofuels sector, and it is essential that the rapid development of this new agro-industrial sector take place in the most cost-effective and sustainable manner consistent with implementation of the relevant policies and statutes.

I understand that NACEPT will meet in November in Washington, D.C., and I look forward to receiving any further NACEPT guidance and recommendations, particularly related to EPA's role in ensuring sustainable development of the biofuels sector in meeting our national energy needs and protecting the environment.

Again, I thank NACEPT for its attention and guidance on this critical national issue and for helping EPA to meet its mission.

Sincerely,



Stephen L. Johnson

cc: Marcus Peacock  
George Gray  
Rafael DeLeon  
Jon Scholl  
John Askew  
Bob Meyers  
Charles Ingebretson

*John - Thanks again!*

