



June 13, 2008

Honorable Mary Nichols, Chairperson
California Air Resources Board
1001 "I" Street
P. O. Box 2815
Sacramento, CA 95812

Dear Chairperson Nichols:

Subject: Low Carbon Fuel Standard

I am writing regarding the development of the Low Carbon Fuel Standard (LCFS). As you are well aware, the Governor issued Executive Order S-1-07 on January 18, 2007, which calls for a reduction of at least 10 percent in the carbon intensity of California's transportation fuels by 2020. I understand that your goal is to have regulations in place to implement the LCFS by the end of the year.

At the outset, I want to offer my assistance and the support of my staff as the LCSF is developed, especially as it pertains to fuels produced from the agricultural sector. I am hopeful that CDFA will soon have staff on board to specifically support this effort.

One area that has recently emerged is the indirect land use effects of first, second and third generation biofuels. I appreciate the willingness and need for CARB to analyze this issue. From an agricultural perspective, I firmly believe that done properly, agriculturally derived biofuels is part of the solution to sustainable food and fuel systems. Therefore any evaluation of primary and secondary land use effects with respect to greenhouse gas emissions cannot rush to judgment. That can only stifle innovative solutions that improve agricultural environmental performance, rural economies, and energy security.

The use of agricultural economic models designed for a particular purpose must be carefully applied to new situations. They must also be thoroughly validated against real world data. Again, I offer my and my staff's assistance with this effort. As you are well aware, global commodity markets are extremely complex and difficult to ferret out direct causal relationships. It is my belief that we are nowhere near a science-based consensus understanding of the causes and effects of secondary land use changes within the global agricultural system and much work needs to be done in this very new field of study. I would also ask that the same level of analysis be applied to every fuel system under evaluation in the LCFS development process.



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It is clear that developing and implementing a LCFS is an enormous task. It is precedent setting. It is the right approach. It must be done thoughtfully, keeping progress through innovation in mind.

I look forward to our continued collaboration as the LCFS moves forward.

Sincerely,

//s//

A. G. Kawamura
Secretary

cc: Ms. Linda Adams, Secretary, California Environmental Protection Agency