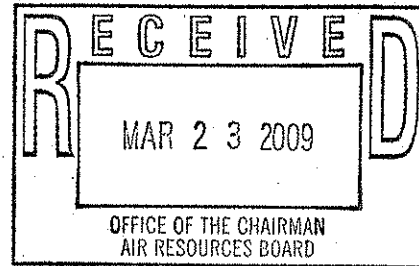


March 19<sup>th</sup>, 2009

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



Dear Mary,

How well I remember your splendid work at the US Environmental Protection Agency.

There are a host of excellent reasons why indirect land uses calculations should not be included in determining the full fuel cycle carbon footprint of biofuels in California. Rather than repeat the already well articulated rationales, I would like to approach the matter from a different perspective – the value of the agriculture and forestry sectors to the California, the US and the world's economy today and in the years ahead.

As California and the United States struggle with current challenges, Americans can be assured of the commitment, hard work, creativity and sacrifices of farmers, ranchers and foresters. This has been true throughout our history. In most cases, being close to the land, they will correctly respond to reality if not encumbered by special interests of those overly protective of the status quo food and fuel industries.

**In these troubling times, it is critical to recognize the irreplaceable value of "new-wealth industries."** These are industries based on natural resources – mining (oil, gas, coal, metals and minerals); agriculture; aquaculture; silvaculture (forestry); all renewable technologies (based directly or indirectly on the sun) – biomass (biofuels, biopower and biothermal energy), solar, wind, geothermal, hydro and water power, and renewable hydrogen; recycling and reuse; and, human creativity. These natural resources have built this great nation. Some are being depleted and their loss threatens the national, energy and economic security of the United States. They must be replaced by others that are renewable and made sustainable by good stewardship and steadily improving land management.

New wealth industries are vital to the reconstruction of America during these trying times, given their economic multipliers (generally more than three, whereas service industries are limited to one or a little more). They create new basic industries and quality jobs; they have ready markets

-- many are "shovel ready", they encourage "positive, nation- and community-oriented" consumption and, contribute to national, energy, homeland, economic, and environmental security while reversing greenhouse gas build-up.

In our haste to recover economically, we are using stimulus dollars in supporting important service industries, police, fire fighter, teachers, public servants, marketers of goods and services to stimulate consumption, etc. versus generating new wealth industries. As valuable as these service professions are, they are, in fact, dependent on new wealth industries for their long-term sustainability.

**America cannot recover without focusing on sustainable new-wealth industries.**

Biofuels, biopower and biothermal energy play a critical role in our future; and will succeed because they are the products of American agriculture and silvaculture industries with significant support from the aquaculture, hunting and open stream fishing, renewable energy, recycling and reuse, and human creativity sectors. Mining, of course provides, essential support products. Human creativity is the driving force that demands a nation-wide focus on health, education and encouragement.

**These are factors we must focus on for the future of California and the nation, and the decisions surrounding land use are critical.**

In older times, open field and stream hunting and fishing were not only vital to survival; they also represented the beginning of new-wealth industries. While today these particular new wealth industries have diminished in value due to the commercialization of food products, they have increased in value as sporting industries with major economic benefits. More importantly, hunters and those who fish are becoming increasingly valuable as wildlife and environmental stewards. Accessibility to land is imperative to their operations.

Accessibility to land is also essential to the biopower, biothermal energy, biobased products, oil, gas, coal, tar sands, oil shale, housing and commercial development adding to urban sprawl into land used for crops and forests/wood lots. All of these enterprises should be subject to the same iLUC as biofuels. Isn't it logical to avoid discriminating against biofuels by applying the process to all forms of industry simultaneously at a time when the involved science and modeling are far more certain than they are today?

Our recovery and livelihood are dependent on strengthening our lands through sustainable practices such as good stewardship, farming/forestry practices and new-wealth industries.

A historic review of agriculture, forestry and livestock contribution to California's economic well being is testimony to the importance of these industries. A CARB decision to curtail or eliminate the biofuels industry from the state's transportation portfolio will, in my judgment, jeopardize the economic vitality of the state. Including an iLUC factor in the LCFS at this time will do just that.

Please recognize that the CARB decision on iLUC will have enormous impacts on the future of California, America and the world. To base the CARB decision on iLUC on yet-to-be-proven

science and imprecise economic modeling is premature at best and bad public policy. Two important additional factors:

- If iLUC governs in biofuels, it should also govern in biopower, biothermal energy, oil, gas, and coal mining, tar sands, oil shale, commercialization of land as the result of urban sprawl and development, etc.
- American farmers, ranchers and foresters are among the world's best. If solid science actually supports the realistic evaluation of iLUC, they will respond with corrective actions and practices as long as they are not seriously handicapped in the process. Their response is what differentiates biofuels, biopower and biothermal energy from their fossil competitors. First, fossil resources are finite -- dangerous shortages will occur whether it's in decades, generations or centuries. Secondly, the economic investments in non renewables are large and will, because of depleting resources, become more expensive. In the world of biomass and the other renewable energy industries, the basic resource, the sun, is essentially inexhaustible and technologies will advance with reducing costs. If mistakes are made, they can be corrected if farmers, ranchers and foresters are free to proceed under the guidance of an enlightened government, and economic and environmental imperatives.

Consequently, I request that the iLUC issue be set aside until solid science justifies corrective action, giving the biofuels industries sufficient time to advance their technologies and join with a wide range of collaborators to significantly increase the growth of biomass on land that is currently contaminated, misused or underused. A sustainable focus on biomass enhancement will, in turn, improve watershed, wetlands, riparian buffer zones, and wildlife habitat and nature preservers. Western Europe provides a successful example of such sustainable land use practices.

This focus will bring together farmers, ranchers and foresters with environmentalists, public interest groups, naturalists, enlightened hunters and fishermen and others in common cause; whereas an unwise CARB decision will pit one factor against the other. Additionally an enlightened California decision on iLUM could well lead to a wide range of Americans working collaboratively with the people of the developing nations so they too can optimize land use, vitalize their soils, conserve their water, protect their wildlife and move forward into a fully sustainable world economy.

Respectfully,



Bill Holmberg  
Chair, Biomass Coordinating Council  
America Council On Renewable Energy; and  
Chair, Renew the Earth

