

# COMMONWEALTH of VIRGINIA

Office of the Governor

Timothy M. Kaine  
Governor

April 15, 2008

The Honorable Robert G. Marshall  
Member, Virginia House of Delegates  
Post Office Box 421  
Manassas, Virginia 20108-0421

Dear Delegate Marshall:

Thank you for your recent letter regarding a temporary waiver of the federal biofuels mandate.

The issues related to uses of biofuels are complex. In balance, petitioning the EPA for a temporary biofuel waiver will not have a meaningful impact on food prices or crop planting decisions of Virginia farmers. Virginia, and the United States, would be much better served by taking actions to reduce demand for petroleum, natural gas, and other energy through increased energy efficiency in our vehicles, homes, and businesses.

As you point out, production of ethanol, primarily in Midwestern states, uses a substantial amount of corn. This has been one factor affecting the price of corn. However, there are other factors that have had a substantial effect on corn and other crop prices, including decreased production due to poor weather last year in some producing areas, increased fertilizer and diesel fuel costs, and increasing worldwide demand. We have seen record prices for crops, such as wheat, that are not used for ethanol.

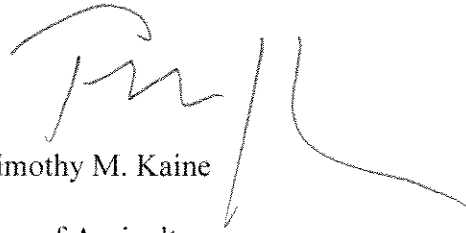
Fertilizer costs have increased substantially due to the sharp increase in natural gas prices. Diesel fuel prices have risen due to requirements for ultra-low sulfur fuels, limitations in United States refinery capacity, the sharp drop in the value of the US dollar, and demand pressure on the international petroleum market from Asian and other growing economies. World-wide demand for grain is increasing as Asian economies improve and an increased demand for higher-level protein sources – moving away from

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grains to meats. Providing for a temporary waiver of the federal renewable fuels mandate will not change these other factors and therefore would not have a substantive effect on the cost of food stocks.

Thank you for raising this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'TK', with a long horizontal flourish extending to the right.

Timothy M. Kaine

c: The Honorable Robert Bloxom, Secretary of Agriculture  
The Honorable Patrick Gottschalk, Secretary of Commerce and Trade  
The Honorable Preston Bryant, Secretary of Natural Resources