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United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES

WASHINGTON, DC 20510-6150

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May 12, 2008

The Honorable Samuel Bodman
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585

The Honorable Ed Schafer
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Bodman and Secretary Schafer:

I am concerned about recent suggestions that developed countries' biofuels policies might be responsible for the global increase in food prices. In the United States, the Renewable Fuel Standard (RFS) was first enacted in the Energy Policy Act of 2005. The RFS, combined with the phase out of MTBE as a blending component for gasoline, led to a rapid increase in production of ethanol and, to a lesser extent, biodiesel. In December 2007, Congress and the President enacted a new and higher RFS that will require 9 billion gallons of renewable fuels to be blended into our fuel supply in 2008.

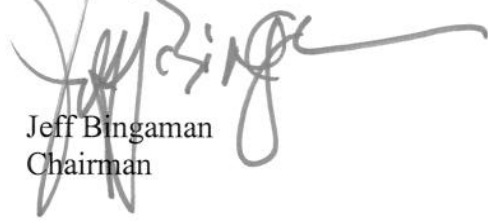
It is imperative that Congress gain a more full understanding of any link between domestic and international food prices, and the Renewable Fuel Standard. I would like your departments to work together to answer the following questions:

- How has increased U.S. ethanol and biodiesel consumption affected domestic agriculture, and domestic food prices?
- Has increased ethanol and biodiesel consumption in the United States contributed to increased global prices for agricultural goods? And, if so, to what extent?
- How might increased biodiesel consumption, as required by EISA beginning in 2009, affect domestic and international food prices?
- How has increased ethanol and biodiesel consumption affected gasoline and diesel prices?
- What price levels for gasoline and diesel would be expected if biofuels were removed from the market, both in the short- and long-term?
- What affect are biofuels expected to have on gasoline and diesel markets as consumption increases to meet the targets laid out in EISA?

While I recognize that these are complex questions, Congress may be called upon to address related legislative proposals in the near future. I would appreciate receiving your analysis by May 30, 2008.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Bingaman", with a long horizontal flourish extending to the right.

Jeff Bingaman
Chairman