Clean Air Task Force * Friends of the Earth * Natural Resources Defense Council
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Low Carbon Fuel Priorities for Obama EPA Transition Team

To protect public health and reduce global warming pollution from the transportation sector, the Obama administration should pursue three priorities: a) improve the efficiency of the transportation sector b) reduce vehicle usage, c) and reduce the overall greenhouse gas emissions of transportation fuels.

For the fuels, this means halting the expansion of high carbon fuels, carefully encouraging the development of low carbon fuels, and promoting electrification of the transportation sector. There are tremendous opportunities for the Environmental Protection Agency under President Obama's leadership to pursue these goals. We recommend that EPA:

- Find that CO2 endangers public health and must be regulated as an air pollutant under section 202 and 211 starting with an integrated vehicles and fuel strategy.

- Ensure that the fuel strategy blocks high carbon fuels including tar sands, oil shale and coal to liquids, and incentivizes improved performance from all fuel types.
    - Specifically, EPA should fast track implementation of the 2007 Energy Independence and Security Act section 526 through life cycle analysis of high carbon fuels such as tar sands, oil shale and liquid coal and through a framework to track and make publicly available information on the origin to refinery path of high carbon fuels.

- Move carefully to encourage the development of sustainable, demonstrably low-carbon fuels by
    - Releasing the Notice of Proposed Rule Making for the RFS2 complete with initial results and detailed methodology EPA proposes to use to measure the lifecycle GHG emissions of renewable fuels.
    - Ensuring that the proposed and final rule rigorously and effectively applies the GHG standards and renewable biomass sourcing safeguards adopted in EISA by:
        - Including emissions from direct and indirect land-use change both domestically and internationally.
        - Providing for tracking and verification of supply chain claims from farm or forest to biorefinery.

Background

Large-scale development of high carbon fuels such as tar sands oil, liquid coal and oil shale for transportation is incompatible with the deep greenhouse gas reductions necessary to solve global warming, has enormous adverse impacts on sensitive ecosystems, and is

inconsistent with the need to reduce oil dependency to enhance long-term energy security. For example, the impact of increased CO2 from tar sands production (above conventional oil) could negate 30 percent of the gains from the recently adopted 35 mpg CAFE standards. Liquid coal and oil shale GHG impacts are much worse.

Recent science, including the EPA's analysis, adds more and more evidence that the vast majority of today's biofuels are produced in ways that release more GHG emissions than conventional fuel and carry serious impacts to habitat, soil, and water quality. Furthermore, the current suite of policies continue to drive production of harmful biofuels and are not doing enough to move toward more sustainable methods of producing biofuels. In the context of a world that is clearing tens of millions of acres of forest and grassland every year to produce food and timber, we cannot afford to make more biofuels from crops that directly or indirectly result in conversion of high carbon, biologically rich ecosystems.

The GHG standards and sourcing safeguards in the RFS2 are absolutely critical to keeping "advanced" and cellulosic biofuels from contributing to GHG emissions increases, the conversion of native grasslands and forests, loss of sensitive wildlife habitat, and degradation of our public lands. A crucial first step in making biofuels more sustainable is to protect and aggressively implement these foundational standards and safeguards.

The most immediate challenge for making biofuels sustainable is to convert their potential into reality at a meaningful scale. Getting the first billion gallons of sustainably produced "advanced" biofuels, including cellulosic biofuels, into the marketplace will demonstrate that they are technically and economically feasible, and will answer concretely whether we can produce that modest amount in a truly sustainable manner. From tax policy to R&D programs at DOE, USDA, and EPA, there is a pressing need to redirect efforts away from biofuels that divert food supplies and degrade the environment and towards proving that we can produce the first billion gallons of "advanced" and cellulosic biofuels in an ecologically benign and socially responsible manner.