

REPLY TO:

- ☐ 135 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1501
(202) 224-3744
e-mail: grassley.senate.gov/contact.cfm
- ☐ 721 FEDERAL BUILDING
210 WALNUT STREET
DES MOINES, IA 50309-2140
(515) 288-1145
- ☐ 150 1ST AVENUE NE
SUITE 325
CEDAR RAPIDS, IA 52401
(319) 363-6832

United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

REPLY TO:

- ☐ 103 FEDERAL COURTHOUSE BUILDING
320 6TH STREET
SIOUX CITY, IA 51101-1244
(712) 233-1860
- ☐ 210 WATERLOO BUILDING
531 COMMERCIAL STREET
WATERLOO, IA 50701-5497
(319) 232-6657
- ☐ 131 WEST 3RD STREET
SUITE 180
DAVENPORT, IA 52801-1419
(563) 322-4331
- ☐ 307 FEDERAL BUILDING
8 SOUTH 6TH STREET
COUNCIL BLUFFS, IA 51501-4204
(712) 322-7103

May 30, 2011

Commissioner Karel De Gucht
Directorate General for Trade
BE-1049 Brussels
Belgium

Dear Commissioner De Gucht:

One of the greatest challenges facing the world is how to produce more sources of energy. Both the United States and the European Union are looking more and more at biofuels as a piece of their energy puzzles. I am not only a United States Senator; I am also an Iowa farmer. So I have been involved in helping shape the United States' energy policies and biofuel initiatives such as the Renewable Fuels Standard; and, I have also spent a great deal of my life working on my farm to produce both corn and soybeans.

With this background, I want to express my concern with certain requirements set forth in the European Union's Renewable Energy Directive (RED). I am concerned with the fact the European Union determined that biodiesel produced from U.S. soybeans did not meet the minimum Greenhouse Gas (GHG) reduction thresholds. Of particular concern is the fact the European Union decision-makers based their calculations on data from Brazilian soybean production and shipment data. The Brazilian model is not an accurate reflection of practices used in the U.S. If the European Union were to base their calculations on accurate U.S. soybean production and shipment practices, U.S. soy biodiesel would almost certainly be over and above the minimum GHG values set in the RED. I strongly encourage the European Union to recalculate the GHG values for U.S. soy biodiesel using U.S. production and shipment data.

Another concern I have is the RED's sustainability criteria to obtain Proof of Sustainability (POS) certification. I am well aware of the concern the European Union is trying to address with the POS certification. It does not want renewable energy incentives to be the reason farmers plow up more ground to plant biofuel feedstocks. The U.S.'s Renewable Fuels Standard has a similar provision regarding sustainable land use. However, the U.S. renewable energy initiative has a major difference from the RED; the U.S. Renewable Fuels Standard has an aggregate land approach. The concept that each and every farmer needs to certify their own sustainable land use if they sell soybeans that end up being processed for use in European biodiesel is simply too cumbersome.

RANKING MEMBER,
JUDICIARY

Committee Assignments:

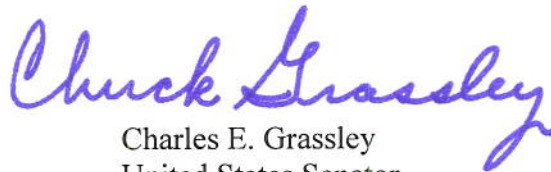
AGRICULTURE
BUDGET
FINANCE

CO-CHAIRMAN,
INTERNATIONAL NARCOTICS
CONTROL CAUCUS

It is my understanding that up to 5% of the farmers who sell their soybeans into the European market may end up having to go through a certification audit. I also have been informed that companies that are conducting the audits under one certification "scheme" require farmers to comply with a 49-page list of practices that include socio-economic factors. Not only do I find this to be onerous, but unnecessary. What do socio-economic issues have to do with land sustainability? The farmers I know are good hard-working family farmers. There is simply no reason they should be subjected to such a process simply because they sell soybeans to a buyer who ships the soybeans to Europe for biodiesel production. We have used the aggregate sustainable land approach here in the United States, and it is working for us, and I sincerely believe it can work for Europe as well.

The RED provisions I cite above have created a lot of uncertainty for U.S. farmers, soybean traders, cooperatives, and processors. It is important the United States and European Union have an open dialogue regarding these matters. I urge you and other European Union officials to agree to bilateral negotiations with the United States so that we may sort these issues out. Thank you for your consideration of my request.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is fluid and cursive, with the first name "Chuck" and last name "Grassley" clearly legible.

Charles E. Grassley
United States Senator