



Perry draws environmentalist support on ethanol stand

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WASHINGTON – Gov. Rick Perry's quest to curb the nation's ethanol appetite is gaining him allies in unlikely circles, including liberal environmental groups and companies that benefit from biofuel subsidies.

Some of Mr. Perry's longtime supporters encouraged his fight against the ethanol mandate and have shown their appreciation with big campaign donations. But Mr. Perry, who has championed coal plants and opposed new ozone restrictions, has also drawn support from groups that champion stricter environmental regulations.

Three national groups – Clean Air Task Force, Environmental Working Group and Friends of the Earth – have told federal regulators they support Mr. Perry's effort because ethanol production contributes to global warming. Tyson Foods also wants the mandate cut in half but is lobbying to keep a tax credit it gets for processing biodiesel from animal fats.

Mr. Perry asked the U.S. Environmental Protection Agency in April to reduce the requirement to blend 9 billion gallons of biofuels with gasoline this year. Diverting corn to make ethanol hurts livestock producers and contributes to higher food prices, he says.

Food crisis

Mr. Perry hasn't endorsed the biggest concern of environmentalists – that industry emissions cause climate change.

"We didn't look into what other positions he took on other issues," said Sandra Schubert, chief lobbyist for the Environmental Working Group. "Governor Perry may be more concerned about the economic impact to his state. We are very concerned about the food crisis and environmental impacts to his state."

Allison Castle, a spokeswoman for Mr. Perry, said Mr. Perry didn't coordinate his waiver policy with environmental groups but welcomed their support.

"The governor has always been a good steward of our environment," she said.

Mr. Perry's waiver request has given him a platform to challenge national energy policy. The EPA is trying to meet a Thursday deadline to rule on the request but may have to delay its answer because it has received so many public comments, according to EPA and congressional officials.

At a Washington news conference June 24, Mr. Perry appeared with influential trade groups critical of ethanol, including the National Chicken Council. Mr. Perry's flight to Washington was funded by poultry executive Lonnie "Bo" Pilgrim, who also donated \$100,000 in March to the Republican Governors Association, which Mr. Perry leads.

Ms. Castle said Mr. Pilgrim's contributions didn't drive the governor's decision to seek the waiver. Mr. Perry has opposed ethanol mandates since July 2007, she said, when he told a Houston audience that his biofuel policy "allows us to meet our energy needs without having to choose between feeding our cows or driving our cars."

Hesitating

Some environmentalists have hesitated to jump on Mr. Perry's bandwagon because of what they see as his administration's ambivalence about cracking down on big polluters. Kathleen Hartnett White, Mr. Perry's former chairman of the Texas Commission on Environmental Quality, told a Texas House committee in April that state efforts to reduce carbon dioxide emissions would be "pointless, at best, and counterproductive, at worst."

"For some environmental groups, the track record of the governor on most environmental issues is not one that would motivate them to get out and back something that he's requesting," said Ken Kramer, director of the Lone Star Chapter of the Sierra Club.

But other groups have championed the governor's request, aided by recent studies showing that biofuels have contributed to higher food prices. The Organization for Economic Cooperation and Development said last week that biofuel production has a "significant impact on world crop prices."



LAWRENCE JACKSON/The Associated Press
Gov. Rick Perry appeared with Gregg Doud of the National Cattlemen's Beef Association, which supports reducing mandates for production of grain-based fuels.

At least one supporter has promoted that argument while reaping benefits from biofuel subsidies. Tyson Foods endorsed Mr. Perry's effort but has also lobbied to preserve its \$1-per-gallon tax credit for making biodiesel from animal fat. The credit could be worth as much as \$175 million to Tyson and ConocoPhillips, its partner in the venture.

Another Tyson project would qualify for the tax credit as well. The company plans to make up to 75 million gallons per year of biodiesel from beef tallow, chicken fat and greases.

"They seem conflicted," said Manning Feraci, vice president of federal affairs for the National Biodiesel Board.

Tyson defends its opposition to the mandate, arguing that ethanol is established and doesn't need the protection.

"There's a big difference between a brand new alternative fuel made from a byproduct – animal fat – and a long-established fuel made from food that has already received decades of federal tax breaks and tariff protection," said Gary Mickelson, a spokesman for Tyson.

Ms. Castle said Mr. Perry isn't opposed to Tyson's seeking the credit. The governor opposes mandates but supports incentives, she said.

"I don't think that is playing both sides of the issue," she said. "Ultimately, what they produce will be driven by what the appetite is in the market."