



Fighting for the U.S. Cattle Producer!

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November 28, 2008

Docket ID No. EPA-HQ-OAR-2008-0318
Environmental Protection Agency
Mailcode: 2822T
1200 Pennsylvania Ave., NW.
Washington, DC 20460

Office of Information and Regulatory Affairs,
Office of Management and Budget (OMB)
Attn: Desk Officer for EPA
725 17th St., NW.
Washington, DC 20503

Via Federal Rulemaking Portal and Facsimile: a-and-rDocket@epa.gov; 202-566-9744

**Re: Docket ID No. EPA-HQ-OAR-2008-0318; FRL-8694-2; RIN 2060-AP12:
Regulating Greenhouse Gas Emissions Under the Clean Air Act: Advance Notice of
Proposed Rulemaking**

Dear Administrator:

The Ranchers-Cattlemen Action Legal Fund – United Stockgrowers of America (R-CALF USA) appreciates this opportunity to submit its comments regarding the Environmental Protection Agency's (EPA's) request for comments in its Advance Notice of Proposed Rulemaking regarding Regulating Greenhouse Gases Under the Clean Air Act (ANPR) published at 73 Fed. Reg., 44354 *et seq.*

R-CALF USA is a nonprofit cattle-producer association that represents thousands of U.S. cattle producers in 46 states. R-CALF USA's mission is to ensure the continued profitability and viability of independent U.S. cattle producers. The demographics of R-CALF USA's membership are reflective of the demographics of the entire U.S. cattle industry, with membership ranging from the largest of U.S. cattle producers to the smallest. R-CALF USA's membership consists primarily of cow-calf operators, cattle backgrounders, and feedlot owners. In addition to being producers of cattle, R-CALF USA members are also beef consumers and responsible stewards of the environment. Various main-street businesses are associate members of R-CALF USA.

I. INTRODUCTION

R-CALF USA strongly agrees with the EPA Administrator that the agency’s ANPR clearly demonstrates that the Clean Air Act “is ill-suited for the task of regulating global greenhouse gases.” 73 Fed. Reg., at 44355. We also believe, consistent with the Administrator’s preface, that the ANPR would be ineffective at reducing greenhouse gases and would have a profound, damaging effect on independent U.S. cattle operations and the entire U.S. cattle industry. *See id.*, at cols. 2, 3. And, R-CALF USA appreciates the Administrator’s statement that the views or alternatives raised in the ANPR do not represent EPA decisions or policy recommendations. *See id.*, at col. 3.

R-CALF USA also strongly agrees with the similar statements by the Executive Office of the President that the Clean Air Act is an “unsuitable vehicle for reducing greenhouse gas emissions” (*id.*, at 44356), and that the ANPR represents only a “hypothetical roadmap” that outlines potential ramifications *should* the ill-suited Clean Air Act be used to regulate greenhouse gas emissions. *See id.*, at 44357.

Consequently, R-CALF USA also supports the strong opposition to the regulation of greenhouse gases under the Clean Water Act expressed by each of the Secretaries of the U.S. Department of Agriculture, U.S. Department of Commerce, U.S. Department of Transportation, and U.S. Department of Energy who jointly expressed the concern that the ANPR “does not fairly recognize the enormous – and, we believe, insurmountable – burdens, difficulties, and costs, and likely limited benefits, of using the Clean Air Act to regulate GHG [Greenhouse Gas] emissions.” *Id.*, at 44359; *see also* 44360, 44361.

While R-CALF USA strongly supports the forgoing opposition to the ANPR, it nevertheless remains deeply concerned that the EPA would even consider, in an official government rulemaking, such an outlandish proposal certain to cause irreparable damage to the nation’s largest segment of American agriculture – the U.S. live cattle industry. The mere act of officially “floating” such a nonsensical proposal has the two-fold effect of marginalizing the credibility of the EPA and according extremists with a basis for desensitizing the public to outrageous ideas that would otherwise be viewed as unfathomably ridiculous.

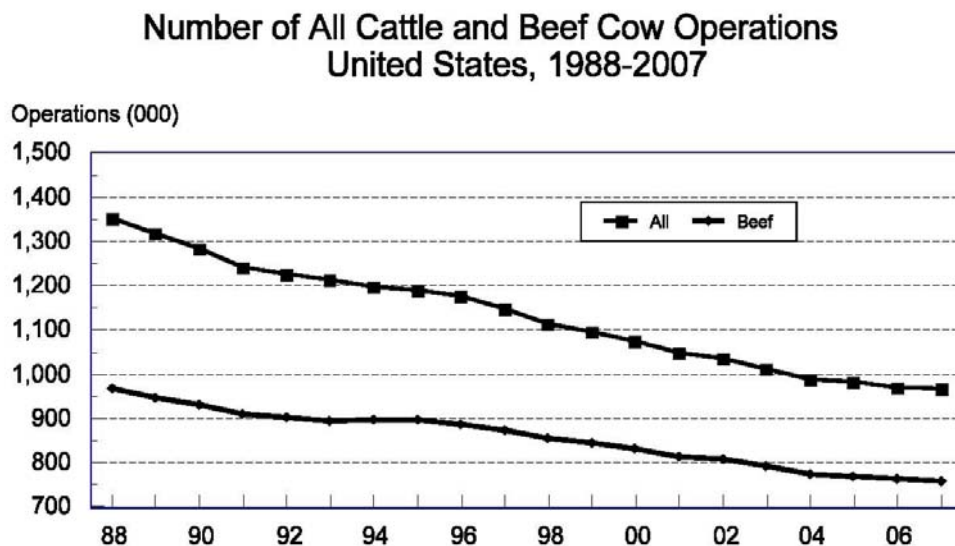
II. THE HYPOTHETICAL OPTION OF REGULATING GREENHOUSE GAS EMISSIONS OF LIVESTOCK WOULD RENDER THE U.S. CATTLE INDUSTRY UNPROFITABLE AND UNVIABLE

The ANPR indicates that beef cattle operations with over 50 head of cattle may be subject to “the costly and time-consuming Title V permitting process” if the hypothetical option of regulating greenhouse gas emissions under the Clean Air Act were implemented. *Id.* at 44377, col. 1. For the reasons explained below, such added costs to the U.S. cattle industry would be disastrous and would result in an accelerated exodus of independent cattle producers from their industry.

The U.S. live cattle industry is the largest segment of American agriculture. With gross receipts from the sale of live cattle at approximately \$50 billion annually, the live cattle industry contributes more to the prosperity of Rural America than any other agricultural segment, and this prosperity is widely distributed throughout the U.S., with 11 states generating more than \$1 billion annually.¹

As shown in Figures 1 and 2 below prepared by the U.S. Department of Agriculture (USDA), the U.S. cattle industry has been in a state of contraction for many years, experiencing both a reduction in the number of cattle operations and a reduction in the size of the U.S. cattle herd. The number of cattle operations in the U.S. fell from 1.6 million in 1980 to 983,000 in 2005.² By 2007, the number of cattle operations fell even further to 967,440.³ This represents 40 percent fewer U.S. cattle operations in the U.S. than existed in 1980. As of 2007, there are approximately 366,240 U.S. cattle operations with herd sizes of over 50 head of cattle and 172,850 of these cattle operations are beef cattle operations.⁴ These independent cattle operations would be directly and negatively impacted by the hypothetical regulation of greenhouse gas emissions under the Clean Air Act.

Figure 1



Source: Farms, Land in Farms, and Livestock Operations, 2007 Summary, U.S. Department of Agriculture, National Agricultural Statistics Service, February 2008, at 14.

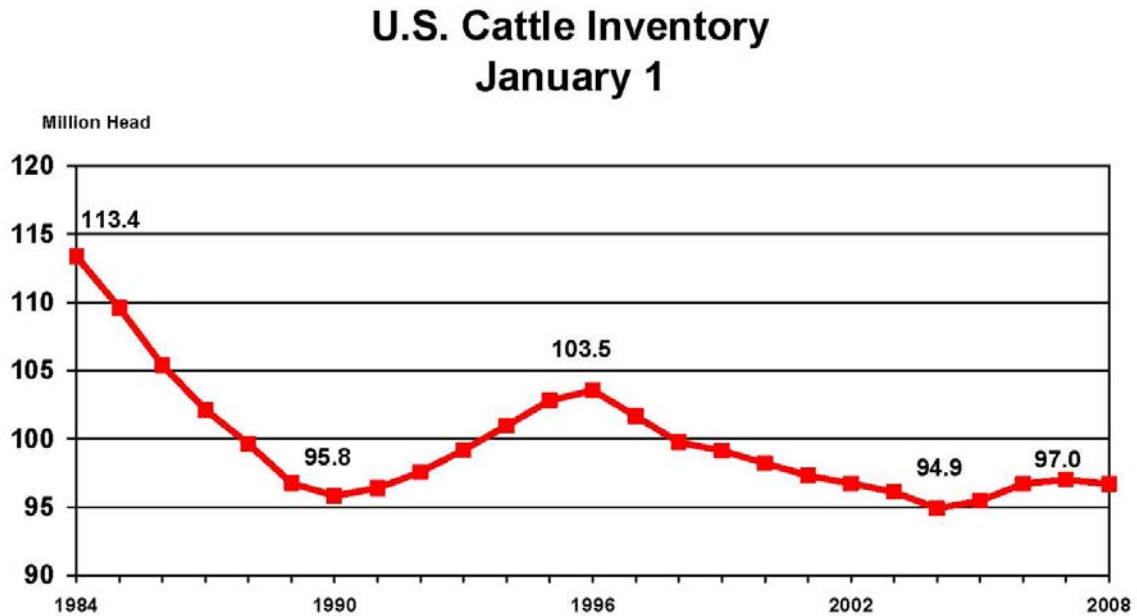
¹ See U.S. Farm Sector Cash Receipts from Sales of Agriculture Commodities, 2004-2008F, U.S. Department of Agriculture, Economic Research Service, available at http://www.ers.usda.gov/briefing/farmincome/data/cr_t3.htm.

² See Federal Register, Vol. 72, No. 152, Wednesday, August 8, 2007, at 44,681, col. 2.

³ See Farms, Land in Farms, and Livestock Operations, U.S. Department of Agriculture, National Agricultural Statistics Service, Sp Sy 4 (08) a, February 2008, at 14.

⁴ See *id.*

Figure 2



Source: Cattle, U.S. Department of Agriculture, National Agricultural Statistics Service, February 2008, at 1.

The principal contributor to the ongoing contraction of the U.S. live cattle industry is the lack of profitability for independent U.S. cattle producers – a problem that would be greatly exacerbated if the industry were saddled with yet another regulatory cost under the hypothetical regulation of greenhouse gas emissions under the Clean Air Act. United States cattle farmers and ranchers already are operating on extremely tight margins due to the present economic cost/price squeeze, and the Food and Agricultural Policy Research Institute (FAPRI) predicts that economic returns to farmers and ranchers who own mother cows and who sell calves will fall to a negative \$17.62 per cow in 2009, and returns will continue to remain negative for the ensuing seven years, hitting a low of a negative \$51.87 per cow in 2012.⁵ Thus, the imposition of any additional regulatory costs, such as those potentially envisioned within the ANPR, would be untenable for U.S. cattle farmers and ranchers.

III. CONCLUSION

R-CALF USA urges the EPA to swiftly and decisively reject the hypothetical option contained in its ANPR, as well as any other regulatory scheme that would subject cattle and other livestock to regulatory costs concerning greenhouse gas emissions. Failure to do so would

⁵ See U.S. Beef Supply and Utilization, FAPRI 2008 U.S. and World Agricultural Outlook, Food and Agricultural Policy Research Institute, Iowa State University, at 121, available at <http://www.fapri.iastate.edu/outlook2008/tables/7USTables.pdf>, attached hereto as Exhibit 1.

render the U.S. cattle industry unprofitable and unviable, resulting in an accelerated contraction of one of the United States' most important agricultural industries.

Sincerely,

A handwritten signature in cursive script that reads "R. M. Thornsberry D.V.M." The signature is written in black ink and is positioned to the left of the typed name.

R.M. Thornsberry, D.V.M.
President, R-CALF USA Board of Directors

Attachments: Exhibit 1