



Ag Energy Alliance

Representing agriculture as a producer and consumer of energy

April 20, 2005

H.R. 6 – Oppose Castle Amendment to Strike FERC Siting Authority for new LNG Terminals

Dear Members of the House of Representatives:

The Ag Energy Alliance, a broad-based coalition of growers and agribusiness, advocates for legislative provisions that will mitigate the effect of high natural gas prices on American farmers. Our group supports H.R. 6, the Energy Policy Act of 2005, and sent the attached letter to Chairman Barton on April 3, 2005 outlining our position on the bill.

Increased natural gas prices have already had an adverse effect on farmers due to higher production costs, and will continue to do so if this problem is not addressed promptly. The farm sector depends on significant use of natural gas for food processing, irrigation, crop drying, heating farm buildings and homes, and nitrogen fertilizer production. By far, the most intensive use of natural gas by the farm sector is in the production of nitrogen fertilizer, which is used on virtually every crop produced in this country. Farmers and ranchers can produce an abundant, affordable and healthy food supply, but we need federal energy policies that will enable access to the cost competitive resources needed to accomplish this.

For this reason, the Ag Energy Alliance supports language in H.R. 6 to clarify the Federal Energy Regulatory Commission's preemptive jurisdiction in siting new LNG facilities. FERC jurisdiction over LNG siting will ensure that the necessary terminal facilities are sited and built in a safe and expeditious manner. New LNG facilities will restore flexibility to natural gas markets throughout the U.S. and should not be viewed as a geographic issue of coastal versus inland interests.

Therefore, the Ag Energy Alliance does not support Congressman Castle's amendment to strike the FERC LNG siting jurisdiction from H.R. 6.

We urge you to vote "NO" on the Castle amendment to H.R. 6.

Sincerely,

Agribusiness Association of Iowa
Agribusiness Council of Indiana
Agricultural Council of California
Agricultural Retailers Assn.
American Farm Bureau Federation

American Soybean Assn.
CF Industries, Inc.
CHS Inc.
California League of Food Processors
Far West Agribusiness Assn.

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GROWMARK, Inc
Illinois Fertilizer & Chemical Assn.
Indiana Grain & Feed Assn.
Indiana Plant Food & Ag Chemicals Assn.
Intermountain Farmers Assn.
Land O' Lakes, Inc.
Louisiana Ammonia Producers
MFA Incorporated
Minnesota Crop Production Retailers
Assn.
Missouri Ag Industries Council, Inc.
National Association of Wheat Growers
National Barley Growers Assn.
National Chicken Council
National Corn Growers Assn.

National Council of Farmer Cooperatives
National Grange
National Renderers Assn., Inc.
National Sunflower Assn.
National Turkey Federation
Nebraska Agri-Business Assn. Inc.
North Dakota Agricultural Association
Oklahoma Agribusiness Retailers Assn.
South Dakota Agri-Business Assn.
Terra Industries Inc.
Texas Ag Industries Assn.
The Fertilizer Institute
USA Rice Federation
US Canola Assn.