

June 18, 2010

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator Jackson:

We were dismayed to find that the final Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule (Tailoring Rule) would treat greenhouse gas emissions from the combustion of biomass the same as such emissions from the combustion of fossil fuels. This is a significant shift in federal policy, contrary to the country's renewable energy objectives, and lacks an adequate explanation in the record. Fortunately, the Environmental Protection Agency (EPA) has the opportunity to correct this development and realign the Tailoring Rule with federal renewable energy policy prior to the effective date of greenhouse gas regulation on January 2, 2011.

Biogenic carbon is part of a relatively rapid natural carbon cycle. Trees and other plants absorb carbon as they grow. Combustion of harvested biomass for energy releases previously stored carbon back into the atmosphere, which the growing biomass re-absorbs. Where national data show stable or increasing carbon stocks in forests and agricultural lands, as in the United States, the result is no net increase of carbon in the atmosphere.

EPA and other federal agencies have recognized the carbon neutrality of biomass emissions for many years. Examples include: EPA's National Greenhouse Gas Inventory; EPA's Mandatory Gas Reporting Rule; EPA's Renewable Fuel Standard program; and the Department of Energy's greenhouse gas accounting protocols. International groups have also recognized this principle, most notably the Intergovernmental Panel on Climate Change and the European Union. These programs all accept the long-standing science behind the neutrality principle.

The Tailoring Rule neither recognizes nor discusses the clear scientific basis of biomass carbon neutrality. This science demonstrates that trees take up the carbon from the atmosphere which is then released upon combustion. To sustain the greenhouse gas benefits of the biogenic carbon cycle, trees and crops are re-grown, thus continuing carbon absorption across forested and agricultural landscapes and ensuring future supplies of biomass. When national inventories, such as in the United States, demonstrate that forest and other feedstock inventories are maintained or increased, there is no additional carbon released to the atmosphere. In contrast, combustion of fossil fuels involves the transfer of carbon from geologic reserves into the atmosphere, also a known scientific principle, increasing net atmospheric concentrations of carbon. Further, beyond the benefit of carbon neutrality associated with biomass combustion, EPA's Renewable Fuel Standard 2 demonstrates there are additional benefits associated with biomass throughout the lifecycle compared to fossil fuels.

From the policy perspective, the forest products industry is justifiably proud of its contribution to our energy security and environmental improvement by supplying over 65% of its own energy needs with renewable biomass. The unprecedented step of equating biomass carbon emissions with fossil fuel carbon emissions will impose significant and unnecessary regulatory burdens and economic impacts on industry and rural communities, and threatens to chill investment in varieties of trees, grasses and other plants that could be purpose-grown for energy production. This will frustrate the environmental goals of shifting to renewable energy and will contribute to an international competitive imbalance with countries that do recognize this scientific principle.

Federal renewable energy programs are replete with reliance on utilization of biomass, including incentives to grow it, to transport it, and to construct facilities to transform it into energy. The 2008 Farm Bill encourages ethanol facilities to utilize biomass material for co-generation. While the Tailoring Rule does not directly affect these programs, the equation of biomass combustion with fossil fuel combustion certainly provides no support, and is likely to frustrate these programs and goals by adding complex site-specific requirements that will not appropriately consider the broad scale relationship between carbon deposition from biomass combustion and carbon sequestration through forest growth. The additional cost to converting facilities and the uncertainty and confusion associated with carbon accounting will be a powerful disincentive to use biomass for energy.

We are particularly troubled by the lack of explanation for this significant shift in policy, the departure from established science, and the impacts it will cause. While we understand that EPA may have received differing comments on the issue of carbon neutrality, EPA effectively made a fundamental change in policy and science without any explanation. In the face of the long-standing congressional and agency support for this principle, this choice demanded a substantial justification in the record.

We urge EPA to expeditiously honor its commitment to the Secretary of Agriculture for a public review of biogenic carbon neutrality and its role under the Clean Air Act using as its baseline the long-standing positions of EPA and other federal agencies, and to complete this review with a final decision by December 1, 2010. We further urge the agency to suspend application of greenhouse gas emission regulation to facilities with biomass combustion until this review has been completed. We look forward to working with EPA and the Department of Agriculture as the review proceeds.

Sincerely,

25x'25 National Steering Committee
Abengoa Bioenergy, S.A.
AbitibiBowater Inc.
ADAGE
Add-On Energy, LLC
Alabama Forestry Association
Alabama Loggers Council

American Forest & Paper Association
American Forest Foundation
American Forest Resource Council
American Loggers Council
American Renewables, LLC
Appalachian Hardwood Manufacturers,
Inc.

ArborGen Inc.
ARK Energy
Arkansas Forestry Association
Arkansas Timber Producers Association
Arkenol, Inc.
Associated California Loggers
Associated Logging Contractors, Inc. -
Idaho
Associated Oregon Loggers, Inc.
Association of Consulting Foresters
Association of Equipment Manufacturers
Association of Forest Industries, Inc.
Avista Corporation
Biomass Coordinating Council, American
Council On Renewable Energy
Biomass Thermal Energy Council
Biotechnology Industry Organization
Black Hills Forest Resource Association
BlueFire Ethanol, Inc.
C2I, LLC
California Forestry Association
Cellulosic Ethanol Alliance
Colorado Timber Industry Association
Coskata, Inc.
Council of Industry Boiler Owners
Deere & Company
Deltic Timber Corporation
Dupont Danisco Cellulosic Ethanol LLC
Energy Corporation
Environmental and Energy Study Institute
Family Forest Foundation
Finch Paper LLC
FirstEnergy Corporation
Florida Farm Bureau Federation
Florida Forestry Association
Forest Capital Partners, LLC
Forest Investment Associates
Forest Landowners Association
Forest Landowners Tax Council
Forest Products Industry National Labor
Management Committee
Forest Resources Association, Inc.
Fox Enterprises
Frontier Renewable Resources, LLC
Georgia Forestry Association
Georgia Paper and Forest Products
Association
Giustina Resources

GMO Renewable Resources
Green Diamond Resource Company
GreenWood Resources, Inc.
Gulf Coast Energy
Hancock Timber Resource Group
Hardwood Federation
Hardwood Manufacturers Association
Hardwood Plywood and Veneer
Association
Idaho Forest Group
Indiana Forestry and Woodland Owners
Association
Indiana Hardwood Lumbermen's
Association
INEOS Bio
Intermountain Forest Association
International Applied Engineering, Inc.
Intrinergy
Irving Woodlands, LLC
Kentucky Forest Industries Association
Keweenaw Land Association, Limited
KL Energy Corporation
Lincoln Paper and Tissue, LLC
Lone Rock Timber Management
Company
Longview Timber Corporation
Louisiana Forestry Association
Maine Farm Bureau
Maine Forest Products Council
Mascoma Corporation
Michigan Association of Timbermen
Michigan Forest Products Council
Minnesota Forest Industries
Minnesota Timber Producers Association
Mississippi Biomass and Renewable
Energy Council
Mississippi Forestry Association
Missouri Forest Products Association
Missouri Logging Council
Montana Logging Association
N.C. Association of Professional Loggers,
Inc.
National Alliance of Forest Owners
National Association of Counties
National Association of Forest Service
Retirees
National Association of State Foresters
National Farmers Union

National Forest Counties and Schools
Coalition
National Hardwood Lumber Association
National Wood Flooring Association
National Woodland Owners Association
New Hampshire Timberland Owners
Association
New York Biomass Energy Alliance
North Carolina Forestry Association
Northeastern Loggers' Association
Northern Arizona Loggers Association
Northwest Pulp and Paper Association
NorthWestern Energy
NorthWinds Biodiesel
Novozymes
Oglethorpe Power Corporation
Oregon Forest Industries Council
Oregon Small Woodlands Association
Outdoor Power Equipment Institute
Partnership for Sustainable Forestry
Pennsylvania Forest Products
Association
Peregrine Energy Corporation
Pingree Associates
Plum Creek
Port Blakely Tree Farms, LP
Potlatch Corporation
Professional Logging Contractors of
Maine
Qteros
Range Fuels, Inc.
Reaves Timber
Recycled Energy Development, LLC
Reiver Forest Products
Renewable Fuels Association
Resource Management Service, LLC
RMK Timberland Group

Rocky Mountain Elk Foundation
Ruffed Grouse Society
Shull Timber Corporation
Small Woodlands Owners Association of
Maine
Society of American Foresters
South Carolina Forestry Association
South Carolina Timber Producers
Association
Southeastern Lumber Manufacturers
Association
Starker Forests, Inc.
Stimson Lumber Company
Tennessee Forestry Association
Texas Forestry Association
Texas Renewable Energy Industries
Association
The Campbell Group
The Lyme Timber Company
The Molpus Woodlands Group
The Oklahoma Forestry Association
The Westervelt Company
Timberland Investment Resources, LLC
Treated Wood Council
Unicoi Energy Services, LLC
Verenium Corporation
Vermont Forest Products Association
Virginia Forest Products Association
Wagner Forest Management
Washington Contract Loggers
Association, Inc.
Washington Farm Forestry Association
Washington Forest Protection Association
Wells Real Estate Funds
West Side Hardwood Club
Weyerhaeuser Company
Wildlife Mississippi

Cc: The Honorable Tom Vilsack
Secretary, U.S. Department of Agriculture

The Honorable Nancy Sutley
Chair, Council on Environmental Quality