



**Statement of the National Alliance of Forest Owners
Senate Committee on Environment and Public Works
Subcommittee on Clean Air and Nuclear Safety
Hearing on "Oversight - the Environmental Protection Agency's
Renewable Fuel Standard"
Wednesday, April 1, 2009**

I. Introduction

The National Alliance of Forest Owners (NAFO) is pleased to submit comments to the Senate Committee on Environment and Public Works on the Environmental Protection Agency's Renewable Fuel Standard (RFS). NAFO is an organization of private forest owners committed to promoting federal policies that protect the economic and environmental values of privately-owned forests at the national level. NAFO membership encompasses more than 74 million acres of private forestland in 47 states. NAFO members are well positioned to help our nation meet its renewable energy objectives, and NAFO is prepared to work with the Committee and Congress toward that end.

Private working forests are a fundamental part of the strategic natural resources infrastructure of our nation, producing renewable, recyclable and reusable wood and paper products, sustaining plants and wildlife, producing clean water and air and providing recreation experiences. Working forests also play a substantial role in helping this country achieve energy independence while reducing greenhouse gas (GHG) emissions. Forest biomass is a renewable energy feedstock that can help meet our national renewable energy goals in all regions of the country, if placed on a level playing field with other renewable energy sources.

NAFO asks this Committee to recognize biomass from private, working forests as an eligible feedstock on an even playing field with other renewable energy sources as it reviews the federal RFS. The RFS should recognize that forest owners already work within a well established framework of laws, regulations and non-regulatory programs and actions that promote and maintain responsible forest management, and will continue to do so as they help our nation meet its renewable energy objectives.

II. Working forests will help our nation meet its objectives to increase our reliance on secure, domestic sources of renewable energy and help reduce atmospheric greenhouse gas (GHG) concentrations.

Experts have long recognized working forests as a source of real and verifiable reductions in greenhouse gases and a cost-effective source of industrial GHG offsets. The United Nations' 2007 Intergovernmental Panel on Climate Change (IPCC) highlights forest management as a primary tool to reduce GHG emissions. The IPCC states that, "In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest stocks, while producing an annual sustained yield of timber, fiber or energy from the forest, will generate the greatest mitigation benefit."¹

However, a federal RFS that does not appropriately include all forms of forest biomass not only limits our country's ability to produce cost-effective renewable fuels, it significantly limits the carbon benefits associated with using fuels derived from such biomass in regions of the country where forests are the dominant land use.

Appropriately including forest biomass in an RFS would take full advantage of these carbon mitigation benefits in the energy context. Likewise, a policy that discourages forest biomass utilization will forfeit these benefits.

III. Definitions of eligible biomass feedstock should put working forests on an even playing field with other renewable energy sources.

NAFO has particular concern about the definition of eligible forest biomass found in the Energy Independence and Security Act of 2007. Definitions of qualifying renewable energy feedstocks should provide a level playing field for market access across all feedstock sources and encompass the full range of forest biomass, including trees and other plants, forest residues (e.g., tops, branches, bark, etc.) and byproducts of manufacturing (e.g., sawdust, bark, chips, dissolved wood retrieved from the paper-making process, etc.). Presently there are at least four different definitions of qualifying

¹ Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change [B. Metz, O.R. Davidson, P.R. Bosch, R. Dave, L.A. Meyer (eds)], Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, page 543.

forest biomass in federal statute.² This adds complexity and confusion to project developers, biomass producers and federal program administrators who are required to determine how the various, and at times conflicting, definitions interact with one another.

As currently written, the EISA RFS definition places confusing parameters on significant acreages of private forestlands in the form of land use restrictions. These restrictions limit the ability of forest biomass to contribute to meeting the ambitious mandate to produce 36 billion gallons of renewable fuels annually by 2022.

This definition also significantly restricts the use of forest biomass from naturally growing and regenerating forests, which make up more than 90 percent of our nation's non-federal forests. By doing so, it removes potential markets and viable economic options needed by private forest owners to support thinning for a variety of sustainable forest management practices, and who are already experiencing economic pressures from the steep declines in traditional markets such as solid wood and pulp and paper manufacturing. It also places forest biomass at a significant disadvantage to other biomass feedstocks, such as short rotation agricultural crops that require more energy, nutrients and water to grow, as well as other renewable energy sources.

The definition for qualifying forest biomass in the EISA discourages necessary and appropriate forest management activities that promote forest health and sustainability. Proper forest management focuses on moving the forest toward its desired condition. No matter the desired condition, appropriate management often includes removing material that could be used productively. By using specific definitions, such as slash, planted trees, residues, and pre-commercial thinning to limit the material that can be used productively contradicts, rather than promotes, sound forest management.

Private landowners recognize that their forest's health depends on the health of neighboring forests. Limiting renewable biofuels from federal lands limits the options of federal land managers to manage for a healthy forest, which threaten private forests,

² Separate definitions of eligible forest biomass can be found in Section 45 (c)(3) of the Internal Revenue Code (26 U.S.C. 45(c)(3)); Section 203(b)(1) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)); Section 201(1)(I) of the Energy Independence and Security Act of 2007 (42 U.S.C. 7545(o)(1)(I)); and Section 9001(13) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8101 (12)).

and constricts the areas that can support a biofuels plant, especially in the West. This could mean large swaths of the country could not have adequate supply to support a plant without access to renewable biomass from federal lands.

The current definition also creates complex chain-of-custody requirements that could cause fuel manufacturers to exclude large portions of potential feedstock supply in order to meet compliance requirements. If identifying qualifying feedstock becomes too complex or costly, project developers may forego the development of facilities that use forest biomass altogether, thereby placing the overall RFS in jeopardy.

IV. NAFO is prepared to work with Congress and other stakeholders to realize the contributions of working forests in energy policy in an environmentally responsible way.

NAFO is prepared to help develop a constructive approach using forest biomass to help meet our nation's energy needs. Notwithstanding the strong record of environmental benefits private forests provide, NAFO is prepared to work with policy makers and other stakeholders to ensure that forest biomass, and all other sources of renewable energy, help meet our renewable energy objectives in an environmentally responsible way.

NAFO suggests the Committee support a federal renewable fuel policy that promotes rather than discourages the use of forest biomass for renewable energy. Federal policy, and definitions of qualifying forest biomass in particular, should be broad and inclusive so as to encourage forest biomass utilization and foster cost-effective compliance. The current RFS definition is too complex, placing forest biomass at a disadvantage with respect to other feedstocks and ultimately discouraging its use.

NAFO respectfully requests that Congress consider S. 636 as it reviews the federal RFS. Introduced by Senators Thune, Tester and Chambliss, S. 636 amends the federal renewable biofuels standard so that it is consistent with the definition codified in the 2008 Farm Bill. This definition establishes a level playing field for forest biomass and positions forest owners to make a full contribution toward achieving the RFS objectives. NAFO supports S. 636 and urges Congress to enact it.

V. CONCLUSION

NAFO strongly supports our nation's efforts to establish new sources of renewable energy, and thereby reduce its dependence on fossil fuels and imported energy. America's working forests can play a fundamental role in meeting these new and growing energy needs. U.S. policies should encourage investment in forests as a source of renewable energy by establishing non-restrictive definitions of forest biomass eligible for use in renewable energy programs.

The RFS should fully include forest biomass as a renewable energy source and ensure that the definition of biomass encompasses the full range of forest biomass, including: trees and other plants; forest residuals; and wood byproducts including sawdust, bark, wood chips, and dissolved wood. Such an approach will enable our country to meet its renewable fuel objectives. At the same time, it will allow working forests to make their full contribution to our nation's renewable energy portfolio while providing important additional environmental benefits, such as reduced GHG emissions, clean water, wildlife habitat quality recreation and other environmental benefits Americans need and enjoy.

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