

July 2, 2009

Dear Senators Baucus and Grassley:

I am writing to you regarding your June 11 draft that proposes to prohibit the Alternative Fuel Credit and Alternative Fuel Mixture Credit for Black Liquor. I urge you to preserve this credit as it currently exists for the balance of 2009.

I work at Boise's corporate office as the Business and Financial Manager for our Packaging and Newsprint Business. My job requires that I spend a great deal of time reviewing the overall economy, key economic drivers that impact our industry, and the economic health of the markets we serve. 2010 will be a very challenging year for our industry, so with this thought in mind; let me suggest that the credit be preserved for the balance of 2009. If the credit is retained the paper industry will be much better positioned for 2010.

Our industry has a strong track record as a producer and user of renewable energy. We are one of the bedrock industries of the US economy but our positive contributions are generally ignored.

The industry generates:

- 28.5 million megawatt hours of carbon-neutral renewable energy annually—enough to power 2.7 million homes;
- two-thirds of the energy needs by our industry carbon-neutral renewable energy is generated on-site from renewable sources;
- more renewable energy than all solar, wind and geothermal sources combined. (source, AF&PA)

Perhaps the intent of the legislation that encompassed the Alternative Fuel Credit was not to provide a tax credit to the paper industry. However our use of Black Liquor is in keeping with the spirit of supporting the use of renewable fuels.

In summary I am not requesting that this credit be extended indefinitely, rather I would suggest that maintaining it through 2009 is a reasonable alternative to repealing it at this time.

Sincerely,

Fred Birnbaum
Manager, Business and Financial Analysis
Boise, Inc.