

Letter to Senators Baucus & Grassley in response to their request for public comments.

July 10, 2009

Dear Senators Baucus and Grassley:

I am writing to you to provide comments as requested regarding your staff draft dated June 11 that proposes to eliminate paper industry byproducts from qualification for the Alternative Fuel Credit and Alternative Fuel Mixture Credit.

I am an employee of Boise Inc. and work in the corporate tax department in Boise, Idaho.

The forest products industry and paper companies in particular have a long history of carbon-neutral renewable energy production and consumption.

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 of our industry's mills are provided by carbon-neutral renewable energy, generated on-site from renewable sources;

This credit is essential to the survival of the American paper industry during this time of economic turmoil. As an industry, forest products companies employ nearly one million workers. These are some of the mostly highly paid industrial jobs left in the United States. In addition paper companies are absolutely essential to the communities in which they are located. Boise Inc.'s paper mills are located in small communities and are a major employer in all of them. The economic impact to these communities of losing a major employer would be devastating and permanent with the rippling effect on suppliers, restaurants, and retailers.

I understand your concerns about the affordability of the alternative fuel mixture credit as it is currently designed, however, I urge to you carefully examine the longer term effects of ending this credit before its scheduled expiration of December 31, 2009. While it was unknown that paper companies would benefit from the alternative fuel mixture credit, I would argue that the general nature that the law is written is essential to the future of carbon-neutral energy production. Paper manufacturing is energy intensive and any benefits targeted at making them more carbon-neutral energy capable should be rewarded.

If you believe, as I do, that it is important for the United States economy to have a future in industry, and more specifically in the production of paper products I encourage you to further explore options that would keep the Alternative Fuel Mixture Credit in place through December 31, 2009 and to design policies in the future that further the agenda of green energy production and environmental sustainability in conjunction with a healthy US paper industry.

Sincerely,

Christopher Forrey, CPA
Manager, Boise Inc. Tax Department