

I have been associated with the paper industry for over 40 years. Like many other United States manufacturing industries it has been the life blood of communities across this country. And like many other industries it is being challenged in these difficult times. I am writing to express my concern regarding the potential of repealing the alternative Fuel Mixture Tax before year end. I am opposed to any action regarding this.

The pulp and paper industry far outpaces every other industry in production and use of renewable power. However, until now we have largely been unable to take advantage of incentives for renewable power. Currently, restrictions exists in the Section 45 renewable electricity tax credit which disqualify renewable biomass power that is generated and consumed on site...a practice that Domtar Paper, among other companies, employs. Meanwhile, those that compete with paper manufacturers for wood fiber, such as independent power producers and facilities that make cellulosic transportation fuels, benefit fully from Section 45 and other tax incentives.

This tax credit has been a critical lifeline for the paper industry in the midst of what everyone---economists, politicians and millworkers agrees-----are extraordinary dire economic conditions.

The paper industry has shown leadership in the area of biomass utilization for generations. This credit and other policies that provide incentives for the industry's use of biomass as a fuel source will enable the paper manufacturers to continue best practices, continue to innovate and continue to lead the way in the area of renewable energy.

Please feel free to contact me should you require additional information.

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