



MANUFACTURE *Alabama!*

Making the best in Alabama!

July 10, 2009

The Honorable Max Baucus
The Honorable Chuck Grassley
Committee on Finance
United States Senate
Washington, DC 20510

VIA EMAIL: altfuelscredit@finance-dem.senate.gov

RE : Alternative Fuel Mixture Tax Credit

Dear Senators Baucus and Grassley,

I am writing to you on behalf of Alabama's pulp and paper industry and Manufacture Alabama. Manufacture Alabama is Alabama's only trade association representing exclusively the competitive, legislative and related interests of manufacturers. Manufacture Alabama represents a wide array of industry sectors including steel mills, chemical manufacturers, textile mills and the pulp and paper industry. On behalf of Manufacture Alabama I appreciate the opportunity to submit comments regarding the discussion draft on early termination of the Alternative Fuel Mixture Tax Credit for biomass produced from black liquor by paper mills.

The forest products industry in Alabama opposes the early repeal of our industry's renewable energy from eligibility for the alternative fuel mixture tax credit. We are fully committed to increasing America's energy security and support rewarding the use of clean burning fuels as a national priority. Our industry should be treated equitably to other industries in pursuit of that goal.

Our industry has been firmly committed to the use of alternative fuels for many years, and like in many other states, companies in Alabama have made significant investments over decades in support of expanding our capabilities to use renewable energy as a core process in manufacturing our products. Our industry is the country's largest renewable energy generator and user. For example:

- We produce 28.5 million megawatt hours of carbon-neutral renewable energy annually—enough to power 2.7 million homes.
- Two-thirds of our energy needs from carbon-neutral renewable energy onsite from renewable sources.
- We produce more renewable energy than all solar, wind and geothermal sources combined.

Nationwide, papermakers and wood products manufacturers employ approximately one million direct workers, an industry that is larger than automotive, plastics, or chemicals. However, due to the increasing pressures of the global marketplace, we have lost more than 300,000 workers—over one quarter of the industry's workforce since 2006. Those jobs are at risk if Congress enacts early repeal of our renewable energy.

I appreciate the Senate Finance Committee's interest in seeking public comment on how any changes to the alternative fuel mixture tax credit would impact our industry and the green jobs we provide. Revoking the forest products industry's eligibility for the alternative fuel mixture tax credit before it expires later this year would have serious consequences for our state's companies and our employees at a time of unprecedented economic challenges.

Likewise, the resulting loss to the forest products industry's renewable energy generation and use would be a blow to the nation's ongoing efforts to support and expand clean-burning, environmentally friendly energy production.

I respectfully urge you to support this necessary credit for our industry through the end of the year as the law was written.

Sincerely,



George N. Clark
President
Manufacture Alabama