



Michigan Forest Products Council
Business Advocacy for the Forest Products Industry

July 10, 2009

The Honorable Max Baucus
Chairman Senate Finance Committee
511 Hart Senate Office Building
United State Senate
Washington, DC 20510

The Honorable Chuck Grassley
Ranking Member
135 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

On behalf of Michigan Forest Products Council I respectfully comment on the Alternative Fuel Mixture Tax Credit for biomass produced from black liquor by paper mills.

The forest products industry in Michigan opposes the elimination of the alternative fuel mixture tax credit, and the industry's eligibility in that regard. We remain steadfast, however, in our commitment to a clean and secure energy future for America.

Job providers in this arena have been committed to the use of alternative energy for decades. This sector is the largest producer of green energy and green jobs by far. We are fully dedicated to increase production of low carbon, cleaner renewable bio-fuels.

Michigan's forest products sector generates \$14 billion annually into the state economy and supports 154,000 jobs. Those jobs are at risk if Congress abruptly discontinues the alternative fuel mixture tax credit. Clearly, it would be a travesty for Michigan to lose more jobs.

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. While people can reasonably disagree with how policy was implemented, the current law is clear. Moreover revocation of the alternative fuel mixture tax credit would set a bad precedent and have serious consequences for our state's economy.

Most importantly, perhaps, the loss to the forest products industry's renewable energy generation and use would be a blow to the nation's efforts to support and expand clean-burning, environmentally friendly energy production. Again, we greatly appreciate your consideration.

Respectfully,

Kevin W. Korpi
Executive Director