

Dear Committee,

As President Barack Obama presses to double the nation's use of renewable energy over the next three years, with \$15 billion a year to be spent to develop solar power, wind power, advanced biofuels and other technologies, it is important that those industries that has developed and utilized such technologies for years to be recognized for their contributions.

By mixing black liquor from the kraft pulping process and taxable road fuel, Domtar is able to qualify for a \$.50 per gallon refundable tax credit. As you are aware, this "black liquor tax credit" has been a lifeline for the entire forest industry during these unprecedented economic times. Rather than serve as a loophole, this alternative fuel tax credit actually shed light on an innovative industry that has strived to create as many "closed loop" systems as possible in it's manufacturing process. These "closed loops" ensure that as much energy as possible is reused in the manufacturing process, which simultaneously helps us become more efficient while at the same time benefiting our environment and helping our country rely less on oil from overseas.

I believe that it is important that the committee recognize the following points as they vote to keep the Alternative Tax Credit to remain active until December 31, 2009. The following points reflect why this argument is valid:

- Paper and wood products manufacturers generate more renewable power than solar, wind and geothermal combined, and we are responsible for significant reductions to greenhouse gas emissions.
- We burn this high BTU value liquid biomass to generate power to run our mill. Understanding that biomass is a finite resource and in keeping with our commitment to stewardship and sustainability, we utilize the resource very efficiently. At our mill, we deploy combined heat and power systems which capture the heat that would otherwise be lost to the atmosphere. We use this heat for space heating and cooling, for drying applications and other uses in the mill. By fully utilizing our biomass inputs, we are able to fulfill most of the power requirements at the mill. This is power that would otherwise have to be sourced from the grid—power that would be largely derived from fossil fuel.
- Biomass power has the is both renewable and carbon neutral, attributes that have been officially recognized and credited under the Regional Greenhouse Gas initiative and in Washington State's landmark climate change law. Current climate change legislation being considered by Congress also recognizes the benefits of biomass

In conclusion, I ask that you please defend the credit from early termination and stick to the legislation's original statutory end. At a time when so many companies have been granted bailouts (often to the taxpayer's dismay due to that companies unscrupulous dealings or excessive risk taking) it is imperative that our country support the paper industry and those companies which are actually helping achieve one of the President's largest goals.

Sincerely,
Dan Persica

Dan Persica | **Domtar**
Product Packaging Specialist

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