

I work in the paper industry and live in St. Louis. I am writing to express my concern over the potential repeal of the Alternative Fuel Mixture Tax Credit program. Presently the program is slated to last through the end of this calendar year. I am opposed to any initiatives that would end this program prematurely.

Black liquor is liquid biomass—a wholly organic substance that resembles thick molasses and which is comprised of the lignin found in trees. 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.

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 exist in the Section 45 renewable electricity tax credit which disqualify renewable biomass power that is generated and consumed on site—a practice we employ here at Domtar. Meanwhile, those that compete with us for wood fiber, such as independent power producers and facilities that make cellulosic transportation fuels, benefit fully from Section 45 and other production tax incentives.

This tax credit has been a critical lifeline for our mill in the midst of what everyone—economists, politicians and millworkers--agrees are extraordinarily dire economic conditions. As I write, this morning's job's report is frightening: we are now at 9.5% unemployment. I ask that you support the current Alternative Fuel Mixture Credit through the end of 2009.

Bob Saxon  
Account Manager  
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