

June 24, 2009

To: United States Senate

Re: Alternative Fuel Mixture Tax Credit Proposal

As a leading citizen of my community, I recognize the vital importance of major employers like Alabama River Pulp Company and I urge you to reconsider the proposal to prematurely end the alternative fuel tax credit at this time of extreme economic difficulty. My fellow citizens and I have been following this issue closely and we are particularly disturbed that you would want to eliminate an established tax credit at the risk of endangering an industry that is so vital to our nation's already struggling economy!

I am concerned that the Grassley/Baccus draft unfairly targets the pulp and paper industry by eliminating black liquor as a qualifying fuel while other industries will still be able to get the credit in 2010. Also it unfairly eliminates the qualification of all potential fuel sources from other pulp mill byproducts and residues (such as tall oil or fuel derived from sludge). These biofuels can be substituted for fossil fuel, which is the intent of the legislation, and they should be eligible for the tax credit.

The pulp and paper industry is a large and valued employer across the nation and generates more renewable energy than all solar, wind, and geothermal sources combined. It is a "green" industry that generates 28.5 million megawatt hours of carbon-neutral renewable energy annually – enough to power 2.7 million homes. The Canadian government recently approved subsidies for its pulp and paper mills. Will America turn its back on U.S. mills by doing away with the alternative fuel mixture tax, which has been a lifeline to the pulp and paper industry during unprecedented economic downturn? This industry has lost 300,000 workers nationwide since 2006 – how many more jobs can this country stand to lose?

Alabama River Pulp Company (ARP) is the last viable industry in our struggling rural community and its many stakeholders are frightened by the potentially devastating impact of losing the alternative fuel mixture tax credit. Unemployment in southwest Alabama is nearly 17% due to recent cutbacks and closures of textile, plywood and lumber mills. Additionally, 200 workers lost their jobs last month when a local newsprint mill permanently shut down. The 550 direct jobs at ARP combined with the thousands of indirect and related jobs created by this mill are the backbone of our area's economy and I shudder to think what the outcome would be to our entire region if this mill should close!

The alternative fuel mixture tax credit has allowed Alabama River Pulp to operate at full capacity, maintaining employment in the mills, in the forests, and in the community among the many businesses that serve it. The tax credit has made it possible for the company to sustain charitable donations, which support programs and services that are needed more than ever because of all the job losses. For 20-plus years, ARP employees have given over 1/3 of Monroe County's total United Way budget!

I vote, pay taxes, and depend on you to do what's best for me, my family, and our beloved nation. Our present economy is too weak to propose measures that will threaten to put more people out of work. Please uphold the black liquor tax credit for pulp and paper mills and enable this green American industry to sustain our environment while supplying the world with its renewable and recyclable products.

Sincerely,

Name State Representative Harry Shiver-House District 64
Mailing Address 46007 Sunset Drive
City, State Zip Code Bay Minette, Alabama 36507



Handwritten signature of Harry Shiver and "House District 64".