

I am writing in support of the Alternative Fuels Credit for the pulp and paper industry in general and Domtar in particular. This industry for years has consumed renewable fuels from biomass in both the form of "hog fuel" - wood waste - and black liquor. Black liquor is the result of dissolving wood chips to produce cellulose fiber. Such efforts have led to our mills generating over 70% of their energy needs from renewable sources while producing one of the most recycled and renewable materials available today - paper.

There are now various incentives for the development and use of numerous non-fossil fuel alternatives. In fact, the ethanol industry is looking at pulp mills as a source of cellulosic ethanol. Those efforts are subsidized while the pulp and paper industry, using the same facility, has received little if any recognition for those efforts and, until recently, no financial incentives. Currently restrictions exist in the Section 45 renewable electricity tax credit which disqualify renewable biomass power that is generated and consumed on site. Meanwhile, those that compete with us for wood fiber, such as independent power producers benefit fully from section 45 and other production tax incentives.

Today, some are arguing that the credit for long term, proven users of such alternative fuels should be stopped while in many cases supporting the development of as yet unproven technologies that may never become commercially viable. I urge you to support not only the continuation of the alternative fuel tax credit but to support future incentives that these long term green energy producers can benefit from. These facilities provide good, long term jobs in the rural communities in which they operate. In additions they create numerous support opportunities in those and surrounding communities as well. This industry was "green" long before it was fashionable or politically correct to be so. Please recognize and support their continuing efforts.

Sincerely,

Larry Warren
Domtar