

Summary of AF&PA Comments on BCAP

On April 8, the American Forest & Paper Association (AF&PA) filed comments with USDA on its proposed rule to implement the Biomass Crop Assistance Program. AF&PA urged USDA to minimize distorting the market for woody biomass for renewable energy, noting how this could lead to bad policy outcomes, economic disruption, and other unintended harms.

AF&PA supports the implementation of the supply component of BCAP, and urged USDA to make the supply program its primary focus. In addition, AF&PA wholeheartedly supported USDA's stated goal that the matching payments component of BCAP "avoid diverting any materials potentially eligible for BCAP matching payments from existing value added production processes already occurring in the marketplace."

Unfortunately, the proposed rule text severely discriminates against forest products mills. If the proposed rule goes forward as currently drafted, it may divert the raw material supply of the forest products industry, particularly to already rapidly growing and subsidized export markets for pellets and to wood-fired utilities in the U.S. That would impose serious hardship on many forest products industry facilities and their workers. Finally, it would fail to accomplish the goals of statute and the President's directive, which was intended to accelerate investment in biorefineries to produce biofuels and promote U.S. energy independence.

AF&PA submitted that USDA fortunately has an alternative policy choice to reach its stated goal to avoid diverting any materials from existing value added production processes. If USDA focuses the definitions and payments on those woody biomass materials without a viable market, it can provide equal treatment of all existing and new producers of biomass energy within the bounds of budget constraints, avoid negative tradeoffs between existing and new renewable energy and jobs, and fulfill the goals of Congress and the President.