

BCAP Talking Points

- **Incentives shouldn't distort the marketplace:** AF&PA opposes mandates and incentives that seek to direct the flow of biomass to specific uses, which inevitably distorts markets and creates unintended harms. If governments choose to intervene in the market, however, they should treat all biomass users equally to avoid picking winners and losers in the marketplace.
- **Congress has enacted a program** called BCAP for the Biomass Crop Assistance Program. In the law, Congress provided the US Department of Agriculture (USDA) with sufficient authority to avoid disruptions to existing biomass markets and ensure all biomass users are treated fairly.
- **The BCAP proposed regulations would distort the marketplace:** USDA's recent BCAP proposal, however, discriminates against existing biomass users and is not supported by the statute. By eliminating eligibility for matching payments for most of the biomass used to produce renewable energy at forest products mills while incentivizing use of the same kind of biomass at other existing facilities (such as pellet plants and utilities), USDA places forest products mills at a serious competitive disadvantage in the market for biomass.
- **Jobs in the Forest Product Industry:** Studies show that job directly related to the manufacture of pulp, paper, lumber and wood products are 5 to 8 times greater in number than those related to bio-energy alone. The U.S. forest products industry currently employs nearly 1 million people in hundreds of rural communities where many of these family wage jobs exist. These jobs have a multiplier effect of two to four times the number of direct jobs.
- **BCAP subsidies should focus on bioenergy materials for which there are not current markets:** If the program cannot apply to all biomass energy production equally for budgetary reasons, then it should focus on those forest materials for which viable markets do not exist, such as forest slash, other naturally occurring forest waste material, pre-commercial thinnings, fuel treatments, and culls. This is consistent with the May 5th Presidential directive to expedite support for biofuels, as these unutilized forest materials are biofuels feedstock. It also is consistent with USDA's stated goal in the BCAP proposed regulation preamble of not diverting materials from existing value-added production processes already occurring in the marketplace.
- **USDA should accelerate the expansion of biomass supplies:** To minimize market distortions, the Administration should accelerate and fully fund implementation of the establishment and annual payments component of BCAP to promote the growth of energy crops that will maintain reliable and affordable regional fiber supplies.