Comments to the EPA Biogenic Emissions Review Panel
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Good morning. My name is Dave Tenny, and I am President & CEO of the National Alliance of Forest Owners. NAFO represents over 80 million acres of private forests in 47 states and is a leading source of information on forest policy affecting private forest owners. I would like to thank the EPA for the opportunity to address the Biogenic Emissions Review Panel this morning.

NAFO strongly supports EPA's decision to defer the imposition of greenhouse gas regulations on biogenic energy sources pending a thorough science and technical review. The decision to convene this panel is an important step in the right direction. We strongly support the work of this panel and look forward to a robust review of the science to inform EPA's policy decisions.

NAFO has submitted written comments to the Panel for consideration. In those comments we make three points that are critical to both a good review process *and* good policy.

First, the review should consider all relevant information, including information made available following the 2010 Call for Information. Several recent studies, in particular comprehensive work on forest carbon prepared by the Society of American Foresters and groundbreaking lifecycle work by Dr. Lippke, et al at the University of Washington, provide current and relevant information on the carbon benefits of biomass energy. The authors have submitted these studies to the panel for your review.

Also, recent economic research explains market influences on forest management regimes affecting the forest carbon cycle. I will speak more to this work in a moment.

Second, the science review should be free of policy or analytical parameters that constrain the scope of the review. This includes EPA's policy assumption that biomass energy will inevitably yield net carbon emissions and the draft accounting framework presented to the review panel. We urge the panel to expand its review beyond these narrow policy assumptions.

Finally, the review panel should complete its review first and *then* EPA should craft policy based on the conclusions of the review. As we have seen in the recent past, mixing policy development and scientific review in forums such as this can skew analysis and produce conclusions that confuse rather than clarify policy. A thorough review of the science will best inform the Agency's consideration of policy options.

Points two and three were made strongly last week by members of the U.S. Senate in a letter to Administrator Jackson, which I will submit to the review panel this morning. We strongly agree with the position of these senators and urge you to fully consider their recommendations as well.

I now wish to comment more specifically on the relationship between the marketplace and forest management. The marketplace is an effective predictor of forest owner behavior and is a powerful tool to anticipate management decisions that may affect the forest carbon cycle.

There is much hypothesis about what might happen to the composition of private forests in the U.S. in response to emerging energy markets. Hypotheses are helpful, but data and analysis are better.

Analysis recently conducted by Dr. Brooks Mendell, a well-respected market expert, illustrates the relationships between markets, forest owner behavior, and the forest carbon cycle.

Dr. Mendell concludes that:

First, expanding markets have a positive correlation to net forest growth. During the unprecedented expansion in demand for forest products over the past 50 years, total forest stocks in the U.S. have increased by 51%, and current forest growth net of removals is 450 million tons per year.

Second, based on market data and conservative assumptions about future markets in the South, Dr. Mendell further concludes that:

1. The supply of available biomass is more than sufficient to meet anticipated demand;
2. Existing fiber markets will not be displaced on a large scale by emerging energy markets; and
3. Energy demand will not significantly change rotation lengths on existing private forests, and market dynamics will not support using high value trees for low value biomass.

This information demonstrates that large scale changes in forest management regimes from energy demand is highly unlikely, and suggests that the more likely outcome of emerging energy markets is an increase in overall forest extent and growth. This translates into more net carbon removed from the atmosphere rather than less. Indeed, the greatest single threat to forest extent and growth on private forest land today is the lack of markets and marketplace competition by non-forest uses.

We recognize that some will urge the panel to view the biogenic carbon cycle within limited spatial and temporal scales that make biomass carbon emissions appear to be greater than current energy sources, including fossil fuels. We urge the panel to resist such approaches and view the forest carbon cycle as it really is – a dynamic system transcending limited geographies and timeframes – and leave to the policy makers the task of determining parameters of an appropriate policy framework.

We also recognize that some will seek to persuade the panel that forest owner behavior, which has been heavily influenced for over 50 years by high value markets, will suddenly change in response to an emerging low value market. We urge the panel to test such hypotheses using economic analysis and market data. We are confident the data will show that forest owners are economically rational and that management regimes in the U.S. – and the South in particular – will not change dramatically because of an emerging energy market.

We are confident that a thorough review of science and information will support a conclusion verifying what we all know intuitively – that naturally recycling biomass energy is better for the climate than fossil fuels and that U.S. forests will continue to remove net carbon from the atmosphere because of rather than in spite of the markets they serve, including the renewable energy market.

This concludes my remarks. Thank you again for your time.