



November 1, 2018

The Honorable Richard C. Shelby  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

The Honorable Patrick J. Leahy  
Vice Chairman  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

The Honorable Rodney P. Frelinghuysen  
Chairman  
Committee on Appropriations  
House of Representatives  
Washington, D.C. 20515

The Honorable Nita M. Lowey  
Ranking Member  
Committee on Appropriations  
House of Representatives  
Washington, D.C. 20515

Dear Chairmen Shelby and Frelinghuysen, Vice Chairman Leahy, and Ranking Member Lowey:

On March 23, 2018, the President signed into law the *Consolidated Appropriations Act, 2018* (H.R. 1625), which included congressional direction and emphasis on the importance of the United States' forest sector to the energy needs of our country.<sup>1</sup> The U.S. Environmental Protection Agency (EPA), U.S. Department of Agriculture (USDA) and U.S. Department of Energy (DOE) will work collaboratively to meet the directives laid out by H.R. 1625. Consistent with this approach, Congress specifically directed EPA, USDA, and DOE, consistent with their missions, to jointly:

1. ensure that Federal policy relating to forest bioenergy
  - a. is consistent across all Federal departments and agencies; and
  - b. recognizes the full benefits of the use of forest biomass for energy, conservation, and responsible forest management; and
2. establish clear and simple policies for the use of forest biomass as an energy solution, including policies that—
  - a. reflect the carbon-neutrality of forest bioenergy and recognize biomass as a renewable energy source, provided the use of forest biomass for energy production does not cause conversion of forests to non-forest use;

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<sup>1</sup> <https://www.congress.gov/115/bills/hr1625/BILLS-115hr1625enr.pdf>

- b. encourage private investment throughout the forest biomass supply chain, including in—
  - i. working forests;
  - ii. harvesting operations;
  - iii. forest improvement operations;
  - iv. forest bioenergy production;
  - v. wood products manufacturing; and
  - vi. paper manufacturing;
- c. encourage forest management to improve forest health; and
- d. recognize State initiatives to produce and use forest biomass

EPA, USDA, and DOE believe the goals of H.R. 1625 are consistent with and complementary to the President's 2017 Executive Order on *Promoting Energy Independence and Economic Growth*,<sup>2</sup> which emphasizes utilizing domestic sources of energy that are affordable, reliable, safe, secure, and clean. Consistent with the direction provided in the appropriations language, a longer-term time horizon should be considered when evaluating carbon emissions from forest biomass energy. A large body of peer-reviewed research papers, government funded reports, and other analyses demonstrate that different types of biomass can satisfy these principles. For example, the 2016 Billion-Ton Report (BT16) released by DOE concludes that between 2030 and 2040, the U.S. forestry, agriculture, and waste sectors could sustainably produce a billion tons of biomass annually for energy uses.<sup>3</sup>

In addition, other studies have found that demand for wood products, including specifically wood for energy, can serve to maintain or increase investment in forested land under current market and environmental conditions.<sup>4</sup> For example, research considering the impact of wood energy markets in the southeastern U.S. shows an increase in forest area, increased harvest, little change in forest inventory, and annual gains in forest carbon.<sup>5</sup>

The interagency approach to biomass energy provided by forests and other lands and sectors will be guided by an appreciation that forests and other lands and sectors are managed to provide multiple environmental, social, and economic benefits to our communities, while simultaneously contributing to U.S. energy independence and job creation. Maintaining healthy forests can bring jobs and stimulate investments in rural communities through the forests products sector, pulp and paper production, biomass power plants, combined heat and power facilities, and through small businesses providing fuelwood. Biomass removed during thinning and fuel treatment operations can be used to generate renewable energy, while simultaneously reducing the risk to forests from insects, disease, and fires. This aspect of forest management is especially important for our

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<sup>2</sup> <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-promoting-energy-independence-economic-growth/>

<sup>3</sup> <https://www.energy.gov/eere/bioenergy/2016-billion-ton-report>

<sup>4</sup> Tian, Xiaohui, Brent Sohngen, Justin Baker, Sara Ohrel, and Allen A. Fawcett. 2018. Will U.S. Forests Continue to Be a Carbon Sink? *Land Economics* February 2018. 94 (1): 97–113. ISSN 0023-7639.

<sup>5</sup> Abt, Karen L.; Abt, Robert C.; Galik, Christopher S.; and Skog, Kenneth E. 2014. Effect of policies on pellet production and forests in the U.S. South: a technical document supporting the Forest Service update of the 2010 RPA Assessment. Gen. Tech. Rep. SRS-202, Asheville, NC: U.S. Department of Agriculture Forest Service, Southern Research Station. 33 p.

western forests that continue to be faced with historic wildfire activity and forests across the country battling insect and disease epidemics. Forests and other lands also support outdoor recreation and tourism, bringing much needed income to rural communities. This type of economic stimulus allows rural communities to invest more in sustaining the ecosystems that support these communities and local industries.

There are a variety of EPA programs that address aspects of the production, processing, and consumption of biomass. Of most consequence to the use of biomass as a key energy source are recommendations on federal procurement of wood-containing products under EPA's Environmentally Preferable Purchasing Program and considerations for biomass use in conjunction with permitting of stationary sources under the Clean Air Act.

On April 23, 2018, EPA issued a policy statement making clear that in future regulatory actions biogenic CO<sub>2</sub> emissions from the use of biomass from managed forests will be treated as carbon neutral when used for energy production at stationary sources, provided the use of forest biomass does not cause conversion of forests to non-forest use.<sup>6</sup> In alignment with this policy statement, EPA is continuing to develop options that ensure the Agency's programs recognize the full benefits of biomass for energy and encourage the continued or potential growth of biomass use as a key part of our nation's energy supply. EPA will continue to address the use of biomass across these and other relevant Agency programs in a manner consistent with its mission, the directives within H.R. 1625, and other applicable legal authorities.

The USDA Forest Service works with partners at the federal, state, and local level, as well as forest landowners and conservation organizations, within a shared stewardship framework to increase the pace and scale of sustainable and responsible forest management. The Forest Service practices sustainable forest management on all federal lands within its jurisdiction. This activity is governed by numerous federal laws and regulations and is subject to a robust public participation process. USDA provides incentives via voluntary program delivery including technical outreach and assistance, financial assistance, and forestland protection. USDA also conducts and shares the results of forest research to provide the latest data, scientific information, and technological applications underpinning sound forest management and efficient wood products utilization.

For measures of forest conditions and services, USDA supports a comprehensive annual forest inventory program implemented by the U.S. Forest Service in partnership with States. The Forest Inventory and Analysis (FIA) program and associated programs provide insights into several topics relevant to the sector's sustainability including carbon sequestration, forest product sector and employment trends, biomass availability, land cover, land use change, pollutant effects, and fire risk.

USDA's Rural Development administers programs that use renewable biomass to produce electricity, steam, heating and cooling, and ready to use fuel for domestic use and export markets. Title IX of the Agricultural Act of 2014 authorized the use of biomass to make fuels, biobased products, and chemicals. Through these Title IX Energy Programs, USDA facilitated

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<sup>6</sup> [https://www.epa.gov/sites/production/files/2018-04/documents/biomass\\_policy\\_statement\\_2018\\_04\\_23.pdf](https://www.epa.gov/sites/production/files/2018-04/documents/biomass_policy_statement_2018_04_23.pdf)

the use of combined heat and power and biomass boilers and are being used to make new fuels and plastics from renewable biomass harnessed sustainably from forests. The programs use loan guarantees, grants, and payments to enable business development and job creation in rural communities. Collaboration with EPA and DOE is an intrinsic element in implementing projects and program delivery.

DOE is authorized to conduct a program of research, development, demonstration, and commercial application for bioenergy. DOE's authority includes research, development, demonstration, and commercial application for biofuels and bioproducts, as well as cross-cutting research and development in feedstocks. DOE's research and development activities are working toward driving down the costs of biofuels and bioproducts.

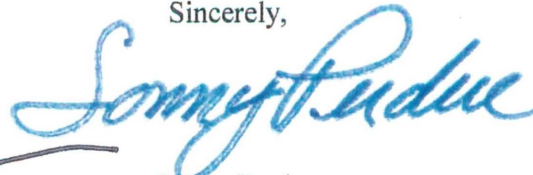
Concurrently, EPA, USDA, and DOE will work consistent with their missions to establish clear and simple policies to reflect the carbon neutrality of forest bioenergy. EPA, USDA, and DOE will encourage the use of biomass as an energy solution, striving for consistency across federal policies and programs. Working together, the agencies can tap their respective expertise in harnessing the energy potential of this country, and their experience in protecting the environment and working with foresters, farmers and other land owners. Additionally, the agencies are committed to our ongoing work with all stakeholders, including industrial partners, states, tribes, local governments, and non-governmental organizations. EPA, USDA, and DOE believe that this interagency cooperation and continued stakeholder engagement will allow for the best available science and policy to be shared across the federal government. This process in turn will ensure that biomass plays a key role in addressing the energy needs of the United States consistent with our respective statutory mandates and in an environmentally and economically beneficial way.

If you have questions, please contact Troy Lyons, Associate Administrator for Congressional and Intergovernmental Relations, U.S. Environmental Protection Agency at (202) 564-5200, Robert MacGregor, Policy and Congressional Advisor, U.S. Department of Agriculture at (202) 260-8472, or Wayne D. Smith, Director of the Office of the Executive Secretariat, U.S. Department of Energy at (202) 586-6207.

Sincerely,



Andrew R. Wheeler  
Acting Administrator  
U.S. Environmental  
Protection Agency



Sonny Perdue  
Secretary  
U.S. Department  
of Agriculture



Rick Perry  
Secretary  
U.S. Department  
of Energy