

2000 M Street NW Suite 550

Washington, DC 20036

Phone 202-765-3660

Fax 202-827-7924

www.forestfoundation.org

info@forestfoundation.org

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American Forest Foundation

October 14, 2020

Directorate-General for Taxation and Customs Union

European Commission

1049 Bruxelles/Brussel

Belgium

Re: European Commission Energy Taxation Directive Consultation

To Whom It May Concern,

The American Forest Foundation (AFF) is pleased to offer comments on the current Consultation regarding the European Union (EU) Energy Taxation Directive. Given that AFF is a non-profit conservation organization focused on helping U.S. family forest owners conserve their land, these comments are directed only at the relevant question in the consultation regarding forests: the question regarding minimizing the use of whole trees in energy production.

AFF works on the ground with the nation's over 21 million family forest owners who own the largest portion of America's forests, to help keep their land in forest and provide the many benefits that come from forests. In particular, AFF is currently advancing initiatives to help family forest owners protect the South's tremendous biodiversity, increase carbon sequestration to help mitigate climate change, reduce wildfire risks that are plaguing our Western forests, and produce sustainable wood to meet the needs of the market. AFF also operates the oldest and largest sustainable family woodland system in the U.S., the American Tree Farm System®, which also provides internationally recognized, third-party audited forest certification for family forest owners in the U.S.

What we have learned through this work is that family forest owners want to do the right thing, they want to make smart decisions to care for the land and protect the environment, but their biggest barrier to implementing conservation is cost. All of this work requires money, and markets that support sustainable wood are an essential way to pay for this important work on the ground.

In the Southeastern U.S., where most of the biomass comes from that supplies European energy markets, the majority of the wood comes from these same family owned forests. So markets for biomass driven by European policy such as these tax incentives, can have an incredibly positive impact on family forest conservation in the U.S. if structured properly.

We strongly oppose a restriction on the use of whole trees in this tax incentive. While we understand the intention may have been to encourage well managed forests, in our experience working with family forest owners that supply the bulk of this wood, it will have the exact opposite effect. This type of restriction, which would put significant tracking and costly field requirements on biomass production, will severely limit the use of wood for biomass, cutting off an important market for low value wood from family owned forests. Markets for low value wood are one of the most important tools to help family forest owners implement conservation practices because most of the work needed to protect biodiversity or increase carbon sequestration, requires removing low value material from the forest.

Additionally, the term “whole trees” has no clear meaning. In some cases, a landowner may need to harvest a stand of non-native loblolly pine trees that may be 20 years old but are of low value, to create room to restore a native longleaf pine stand that has significant biodiversity values. While limit the use of this low value material for biomass, especially if it can help support biodiversity. In other cases, a landowner might need to harvest many smaller hardwood trees that have taken over a stand and restricted the native species. Prescriptions for well managed forests are best determined based on the conservation values at stake and the landowners goals, not an arbitrary term that has no basis in sound forestry practices.

As mentioned above, AFF is committed to helping family forest owners in the U.S. care for our precious forest resources and we would be more than happy to explore options that help ensure wood supplying European biomass markets is sustainably grown and harvested, but a limitation on whole trees is the wrong approach. Please contact us if you'd like to have a further discussion about these issues, as we are happy to be a resource for you.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Rita Hite". The signature is fluid and cursive, with the first name "Rita" being more prominent than the last name "Hite".

Rita Hite
Executive Vice President, External Relations and Policy
(202) 459-1749
rhite@forestfoundation.org