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US Industrial Pellet Association (USIPA) Statement in Response to European Commission Report on Environmental Implications of Increased Reliance of the EU on Biomass from the South East US

We are pleased to see that COWI, in its report released this week for the Directorate General of Environment of the European Commission, has found that there are “no significant changes in overall trends regarding [the use of] timberland area between the Southeastern US and the Northeastern region from 2006 to 2012.” This finding is one we agree with and reaffirms what we, alongside leading forestry experts, [have long maintained](#); namely that the US pellet export market is not a threat to Southern forests. In fact, wood sourced for European wood pellets represented only 3% of all wood fiber harvested in the US South in 2014 and just .03% of the total available pulpwood inventory for that same year.

Counter to environmental activists’ claims, the study also correctly stated that COWI could not find any supposed adverse effects from the production of pellets. Wood pellets are produced from wood taken only from working managed forests that are replanted or naturally regenerated, so that the forest is continually growing or renewing. Indeed, it is important to highlight the point that our industry has long been clear that US wood for pellets is never taken from areas that are not sustainably managed.

Given the underlying conclusion that the wood pellet industry has not adversely impacted US Southern forests, we were surprised that the report goes on to outline overzealous policy recommendations disguised as “operational intervention tools” such as the use of an import or production quota or cap on use of wood pellets for bioenergy. ***All to address a problem that the study authors themselves stated does not exist.*** The report’s recommendations appear to be a classic example of a solution in search of a problem.

Tellingly, the final COWI report ignores the input we provided after the publication of an interim report that failed to present a complete picture of industry practices, forest ownership and management in the US South and European demand for wood energy. USIPA provided an [extensive response](#) conducted by a well-respected independent forest advisory firm, Forest2Market, to clarify and address comparable inaccuracies in the interim COWI report so that the final report would have the benefit of leading data and statistics related to our sector.

The final report specifically ignores the points highlighted in the Forest2Market report, namely; the US Department of Agriculture's finding that harvesting decisions are dictated by saw timber markets (not wood pellets) where forest land owners realize the vast majority of their revenue; US Federal and State regulations and best management practices (BMPs) are extensive and govern sustainable forest management; and forest products markets such as those for wood pellets offer a necessary financial incentive for land owners to sustainably manage their forests.

When it comes to the broader environmental impact of wood energy, including pellets, the USDA has long touted the carbon benefits of this important renewable energy source. US Secretary of Agriculture Tom Vilsack recently sent a [letter](#) to the Rt. Honorable Amber Rudd, MP, currently Home Secretary of the United Kingdom and formerly Secretary of State for Energy, stating "*independent analysis undertaken on this issue has consistently shown that demand for wood pellets promotes US forest growth and reduces risks to US forests,*" thereby providing a carbon benefit while at the same time encouraging increased investment in US forests.

As other parties of the European Commission review this most recent COWI analysis, USIPA urges caution to policy makers considering the report and its suggested policy prescriptions and encourages all involved not to get caught up in speculation, but to focus on the overarching conclusion of this report: ***There is no adverse impact on US Southern forests from the introduction of the wood pellet export market.*** The science and facts of the matter are clear on this point and we look forward to continuing to work with DG Environment and other parties of the European Commission as the Commission looks at establishing a harmonized sustainability criteria for solid biomass.

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