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USDA Program Threatens Wood Supply

The U.S. Office of Management and Budget (OMB) recently approved \$514 million in subsidies under the Department of Agriculture's Biomass Crop Assistance Program (BCAP). As now structured, BCAP will divert the U.S. wood fiber supply from its current use in higher value composite wood products such as furniture and cabinets to instead be used as fuel.

This is a direct threat to all industries that rely on composite panel products, and will hurt the U.S. economy as well as the environment. With Congress reconvening this month, we are asking for their direct intervention to suspend the BCAP program until a well-considered regulation can be developed by USDA that amends the list of materials eligible for the subsidy.

The 2008 Farm Bill states that renewable biomass includes materials that "would not otherwise be used for higher-value products." BCAP's inclusion of wood used for higher value products is contrary to the intent of Congress and represents a fatal flaw in the way the program has been crafted by USDA. As proposed by Congress, BCAP had the laudable goal of fostering the diversification of America's fuel supply through the use of unutilized "renewable biomass." That goal has been disregarded by USDA, and the eligible materials list for the BCAP subsidy includes wood now used to make furniture, cabinets, floor and many other consumer products - wood needed to operate those businesses. Instead, that wood will be diverted and burned as a result of BCAP.

BCAP has been rushed through without any consideration of its unintended consequences, and these include environmental considerations as well as loss of jobs. As structured today, BCAP will serve to increase the U.S. contribution to global warming instead of mitigating it. Wood is a great natural resource. If existing industries that are using it responsibly suffer as a result of BCAP and manufacturing plants close, the ripple affect on the economy will be enormous. Consumers will have fewer choices, thousands of jobs will be threatened, and less environmentally friendly materials will be substituted.

BIFMA and its members ask that Congress immediately suspend the BCAP so that USDA can amend the list of materials eligible for the subsidy by removing materials destined for higher value products.

For more information, visit <http://www.bcapreform.org> and see recent Washington Post article: <http://www.washingtonpost.com/wp-dyn/content/article/2010/01/09/AR2010010902023.html>

About BIFMA

Established in 1973, BIFMA's mission is to lead, advocate, inform and develop standards for the North American office and institutional furniture industry. As a not-for-profit organization BIFMA provides an effective forum for Members to cooperate and collaborate on appropriate industry issues. We develop voluntary product and industry standards that support safe, healthy and sustainable environments; publish key industry statistics; advocate for legislation and government regulation that have a direct impact on the health of the industry; and facilitate meaningful dialog and education to support our core services and the industry we serve.

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