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January 15, 2010

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Jeff Serfass, Executive  
Director

Honorable Thomas Vilsack  
Secretary, United States Department of Agriculture  
1400 Independence Avenue, SW  
Washington, D.C. 20250

Dear Secretary Vilsack:

On behalf of the Biomass Thermal Energy Council (BTEC), I appreciate the opportunity to communicate our organization's perspective on the Biomass Crop Assistance Program (BCAP).

BTEC is a non-profit association dedicated to advancing the use of biomass for heat and other thermal energy applications. Our national membership includes biomass fuel producers, appliance manufacturers and distributors, supply chain companies and non-profit organizations in 28 states that advance the use of biomass thermal energy as a renewable, responsible, clean and energy-efficient pathway to meeting America's energy needs. BTEC engages in research, education, and public advocacy to encourage the growth of a national biomass thermal energy industry. While BTEC is just over a year old, the organization currently represents 76 members.

We strongly support the goals of the BCAP program and are appreciative of the funds made available through local Farm Service Agency offices across the country. In a very short space of time, the use of this program has proven critical to improve the economics of bringing biomass feedstocks to market.

While the national economy shows encouraging signs of recovery, our members continue to endure challenging operating conditions that range from escalating raw material costs to limited access to capital. The timing of this program has significantly helped our industry work through these challenges. BCAP has directly benefited consumers by stabilizing biomass fuel prices during this period of recession.

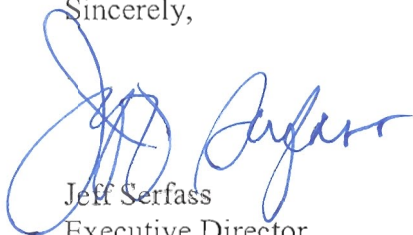
BTEC looks forward to working with USDA through the BCAP rulemaking process. We expect that USDA will recognize the program should be implemented to ensure that it is both technology and feedstock neutral. All biomass energy conversion technologies should qualify

equally, without prejudice, regardless of whether the energy outcome takes the form of electricity, transportation fuels, or thermal energy.

Recent media coverage suggesting the potential market distorting effects of BCAP is deeply concerning to our members. We believe a regulatory approach that avoids picking winners and losers will help to avoid these distortions. Such an approach would also align with current Congressional efforts to achieve technology neutrality in current and future renewable energy policy.

Our members await publication of the draft BCAP rules in the Federal Register and are prepared to assist you and your staff to develop this program in a manner that will deliver on its intended policy objectives.

Sincerely,



Jeff Serfass  
Executive Director  
Biomass Thermal Energy Council

cc: Peter Orszag, OMB  
Robert Bonnie, USDA  
Representative Collin Peterson  
Senator Blanche Lincoln