



## Institute for Agriculture and Trade Policy

June 11, 2009

BCAP PEIS

c/o Geo-Marine Incorporated  
2713 Magruder Boulevard, Suite D  
Hampton, VA 23666-1572  
Emailed to: BCAPEIS@geo-marine.com

To Whom It May Concern,

We are writing to provide input on the Biomass Crop Assistance Program Programmatic Environmental Impact Statement Scoping proposal. The Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. We have been involved in national and global policy on food, farming, clean energy, trade and global governance for 23 years. In particular, we helped shape the Biomass Crop Assistance Program (BCAP) as it was passed into law last year, and will continue to monitor its development and support its implementation. Our goal is for BCAP to meet its legislative intent of supporting farmers and bioenergy producers in the areas of new biomass crop establishment, harvesting, storage, transportation and processing. We see BCAP as a critical tool in reducing farmers' risk in biomass crop plantings and in growing a sustainable bioenergy sector, and believe that developed and introduced appropriately, BCAP can also help to meet other environmental, water quality, wildlife, climate and rural development goals, so we are excited that USDA is moving forward with the creation of BCAP.

As indicated in on page 22510 of Vol. 74, No. 91 of the Federal Register, dated Wednesday, May 13, 2009, the Farm Service Agency requested public comment on the proposed scope for the Environmental Impact Statement (EIS) for the Biomass Crop Assistance Program, and specifically, to comment on proposed Preliminary Program Alternatives.

We are concerned, generally, that the implementation proposals deviate from the original legislative language. In that sense, we disagree with points in Alternatives A and B which limit the scope of the program as compared to the original legislation.

Specifically, we disagree with the following points in Alternative A: the exclusion of support for non-fuel, bio-based products; the cap on cropland acreage enrollment; the exclusion of support for existing biomass conversion facilities and established crops; the exclusion of small and pilot biomass conversion facilities from BCAP project areas; and a limit on payment amounts. We believe that each of those options would be illegal under the language enacted into law in the 2008 farm bill. In detail:

**Proposed: Already established biomass conversion facilities supported by BCAP project areas are limited to producing energy and biofuels.** We believe that you must include non-fuel products from biomass, because they are often a valuable co-product of renewable energy production, and can provide the profit margin that makes the whole industry feasible. There is no environmental or economic reason to exclude co-products or sustainably produced biopolymers. Use of the USDA Biopreferred Program guidelines for determining eligible products may be one approach that can also help spur production for this important USDA program that was created in the 2002 US Farm Bill.

**Proposed: Cropland acres enrolled in the program would be capped at 25 percent of cropland acres within a given county.** The law does not envision a cap, and one of the most attractive features of the BCAP legislation was its intended support for all projects that meet eligibility requirements as set by USDA. Each project must be able to decide its own acreage needs. With the wide range of county sizes throughout this country, and the need for BCAP acres to be proximate to a facility, this limitation could hinder development and/or require additional transportation. The law requires geographic balance, so there cannot be a concentration in just one county.

**Proposed: Only large commercial biomass conversion facilities would be allowed in BCAP project areas.** In the infancy of the cellulosic biomass industry, it is important that we do fund small and pilot facilities, so that many new technologies and promising pathways can be tested, and so we may create pathways of success for local, small-scale ownership and sourcing. We support diversity of scale as one of the criteria for the BCAP selection project.

**Proposed: Payments would be limited to provide some risk mitigation.** The law gives the USDA full freedom to devise the payment amounts. Payment levels will make or break the BCAP program and the farmers involved. Levels should be adequate to motivate farmers to participate and cover risks, while careful to not distort farm and land prices.

In Alternative B, we believe the following options were also not contemplated by the law and should be rejected: allowing facilities outside a BCAP project area to receive BCAP supported materials and exempting BCAP-supported advanced fuels from greenhouse gas requirements. We think there is some opportunity to include existing biomass conversion facilities and already established crops under BCAP, but support will have to be limited in these cases. In detail:

**Proposed: Facilities outside of a BCAP project area may receive BCAP supported eligible material.** Collection, harvest, storage and transportation payments should be limited to BCAP project areas.

**Proposed: Advanced biofuels produced by BCAP project area biomass conversion facilities do not need to meet the greenhouse gas test.** Advanced biofuels will have to meet the lifecycle greenhouse gas test of the Energy Security Act, and there is no authority in BCAP to sidestep that law.

**Proposed: Existing biomass conversion facilities and crops already established that meet BCAP eligibility requirements are supported.** BCAP should not support existing biomass conversion facilities except for those that are tied to new biomass crop acreages, or those that were under construction when the BCAP program was created. For existing biomass crops, there can, by definition, be no crop establishment payments, but if these farmers established their biomass crop within recent years and they meet other program requirements, they may be eligible for the storage, delivery and transportation payments.

The two alternatives seem to have little to do with the real environmental impacts that biomass crops could bring. We urge USDA to revise the scope to only consider alternatives that fall within the BCAP legislative language and to ensure a strong and credible EIS that actually addresses the real environmental impacts—both good and bad—that biomass energy developments can bring.

Decisions about supported biomass could either help maintain and improve the environment, or be the cause of unintended adverse effects. The EIS should evaluate the following concerns so that environmentally beneficial projects will be selected for BCAP:

**Climate Impacts**—What is the greenhouse gas footprint of the proposed facility? What is the lifecycle GHG contribution of the proposed feedstock, including tillage, fertilizer, pesticide use, and harvest? We would hope that the entire net lifecycle would get close to zero carbon, with low emissions overall and high sequestration. In general, perennial feedstocks will perform this function much better than annual feedstocks.

**Water Impacts**—What is the irrigation plan for the feedstock and is it efficient and sustainable? Feedstocks needing no irrigation should be the focus of BCAP. What are the water quality impacts of the feedstock? Minimized fertilizer and pesticide use should be required. Erosion potential should be evaluated, giving consideration to the benefits of perennial feedstocks.

Genetic Modification—While traditional breeding and selection for biomass purposes is thought by many to be sufficient to maximize yields, some companies are investing in genetic modification of native species to create new seed markets. What are the potentials for pollen drift and genetic contamination of prairie remnants and natural areas? What about contamination of traditionally bred varieties? What might be the health effects on wildlife that would eat or depend on the biomass? The EIS should evaluate whether GMO species should be barred.

Invasive and noxious species—The law bars invasive and noxious species, but BCAP is going to need to give guidance to what that means. Should *Miscanthus* be barred because it is considered to be invasive in some areas?

Wildlife—Biomass has the potential to provide substantial wildlife benefits. For example, perennial grasses mixed with legumes and forbs provide food, cover and nesting habitat for many mammals, birds, butterflies and other species. Delaying mowing until either very early spring or after the nesting season can enhance wildlife habitat without adversely affecting biomass harvests. On the other hand, vast monocultures of annual biomass crops with high chemical use could devastate wildlife populations. The EIS should compare the effects of different feedstocks on wildlife.

We also urge that the EIS consider how the BCAP program can prioritize the benefits of local ownership and environmental sustainability, as required in the law. In addition, USDA should use BCAP also as a demonstration of different feedstock and conversion technologies and scales, and should strive to include a representative variety of project types and scales (while still meeting the overall BCAP program goals) to spur innovation. More broadly, it is important for the CCC to remain aware of the context under which this EIS is being undertaken—one in which a focus on carbon emissions reductions and other action on climate goals is paramount.

And finally, BCAP should consider how to prioritize project that protect areas of high conservation value.

In conclusion, we recommend the scope be changed to reflect only program alternatives that fit the letter of the law, and to incorporate evaluations of environmental impacts threatened and promised by biomass production.

Sincerely,  
Jim Kleinschmit, Director  
Rural Communities program  
Institute for Agriculture and Trade Policy  
2105 First Avenue South  
Minneapolis, MN 55404