



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

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TO: Tom Tidwell, Chief, Forest Service
Tammye Trevino, Administrator, Rural Housing Service
Judith Canales, Administrator, Rural Business-Cooperative Service
Jonathan Adelstein, Administrator, Rural Utilities Service
Jonathan Coppess, Administrator, Farm Services Agency

FROM: Harris Sherman, Under Secretary, Natural Resources and Environment
Dallas Tonsager, Under Secretary, Rural Development
James Miller, Under Secretary, Farm & Foreign Agriculture Services

SUBJECT: **Building a Forest Restoration Economy – Wood to Energy**

The Secretary has placed strong emphasis on renewable fuels development, forest restoration, and using land management programs to generate and sustain rural jobs and prosperity. The recently released USDA Strategic Plan 2010-2015 says that "USDA promotes rural America's role in renewable energy production by providing leadership in the research, development, and sustainability of renewable energy and energy efficiency." It also states that "The Department will play a role in developing and deploying the sustainable use of biofuels as a renewable energy resource." In his "all lands" approach, the Secretary asserts that we look to meet natural resource challenges across the landscape, facilitating outcomes both on our public lands, and, with others, on private lands.

Most recently, on August 9, 2010, the Secretary spoke at the President's "America's Great Outdoors" listening session in Concord, New Hampshire, which focused on working forests. In his remarks he says, "... markets for woody biomass will provide further incentives for landowners to maintain forests. These markets can provide value for small diameter timber and thereby bolster forest restoration efforts."

From the perspectives of fostering forest restoration, doing work that helps to create landscapes that are more resilient to climate change and produces jobs and economic benefits that maintain and protect our forests, building a forest restoration economy through wood to energy is a critical component. With this memo, we call upon the agencies under our mission areas to rally efforts and apply resources to accelerate our progress and accomplishments around wood to energy projects, programs, and policies. We are committed to advancing the Secretary's goals for renewable energy production, and we ask for your help. This will require all of us to break down traditional mission area and agency lines and form new partnerships to maximize opportunities. The time to break down our silos and fuse our efforts is now.

Deputy Under Secretary Jay Jensen has coordinated an interagency team from the Forest Service, Rural Development, and Farm Service Agency to explore opportunities to advance wood to energy projects and coordinate programs. The group met through the summer and has outlined approaches to advance this work and developed the connections needed for increased collaboration between the agencies and other Departments. This group determined that the key elements are to: apply our programs and stand up as many wood to energy projects as we can to demonstrate success; conduct cooperative outreach and training to leverage our labor; and to bring technical assistance to the field and communities to expand results and better success.

With these findings, we request the agencies to employ the following direction:

1. **Project Development and Support** – Identify and stand up viable wood to energy projects across the nation. Secretary Vilsack has charged us to pursue bioenergy development across the country. We must pool our efforts to foster and demonstrate success.
 - The USDA Team will develop a list of potential projects by December 31, 2010. This does not preclude advancing projects prior to this date.
2. **Strike Team – Strategic Technical Assistance** – Organize and deploy a team of technical experts in bioenergy, economic development and natural resources. Their charge will be to assist State and local governments, non-governmental entities, businesses and other partners develop wood to energy projects and contribute to forest restoration.
 - An intra-departmental technical Strike Team will be identified by October 29, 2010, and deploy to the field over the winter and spring. The Forest Service will Chair the Strike Team. Each agency is to provide the appropriate point of contact and list of Strike Team participants by October 29, 2010.
3. **Wood to Energy Program Compendium** – Develop a compendium of federal financial and technical programs that promote woody bioenergy. This document should provide a one stop source for USDA, Department of Energy, and Department of the Interior wood to energy programs.
 - A compendium will be complete and prepared for distribution by November 1, 2010.
4. **Joint Outreach and Education** – Conduct periodic training sessions for agency and non-federal entities that provide wood to energy programs. The sessions will be to inform about the programs that are available to promote woody bioenergy, and the timelines and requirements to participate in them.
 - Joint sessions have begun and will continue to be executed through Spring of 2011.

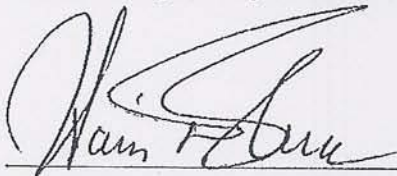
5. **Comprehensive Wood to Energy Report** - To document progress and lessons learned for continual improvement, the aforementioned strike team will report to the Under Secretaries on successes and hurdles of wood to energy project development. This report should identify reasons why particular projects do or others do not succeed, and identify specific administrative and/or statutory authorities that should be addressed. The report will be used to improve ongoing implementation of this plan and be used to adapt any future plans and actions.

- Report to the Under Secretaries quarterly beginning January 31, 2011.

6. **Memorandum of Understanding** - Develop one or several interdepartmental memorandum of understanding between USDA and Department of Energy, Department of the Interior, Department of Defense, and Department of Transportation to coordinate and implement programs, projects and policies for fiscal year (FY) 2011 and beyond around wood to energy development. Partners and potential signatories to this MOU should build from the current membership of the Biomass Research & Development Board, currently co-chaired by Department of Energy and USDA.

- MOU signed by January 15, 2011.

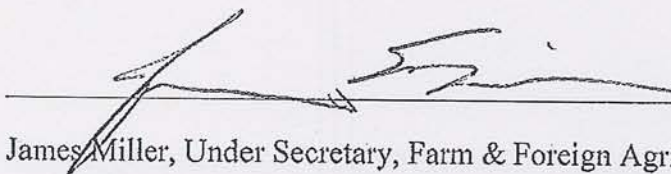
We support this work and ask that you commit through FY 2011 to contribute in a clear and meaningful way to advance the Secretary's priority.



Harris Sherman, Under Secretary, Natural Resources and Environment



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