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June 10, 2007

GRU - Karen Johnson and Ed Regan

Dear Karen and Ed,

I greatly appreciated the opportunity to meet with youall last Friday. Our meeting brought home to me magnitude of the impact that the electricity generation using woody biomass from forests could have across North Florida. With Jacksonville, Gainesville and Tallahassee all considering biomass power plants and a Swedish company based in Marianna planning the world's largest wood pellet mill for power plants in Europe, the pressure on our forests could be tremendous. I believe even more strongly now that Forest Stewardship Council (FSC) certification is essential to maintaining the quality of our forested environment.

As I pointed out, there are no controls in place at present to prevent widespread degradation of our forest resources due to a) conversion of natural forest ecosystems to plantations, b) large clearcuts, and c) an array of inappropriate forest management practices by those loggers who don't choose to follow the state's voluntary Best Management Practices. Trees are a <u>renewable</u> resource, unlike fossil fuels. Whether trees, in the context of a forest ecosystem, are a <u>sustainable</u> resource - is a totally different question. There is no guarantee to the public that no more wood will be cut than grows each year or that ecosystem values will be sustained.

The owners of the "We Buy Timber" and "Cash for Timber" companies whose signs dot the back roads across the South would be delighted to supply power plants with large volumes of biomass from private forest lands that constitute over 60% of the forest ownerships, or from Timber Investment Management Organizations (TIMOs) seeking rapid turnover of income. These loggers practice no management at all and leave the property denuded.

There is a solution that has already been mentioned. The electric utilities contemplating the use of biomass would have to require that all wood from planted or natural forests be certified by the Forest Stewardship Council (FSC) under its Southeast Standard. The cost of certification is modest. Group certification makes the process affordable for family forest owners. Potlatch Corporation, a large forestry REIT, reports that for large holdings the cost of certification is 5 to 10 cents per acre. This is a very small price to pay for assuring the public that the forest management being practiced meets the highest standards for environmentally responsible, socially equitable and economically viable forestry (www.fscus.org).

FSC certification will bring a number of benefits. The public is assured that wood to energy will not have a negative environmental impact. In fact, there would be a marked improvement in conservation values and the quality of forest management over the low standard in existence now. GRU and Gainesville would see their "brand" as green power producer enhanced. We can expect massive reaction nationally to uncontrolled biomass production. GRU would be protected by certification. Because the core requirement of certification is sustainability, GRU would be guaranteed a continuing source of biomass.

You asked if there aren't other certification systems that could provide the same guarantees. I said no. The forest industry's Sustainable Forestry Initiative (SFI) is deficient in many respects. SFI permits any amount of conversion of natural forests to plantations, allows large clearcuts, and has no credibility with the major environmental organizations around the world. For a graphic example of environmental group's reaction to SFI open www.dontbuysfi.com.

I strongly recommend that GRU bring in one of the accredited FSC certifiers to conduct a non-binding preassessment of feasibility of certifying both industrial and family forest sources of woody biomass from forests. I can facilitate contact.

If the pre-assessment indicates FSC certification is feasible, I recommend that GRU....a) include reference to FSC certification in any RFP issued, and b) mount a concerted campaign to inform and engage forest owners within an hour's drive of Gainesville. I can facilitate contact with the US office of FSC for help in campaign development.

With best regards,

Josh Dickinson - The Forest Management Trust - ph:352-373-2377 - josh.foresttrust@earthlink.net