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# Forest Products Industry Sustainability: Progress, Opportunities, and Challenges

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**American  
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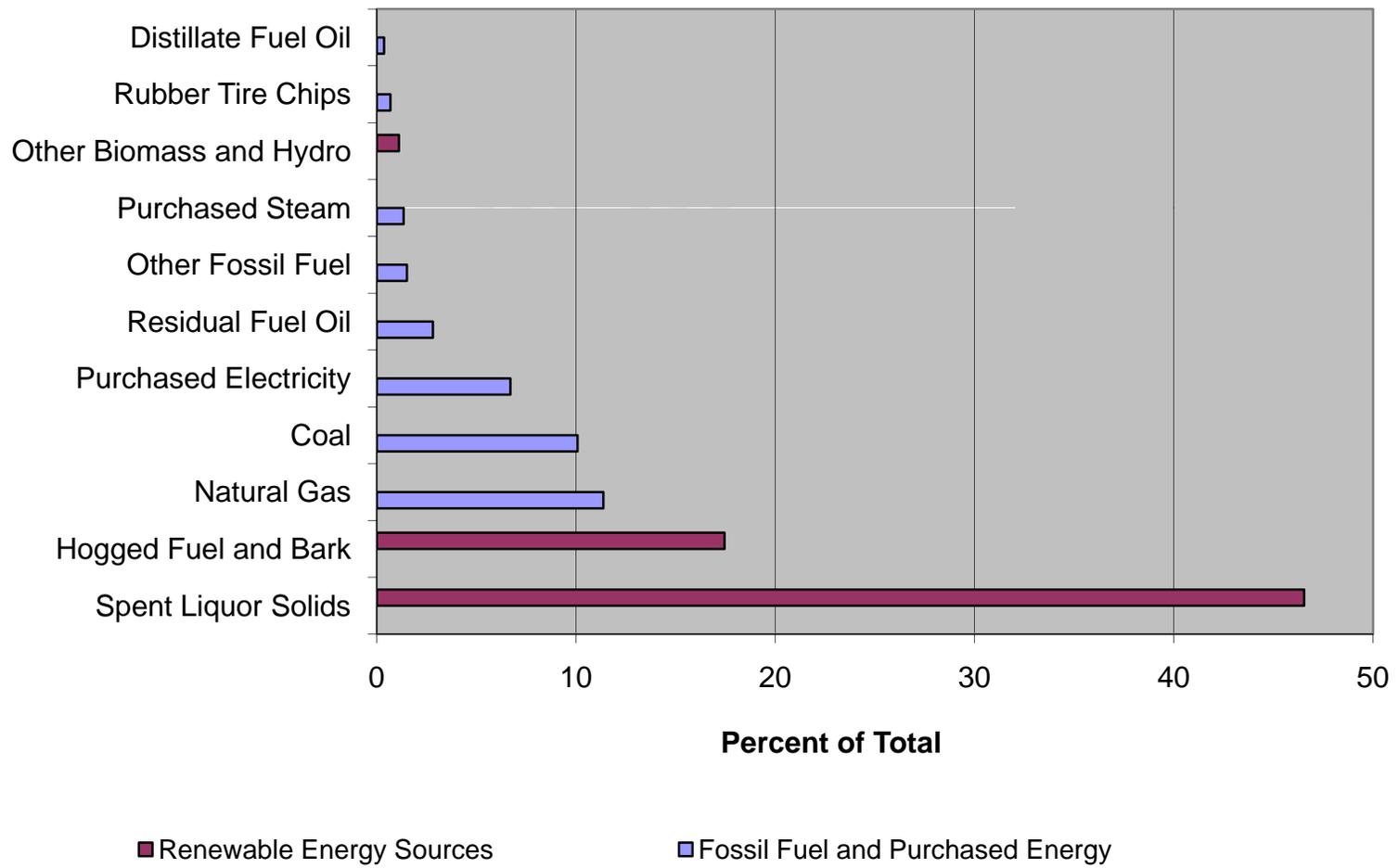
# Sustainability and the Forest Products Industry

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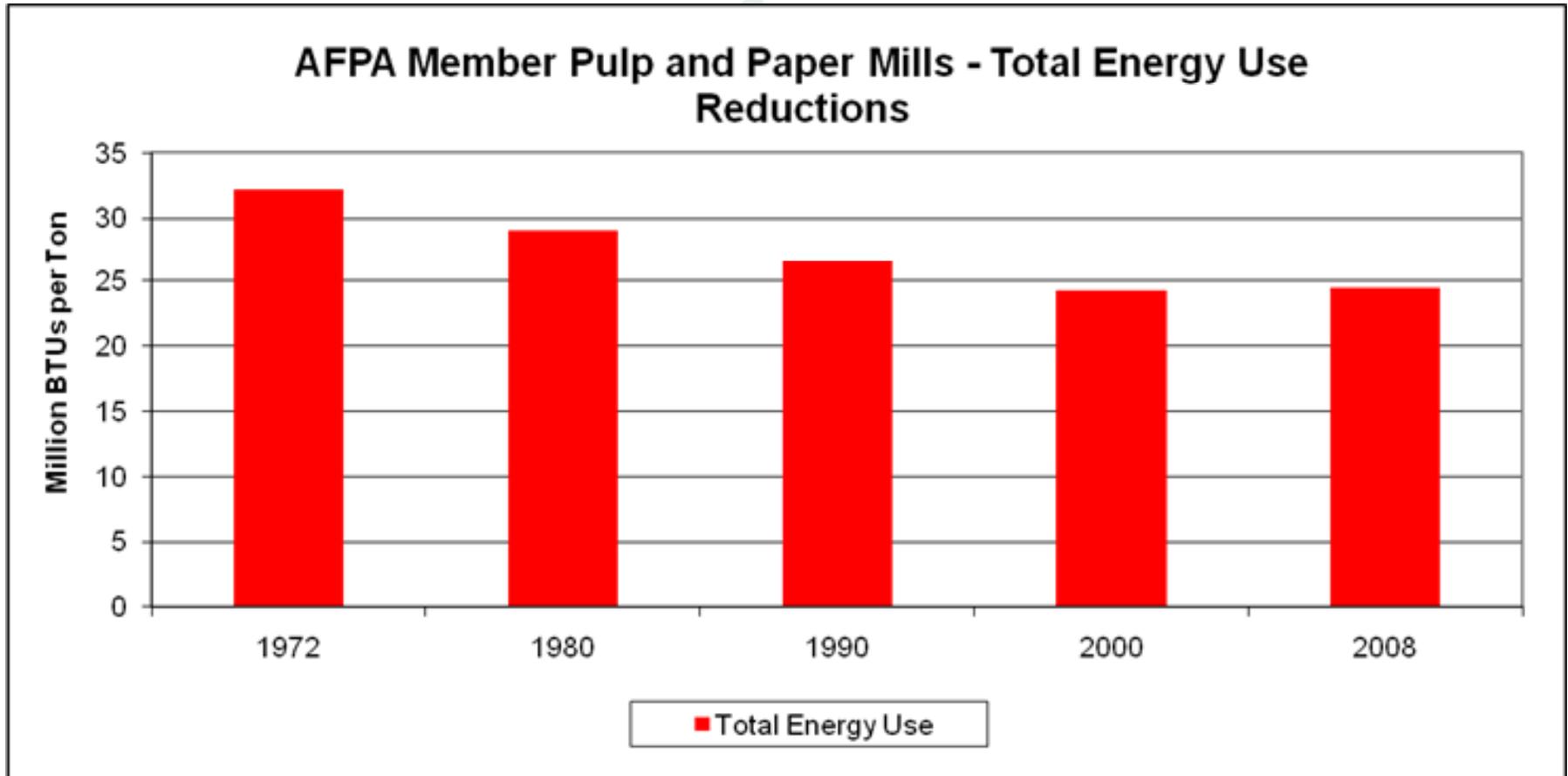
- *The Sustainable Industry*
  - Sustainable Use of Renewable Resources
  - Leading the Way in Recycling
  - Reducing Our Environmental Footprint
  - **Generating and Conserving Energy** and Materials
  - Reducing Greenhouse Gases
  - Benefiting the Communities, Employers, and Families Everywhere our Products are Made and Sold

# Pulp and Paper Facilities Use Biomass to Meet 65% of Their Energy Needs

2008 AF&PA Pulp and Paper Mill Energy Sources:  
65% Biomass



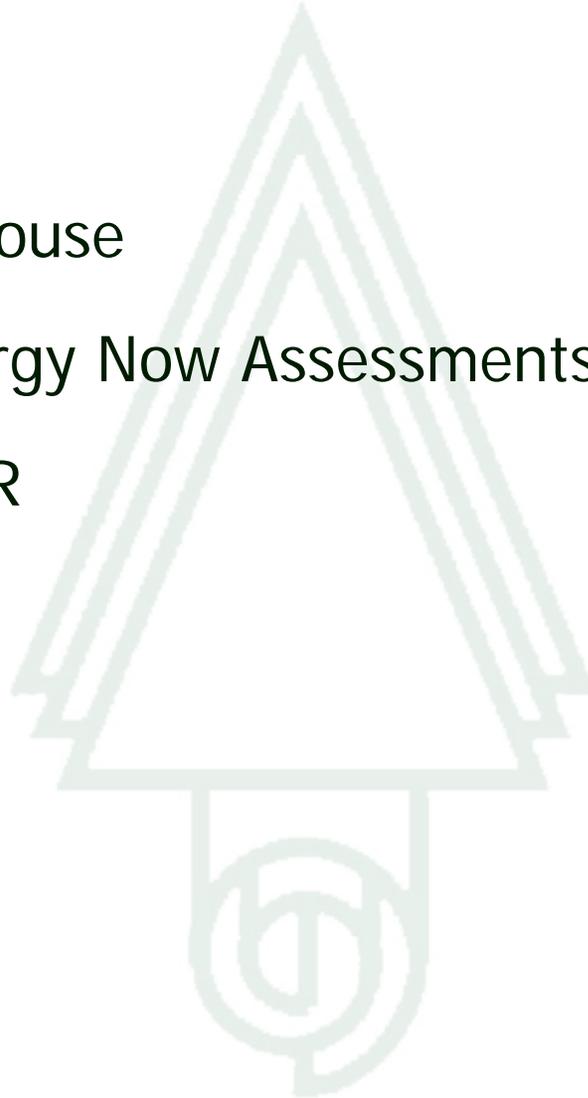
# Efficiency



# DOC and DOE Resources

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- DOC Clearinghouse
- DOE Save Energy Now Assessments
- Energy LEADER



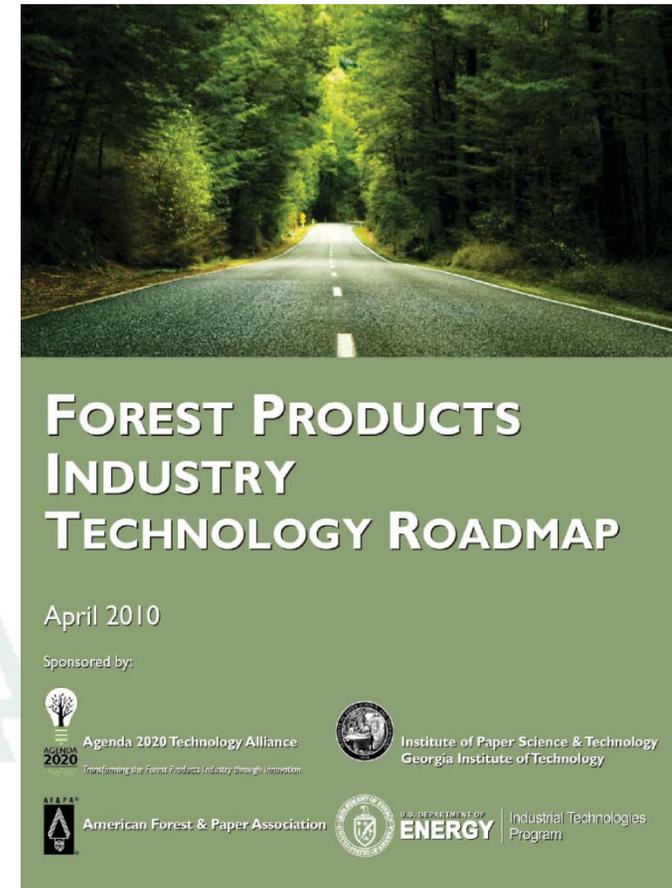
# Opportunities—Sustainability Goals

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- Build on Success of Fiber Recovery and GHG Goals
- Improving Performance/Continuous Improvement
- Stakeholder Input
- Completion Early Next Year

# Opportunities—2010 Forest Products Industry Technology Roadmap Published in May

- Developed by Agenda 2020 Technology Alliance in partnership with:
  - AF&PA
  - Institute of Paper Science & Technology (IPST) at Georgia Tech
  - US DOE ITP
- Based on Two Workshops Involving More than 100 Experts



Download the Roadmap at [www.agenda2020.org](http://www.agenda2020.org)



# Challenges

## Biomass Supply

# Many Policies Driving Wood Use for Bioenergy

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- Federal Renewable Fuel Standard (RFS) and \$1.04/Gallon Subsidy
- Regional Climate Change Programs and 35 State Renewable Portfolio Standards (RPS)
- USDA Biomass Crop Assistance Program (BCAP)
- EU 20% RES/20% GHG Reduction
  - U.S. Pellet Exports Soared From 7,700 To 496,000 Metric Tons From 2007-2009
- Does NOT Include Federal RES or Climate Change Regime

## Biomass Research Studies

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- Forest Products Industry Sustains Significantly More Jobs than the Energy Sector for a Given Volume of Wood Consumption
    - Ratios - 5:1 Mill Jobs Only
    - 9:1 Mill Jobs Plus Logging and Converting Jobs
  - 50 M Dry Tons/Year of Forest Residues and Urban Wood Waste are Readily Available for Bioenergy Application
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# Policies Needed

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- Increase Supply
- Increase Efficiency
- Focus on Lower Value Resources

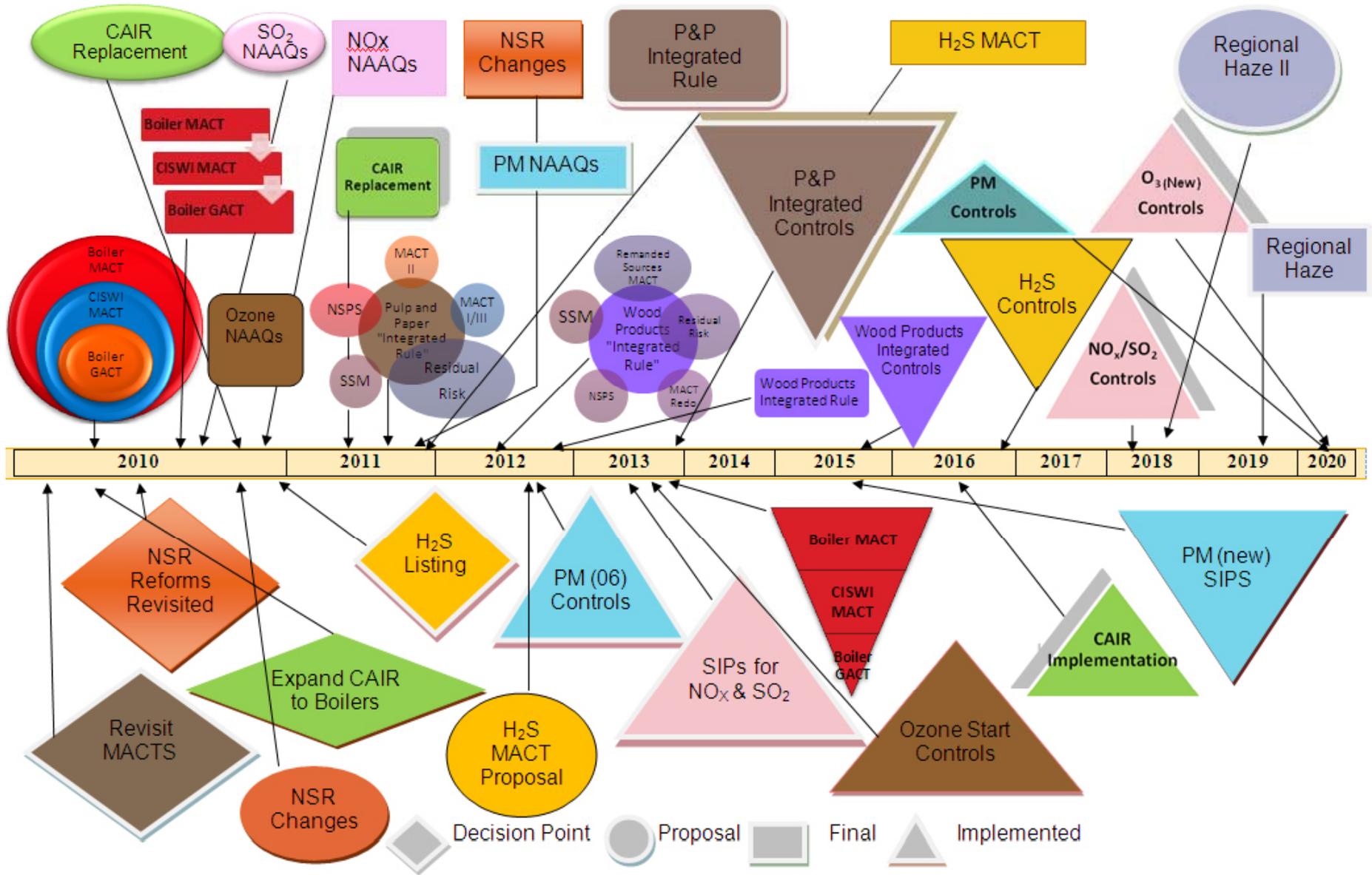




# Sustainability Challenges

## Cumulative Air Burden

# Potential Air Regulations Affecting Forest Products (2010-2020)



|             |      |                |               |     |                  |    |       |                 |                 |         |
|-------------|------|----------------|---------------|-----|------------------|----|-------|-----------------|-----------------|---------|
| Boiler MACT | CAIR | P&P Integrated | WP Integrated | NSR | H <sub>2</sub> S | PM | Ozone | NO <sub>x</sub> | SO <sub>2</sub> | Haze II |
|-------------|------|----------------|---------------|-----|------------------|----|-------|-----------------|-----------------|---------|



# Challenges

## Boiler MACT

# Boiler MACT Snapshot

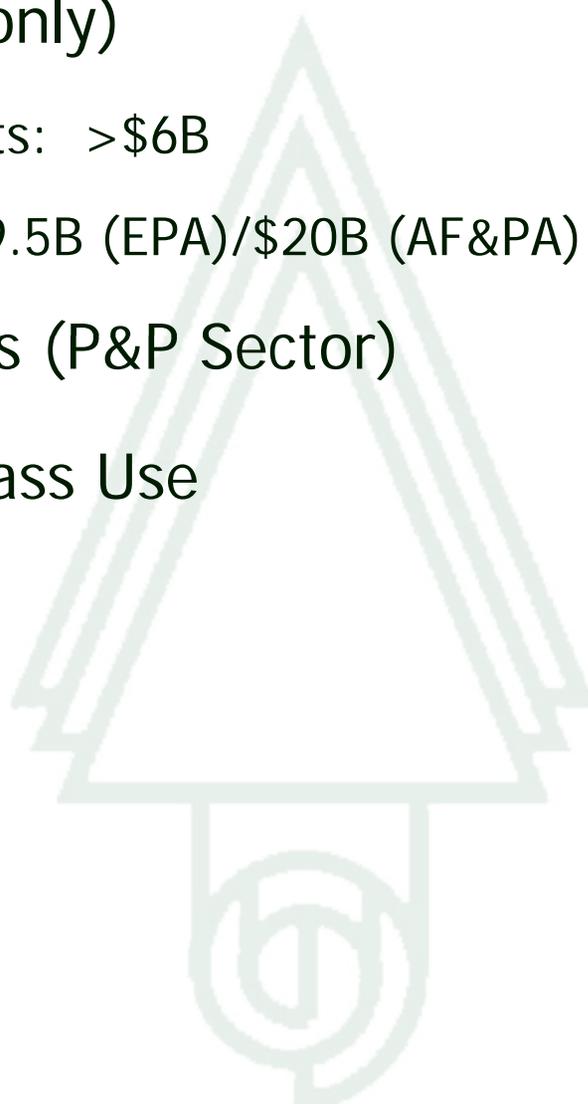
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- Regulation to Control Hazardous Air Pollutants (HAPs) from Boilers and Process Heaters at Major Sources
- Affects Broad Cross Section of Economy
  - Industry (including >300 forest products mills)
  - Other (Schools, hospitals, *etc.*)
- Comments Filed on August 23
- Final Rule due by December 16, 2010 under Court Order (extension?)

# Boiler MACT Impacts

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- Costs (capital only)
  - Forest Products: >\$6B
  - All Sectors--\$9.5B (EPA)/\$20B (AF&PA)
- 30 Mill Closures (P&P Sector)
- Reduced Biomass Use

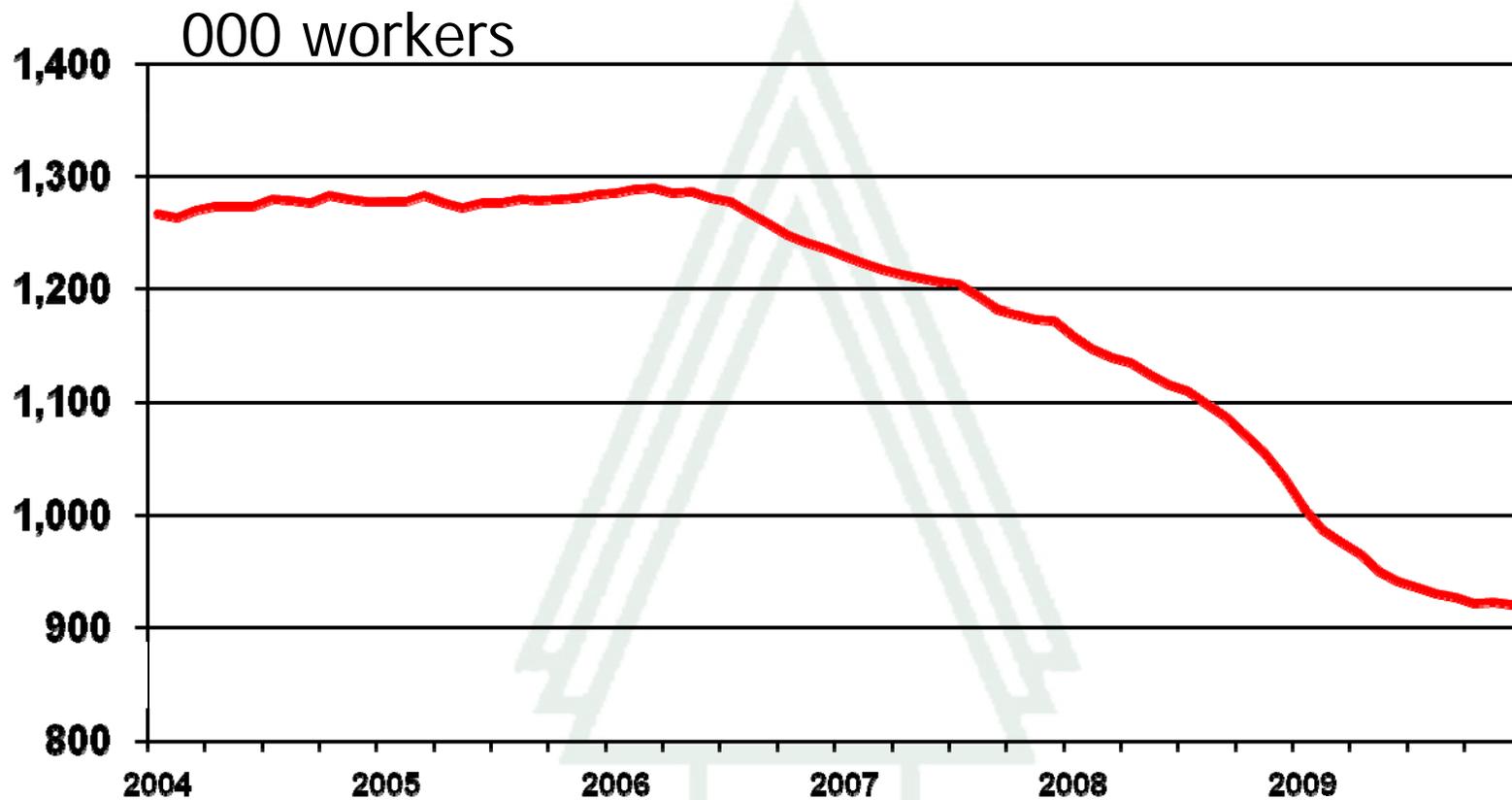


# Jobs at Risk from Boiler MACT

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|                     | Paper Mills Only | Total Job Losses |
|---------------------|------------------|------------------|
| Boiler MACT         | 16,888           | 71,774           |
| All Air Regulations | 43,666           | 185,581          |

# Forest Products Industry Employment\*



\* Includes paper and allied products, wood products, and logging.

Source: Bureau of Labor Statistics

# EPA Can Reduce Costs While Protecting Health

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- Flexible Approaches
- Reduce Costs by 70-90%
- Reduce Jobs Impacts



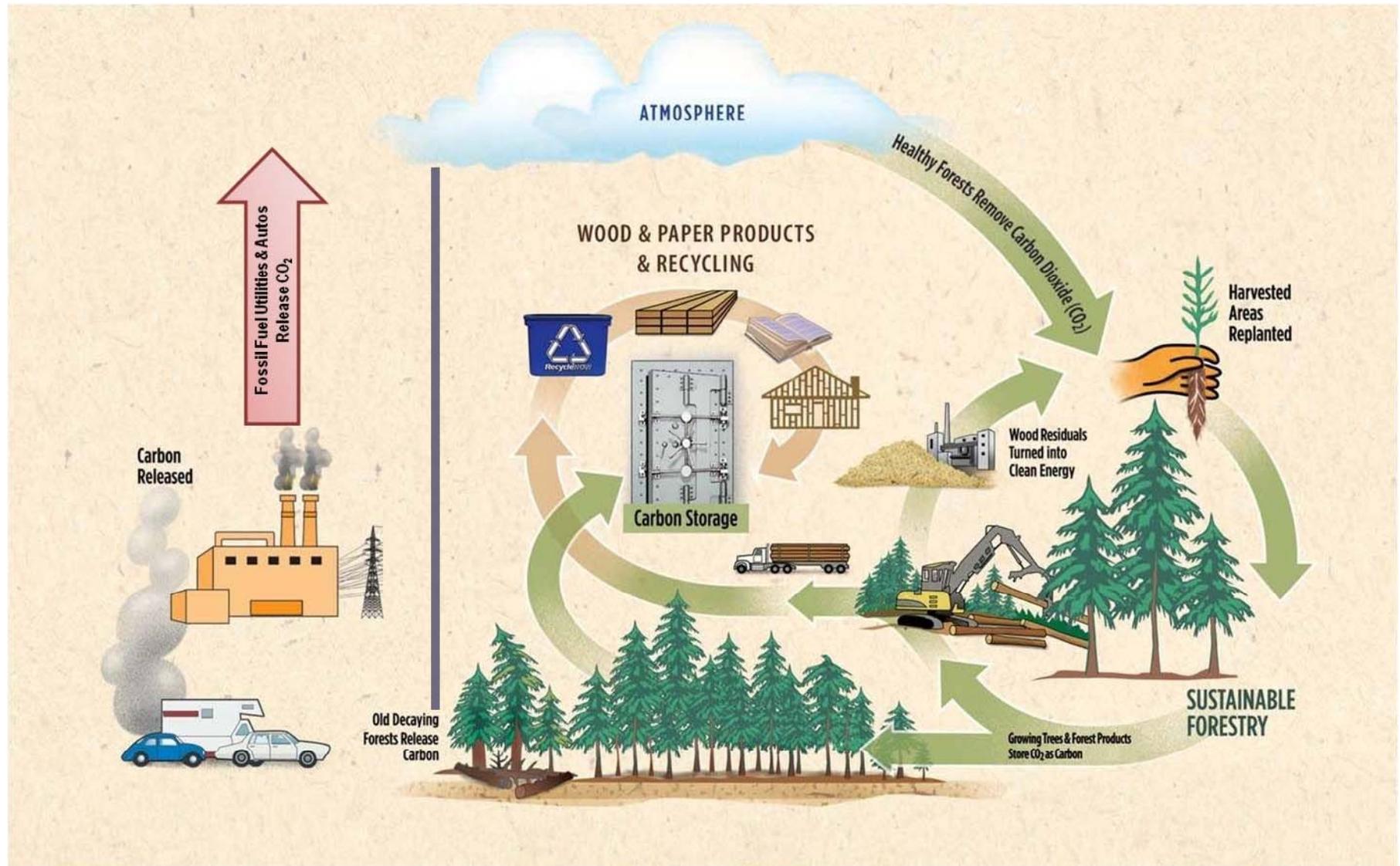


# Challenges

## Carbon Neutrality

# Fossil Fuel Releases

# Biomass Carbon Cycle



# Unintended Negative Consequences without Carbon Neutrality

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- *Science* Article and Some EPA Rules do Not Uphold Carbon Neutrality Principle
- Impacts
  - Would Need to Redesign Cap and Trade legislation and Renewable Energy Programs
  - Undermines Administration Biofuels Strategy
  - Eliminates Industry CO<sub>2</sub> Emission Reduction Strategies Based on Biomass Use
- Inability to Achieve Administration and Industry Climate Change and Renewable Energy Objectives

# Wrap-up

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- Sustainability is the Foundation of the Industry
- Industry Has Made Substantial Progress—Especially in the Areas of Renewable Energy and Energy Efficiency
- DOC and DOE Resources Can Further That Progress
- Win/Win for the Industry and the Administration with the Right Policies to Enhance Sustainability

# Questions

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