U.S. carbon dioxide emissions declined 2.0 percent in 2016 and 13.4 percent between 2007 and 2016, largely due to market driven and voluntary reductions such as improved energy efficiency and shifts from coal to natural gas by the electric utility sector.

Nonetheless, some regional and state government policies are being considered or implemented across our nation to reduce greenhouse gas (GHG) emissions. These policies must balance environmental, social and economic concerns to ensure that our nation’s economy and that the paper and wood products industry remain globally competitive. They also should recognize the industry’s unique role and early actions to reduce GHG emissions, including the efficient production and use of large quantities of carbon-neutral biomass energy, sustainable forest management and procurement practices, carbon sequestration, electricity generation and paper recycling.

Policy Recommendations:

Policymakers should reassess the need for GHG regulations in light of ongoing, market-driven GHG reductions, and any regulations should ensure least cost compliance and electricity reliability.

The Clean Power Plan (CPP) federal regulation of GHG emissions from existing electric utilities under the Clean Air Act (CAA) was stayed by the Supreme Court in February 2016. Nonetheless, the nation has achieved significant GHG reductions, as stated above.

The forest products industry manufacturing sector spent almost $9 billion on electricity and purchased fuels in 2016, and we are concerned the CPP could increase our energy costs. We operate in a highly competitive global market, and such increases can significantly harm the competitiveness of our industry and our ability to provide high-paying manufacturing jobs in the many rural communities in which we operate.

The CPP also seeks emissions reductions that are beyond the U.S. Environmental Protection Agency’s (EPA) legal authority. For example, it retains the “beyond the fence line” measures that seek emission reductions at unreasonable costs and at the expense of reliability and, decrease the reliability of the electric system. This could set an adverse precedent for potential GHG regulation of our industry.

In light of all these flaws, AF&PA supports the EPA’s proposal to repeal the CPP pursuant to the president’s Executive Order and the D.C. Circuit’s Orders to hold in abeyance the litigation challenging the rule. We also support EPA’s proposed Affordable Clean Energy (ACE) rule, in that it is less costly than the CPP and its “inside the fenceline” approach is consistent with EPA’s authority under the Clean Air Act.

2020 Goal: At least a 20 percent reduction of our members’ GHG emissions from the 2005 baseline.

Between 2005 and 2016, AF&PA members reduced GHG emissions by 19.9 percent, nearly reaching our 2020 goal.
Some states are developing GHG policies. AF&PA believes states should not move forward with GHG reduction policies until CPP litigation is resolved and the agency completes its ACE rulemaking. Any states that nonetheless do move forward should ensure they are adopting least-cost approaches.

**Forest Products Industry's Use of Biomass Should Be Recognized as Carbon Neutral**

Our industry’s production and use of renewable biomass energy are all part of the sustainable carbon cycle. In April, 2018, EPA issued a policy statement that recognized the benefits of using forest biomass for energy production and signaled that the Agency “would treat the biogenic carbon dioxide emissions associated with the use of forest biomass for energy by stationary sources as ‘carbon neutral’” in the future. The statement cited the May 2017 appropriations legislation directing EPA and the Departments of Agriculture and Energy to establish clear and consistent policies reflecting the carbon neutrality of forest-derived bioenergy. Congress enacted identical legislation in March of 2018 and again in February 2019.

AF&PA supports the EPA policy and Congressional directive. As the leading producer and user of biomass energy, with about two-thirds of our power generated from forest-based, renewable biomass, we urge EPA to issue regulations to fully implement the policy by the end of 2019.