
And the watch is on for midnight regulations as the Obama Administration winds down

By Donna Harman, President and CEO, American Forest & Paper Association

As we enter the Obama Administration’s final stretch and face a congressional agenda already impacted by the presidential election, AF&PA is working on its members’ behalf to advance a sustainable U.S. paper and wood products manufacturing industry through fact-based public policy and marketplace advocacy.

STRINGENT ENVIRONMENTAL POLICIES

Last year was among the busiest we’ve seen on the environmental policy front. One of the most significant events that will reverberate into 2016 was the administration’s final Clean Power Plan (CPP) in August to regulate greenhouse gases from utilities. AF&PA made progress in our campaign to ensure the carbon neutrality of biomass for the energy we produce, but our work is not done. In 2016, we will work with states to achieve the least costly method for implementation and seek inclusion of our biomass carbon neutrality principles in state plans.

The U.S. Environmental Protection Agency (EPA) also finalized new ozone National Ambient Air Quality Standards at 70 parts per billion (ppb) down from 75 ppb; while we advocated that lowering the standard was wholly unnecessary, others pressed for an even more stringent — and 10 times more costly — 68 ppb. Our advocacy secured gains for our members, and with continued in support of flexible implementation policies, we hope its effects on our operations will be small.

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EPA also has sought excessively stringent state-level human health water quality criteria in Washington, Maine and Idaho, and we’ve upped our advocacy in return. So to say that the administration’s engagement on issues affecting our industry is not slowing down as we enter the final year is an understatement.
Of course, we recognize that sensible regulations provide many important benefits, including protecting the environment, public health and worker safety. Our industry has met many costly regulatory challenges over the years, spending billions of dollars as part of its environmental stewardship. However, the cumulative regulatory burden on American manufacturing is unsustainable. For our industry alone, more than $10 billion in new capital expenditures is expected over the next decade for regulatory compliance. Along with the cost, complexity and sheer number of regulations, the uncertainty in the federal regulatory process creates major challenges for investment, capital planning and job creation. Two bills currently before Congress — H.R. 3438, the "Require Evaluation before Implementing Executive Wishlists Act of 2015," and H.R. 2631, the "Regulatory Predictability for Business Growth Act of 2015" — would help to increase regulatory transparency, harmonize regulatory requirements, avoid wasting limited resources and increase regulatory certainty. AF&PA will be engaged on these and other initiatives to ensure that regulatory reform is a priority for the next administration.

INTERNATIONAL TRADE

In addition to environmental policy and general regulatory reform, AF&PA also will focus heavily on two other areas this year: international trade (specifically, the Trans-Pacific Partnership free trade agreement, or TPP) and government policies on paper use ranging from procurement guidelines to whether individuals can access government information in paper format.

Exports account for more than 15 percent of our industry's annual total sales, making free and fair trade critical to our success. Negotiators came to agreement in 2015 on TPP provisions, which include the speedy elimination of tariffs on paper, packaging and wood products and strong provisions committing TPP countries to fight illegal logging and associated trade. This agreement will provide access to new markets in Vietnam and Malaysia and help our industry compete in the fast-growing Asia-Pacific region.

PAPER OPTIONS

AF&PA also will continue its (so far) successful advocacy in the government's latest rush to digitize with the Securities and Exchange Commission (SEC) Proposed Rule 30e-3. If adopted, the rule would create an opt-in system for paper forms where investors must request their financial institutions send information by mail. Investors would receive a one-time notice that financial reports about their holdings will be shifted to electronic delivery unless they take action. Such a move would cause confusion for investors and abandon those who lack access to — or choose to not use — the Internet for financial transactions. In December, a bipartisan congressional letter led by Reps. Bruce Poliquin (R-Maine) and Kyrsten Sinema (D-Ariz.) went to the SEC requesting the rule be rescinded; AF&PA supports the representatives' action and will continue to engage on the issue to ensure all Americans have secure access to their financial information.

In addition to our known objectives, we expect this administration will (as all do) push a potential slew of midnight regulations. AF&PA will remain vigilant, staying in close contact with Capitol Hill and regulatory agencies to ensure nothing gets by.

SUSTAINABILITY

Finally, at the core of everything we do is a focus on sustainability. This July, we will release our next Better Practices, Better Planet 2020 Sustainability Report, marking the progress we've made toward goals developed by AF&PA member companies in 2011. In what will be our third report to-date, we expect to continue the positive trend on reducing greenhouse gas emissions and water use; increasing energy efficiency; paper recovery for recycling and sustainable forest certification; and improving workplace safety. In addition to our collective gains, 14 AF&PA member companies have been selected since 2011 to receive awards for exemplary leadership and innovation in the field. The industry's overwhelming commitment to sustainability helps us to advocate for better — not more — regulations as we interface with government agencies and legislators. I look forward to sharing the results with you soon.