



February 11, 2004

The Honorable Ann M. Veneman
Secretary, Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

The Honorable Spencer Abraham
Secretary of Energy
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

The Honorable Michael Leavitt
Administrator, Environmental Protection Agency
Ariel Rios Federal Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

The Honorable James L. Connaughton
Chairman, Council on Environmental Quality
730 Jackson Place, N.W.
Washington, D.C. 20530

Dear Secretaries Veneman and Abraham, Administrator Leavitt, and Chairman Connaughton:

The members of the American Forest & Paper Association (AF&PA) are pleased to affirm their commitment to the President's initiative to reduce greenhouse gas emissions. During 2003, we have carefully analyzed our commitment and are fully confident that we can reduce our greenhouse gas emissions intensity by 12 percent by 2012 relative to 2000 (as stated in our initial letter dated January 21, 2003). By committing to support the Administration's objectives, we hope to make a substantial contribution toward achieving President Bush's national goal by 2012. Furthermore, with appropriate policies, incentives, and reductions in regulatory barriers, we might be able to achieve even greater reductions.

We believe that our success will depend in part on the Administration's efforts to manage the activities of all government agencies, especially with respect to the promulgation of regulatory requirements that may result in increases in greenhouse gas emissions. Our ability to meet or exceed the commitment also will naturally depend on the measurement and accounting methods and implementation guidelines that are being developed. We very much want to work with the Administration and others in establishing methodologies and guidelines applicable to recycling and forest and product sequestration. We continue to strongly encourage the Administration to address regulatory requirements where the negative climate impacts outweigh any environmental benefits.

In addition, governmental policies and incentives will play a large part in determining whether voluntary targets, such as the 12 percent intensity goal will be the minimum or whether we make much greater strides. We would welcome the opportunity to work with the federal government to identify both barriers and opportunities for achieving greater carbon reductions.

We plan to achieve the reductions through actions to enhance sequestration in managed forests and products, development, and implementation of improved technologies, improved energy efficiency,

and increased use of renewable energy and fiber recovery. Furthermore, our commitment assumes continued access to the grid, success in commercializing technologies under development, and recognition of forest and product sequestration as well as biomass fuel. Our commitment does not include any emissions that may result from new regulatory requirements.

Our specific plans for reductions include improvements from programs such as:

Technology Improvement: Agenda 2020, a research partnership with DOE - aimed at developing energy efficient technology - is producing promising technologies. One project with great potential for reducing CO₂ emissions is biomass gasification. It is estimated that biomass gasification, if fully developed and adopted, could make the U.S. forest products industry energy self-sufficient and a generator of surplus power created from renewable resources.

Energy Efficiency: The industry will continue to derive over half of its energy requirements from renewable energy or biofuels and to seek opportunities for additional improvements. We recover energy from our waste stream by utilizing residual biomass as a primary energy source for our manufacturing processes. Moreover, the forest products industry leads all other manufacturing sectors in onsite electricity generation, meeting more than half of our own energy needs through highly efficient co-generation processes. At many mills, self-generated electricity goes beyond serving onsite production needs by providing supplemental electricity to the surrounding electric power grid.

Fiber Recovery: AF&PA members support aggressive fiber recovery goals. In 2003, AF&PA announced a new paper recovery goal of 55 percent of all paper consumed in the U.S. by 2012. AF&PA expects that achieving the recovery rate of 55 percent will lead to corresponding reductions in greenhouse gas emissions by reducing emissions from landfills. This recovery goal will be supported through partnerships with EPA, Keep America Beautiful, CarrAmerica, and others.

Forest Sequestration: The nation's forests remove carbon dioxide from the atmosphere and store it for long periods of time, and correct management of forests is central to climate policy. AF&PA's Sustainable Forestry Initiative[®] Program – or SFI[®] – is the largest sustainable forestry program in the world. Under the program, forestlands are managed according to rigorous standards for protecting soil and water resources, contributing to biological diversity, conserving unique features and aesthetic values, and enhancing forest productivity.

Product Sequestration: A portion of the carbon that trees remove from the atmosphere remains fixed in wood and paper products. The harvesting and manufacturing of forest products essentially transfers carbon from the forest to the product pool. The carbon contained in these products continues to be sequestered from the atmosphere, and in some cases – such as building materials – products remain in use for very long periods of time. As worldwide demand for forest products increases, the amount of carbon stored in the product pool increases thus withholding carbon from the atmosphere and offsetting greenhouse gas emissions.

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Again, we look forward to working with you and your respective organizations to further develop frameworks that will bring about mutually beneficial results.

With kindest personal regards, I remain,

Sincerely yours,

/S/

W. Henson Moore
President and Chief Executive Officer