



January 21, 2003

The Honorable Ann M. Veneman
Secretary, Department of Agriculture
1400 Independence Ave, 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 Christine Todd Whitman
Administrator, Environmental Protection Agency
Ariel Rios Federal Building
1200 Pennsylvania Ave, 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 Whitman, and Chairman Connaughton:

The American Forest & Paper Association (AF&PA) applauds the President's initiative to address climate change through enhanced research in technology and science, incentives, and voluntary efforts from all sectors of the American economy. The President's plan appropriately links future environmental goals to preserving a strong American economy. It recognizes that only a strong economy will allow us to make the investments we need in new and cleaner industrial equipment and energy supplies that will reduce our emissions in the long run. The plan, which is appropriately targeted at the sector level, represents a positive approach to climate concerns. We encourage the Administration to strengthen the program by adopting innovative approaches to encourage reductions.

The members of AF&PA have underway a series of programs through which we are collectively committed to trying to meet the President's intensity reduction goals. These programs include inventorying and reporting on greenhouse gases, actions to enhance sequestration in managed forests and products, development and implementation of improved technologies, efforts to improve energy efficiency, use of co-generation and increased use of renewable energy, and recycling. Based on preliminary calculations, we expect that these programs will reduce our greenhouse gas intensity by 12 percent by 2012 relative to 2000. Using sound scientific analysis, we will work to refine our estimates and will report our results to the Administration by January 31, 2004. By 2005, AF&PA members will evaluate their progress and determine whether additional reductions or changes to our greenhouse gas programs are appropriate. Furthermore, AF&PA members will develop a system to verify any reductions we report.

As an organization, we believe that our success will depend in part on the Administration's efforts to rationalize and 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

commitment also will naturally depend on the parameters of any implementation guidelines that may be developed. Specifically, we strongly encourage the Administration to address regulatory requirements where the negative climate impacts outweigh any environmental benefits.

Our estimates do not include any emissions that may result from new regulatory requirements. We have also assumed that our member companies will continue to have access to the electricity grid and that we will be successful in commercializing the technologies we have under development.

Specifically, our plans project improvements from industry programs such as:

Sequestration: With more than 114 million acres enrolled in the program, the 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. In addition, the Standard requires that participants reach out to non-industry landowners to encourage widespread support for sustainable forestry principles. Adherence to the SFI Standard is a condition of AF&PA membership and represents a strong commitment to enhanced forest productivity and improved forest management. We believe that one result of this commitment is significant sequestration of carbon on the nation's forestlands.

Additionally, the industry today produces products that sequester carbon for decades or longer. Increasing demand for forest products also could increase the amount of carbon stored in products, offsetting some portion of the industry's greenhouse gas emissions.

Research and Development: Research and development (R&D) through industry, academic and government partnerships will address key technology gaps. Our research partnerships with Department of Energy continue to be an effective vehicle for development of improved energy efficient processes including breakthrough technologies. This R&D work, conducted through Agenda 2020, is already producing highly promising solutions. For example, one technology under development would allow for increased burning of renewable biofuels with lower emissions and greater efficiency.

Another key R&D project being conducted in partnership with DOE and with great potential for the reduction of CO₂ emissions, is biomass gasification. It is estimated that biomass gasification, if fully developed and adopted, could potentially make the U.S. forest products industry totally energy self-sufficient and a generator of net surplus power.

Recycling: The industry also has a strong commitment to recycling, which avoids greenhouse gas emissions from products prematurely disposed of in landfills. Since the early 1990s, companies have invested approximately \$10 billion in new recycling capacity to meet the demand for increased use of recycled paper. The industry has reached 48 percent recovery rates with the demand for recovered fiber continuing to rise. We expect that our recovery rate objective of at least 50 percent will also be met and lead to corresponding reductions in greenhouse gas emissions by facilitating sequestration and

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avoiding methane emissions from landfills. Recovered paper now accounts for approximately 37 percent of the domestic paper industry fiber supply, and AF&PA members will continue to support aggressive recycling goals.

Energy Efficiency: Finally, the industry will continue to derive over half of its energy requirements from renewable energy or biofuels. 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.

Through these and other programs, and by committing to support the Administration's objectives, we hope to make substantial progress toward achieving President Bush's national greenhouse gas goal by 2012.

With kindest personal regards, I remain,

Sincerely yours,

W. Henson Moore
President and Chief Executive Officer