



To: The Obama-Biden Transition Team
From: Government Policy Subcommittee, Environmental Paper Network
Re: Opportunities for Economic Growth and Carbon Emissions Reduction in the US Pulp and Paper Industry
Date: December 9, 2008

BACKGROUND

As the fourth largest emitter of greenhouse gases amongst US manufacturing industries, the pulp and paper industry represents a tremendous opportunity for innovation that will not only reduce US carbon emissions on a significant scale, but also create new, green jobs in the process. Preliminary analysis of paper industry lifecycle climate impacts (including forest carbon loss, transportation, production, chemical use, and landfill emissions) suggest that the annual emissions associated with the current US production of nearly 100 million tons of paper contributes over 750 million tons of CO₂ equivalent annually. This represents nearly 10% of U.S. annual emissions and on a global scale, the paper industry has three times the climate emissions of the airline industry. And yet, while increasing the recycled fiber content of paper decreases its carbon footprint by at least 50%, many paper producers have scaled back efforts to increase the level of recycled fiber in their products. In fact, existing deinking mills are currently at 98% capacity with no new capacity planned despite consumers' growing interest in recycled paper.

ECONOMIC IMPLICATIONS OF RECYCLING PAPER

Recycled paper manufacturing creates one job for every 523 tons of recovered paper.¹ In 1993, over 1.5 million tons of recovered paper were exported from the ports of San Francisco and Los Angeles alone, the equivalent of exporting more than 3,000 manufacturing jobs. In response, California has created a number of recycling laws that have attracted entrepreneurs who bring new technologies and high wage jobs that are helping California recast its economic future and revitalize its industrial base. Contrary to the declining trends experienced by many of California's industries, recycling is a growth industry that is helping to define a more sustainable, job-creating manufacturing infrastructure. On a national scale, the US exported over 20 million tons of recyclable materials last year worth approximately \$3.5 billion.

STRATEGIES FOR GREEN JOB CREATION AND CARBON REDUCTION

- **Incentives for municipalities to increase paper collection and the amount of reusable paper.** At present, only 56% of paper consumed in the United States is recovered for recycling. For comparison, Germany recovers 73%. This means 44% of paper is being landfilled, contributing significantly more greenhouse gases (primarily methane) at the end of its lifecycle and ensuring high demand for carbon intensive production of paper using virgin tree fiber. A nationwide initiative would bring needed improvements and rapidly result in a windfall harvest of the nation's largest municipal "papersheds" for raw material, creating thousands of jobs in collection, hauling, and sorting. It would be a tangible, self-empowering effort in which all Americans could participate.
- **Incentives for investment in recycled paper manufacturing.** In addition to diverting paper from landfills through better collection, new infrastructure investments are needed to de-ink the collected paper and make recycled pulp. Government leadership could transform the nation's aging papermaking infrastructure to compete globally and create thousands of green collar jobs producing recycled paper at cleaner, low-carbon mills. Given these needs, the Environmental Paper Network has developed the RePaper Project, which is providing leadership and partnering with the private sector for a new, invigorated push to make this transformation, but economic incentives are crucial to moving forward.
- **Incentives for technology upgrades to existing mills that increase energy efficiency, decrease carbon intensity of fuel mix, and improve bleaching methods.** In addition to its heavy carbon emissions, the paper industry is the largest contributor of sulfur dioxide and nitrogen oxides in the US. Beyond increasing recycled pulp use, increasing energy efficiency and promoting a cleaner fuel mix is likely to have the greatest impact on emissions of these pollutants. In terms of bleaching methods, many US paper mills still use heavily polluting, outdated technology that put them far behind their South American and European counterparts, who employ more efficient, cleaner technologies to whiten paper.

Contact Shannon Binns [704/257-6723].

¹ Californians Against Waste.