



September 29, 2015

The Honorable Fred Upton
Chairman
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20510

The Honorable Frank Pallone Ranking Member Committee on Energy & Commerce U.S. House of Representatives Washington, DC 20510

Dear Chairman Upton and Ranking Member Pallone,

The American Forest & Paper Association (AF&PA) appreciates your attention to issues important to the paper industry, and supports the recycling provision (Sec 4114) of H.R. 8, the North American Energy Security and Infrastructure Act of 2015, to ensure that the Energy Policy Act of 2005 (EPACT) cannot be used as an incentive to divert otherwise recyclable paper away from its highest and best use in manufacturing new paper and paper-based packaging.

The AF&PA serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - <u>Better Practices, Better Planet 2020</u>. The forest products industry accounts for nearly four percent of the total U.S. manufacturing GDP, manufactures over \$200 billion in products annually, and employs approximately 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

Recovered fiber is a valuable part of our industry's supply stream. Approximately 78 percent of all U.S. paper mills use some recovered fiber to make everything from paper-based packaging to tissue products to office paper and newspaper. The U.S. paper recovery rate rose from 63.5 percent in 2013 to 65.4 percent in 2014, the second highest rate ever recorded. AF&PA member companies have set a goal to increase the U.S. paper recovery rate to more than 70 percent by 2020.

To help achieve these goals, AF&PA opposes government incentives or directives that divert commonly recycled paper away from reuse in products. Unfortunately, many aspects of federal law that encourage or require renewable energy use, including provisions in EPACT, could allow for recyclable paper to be defined as a renewable energy source. Sec 4114 of H.R. 8 will help ensure that the federal

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government's renewable energy purchases under EPACT protect the integrity of the recovered fiber stream so that paper recycling can continue to be a nationwide success. We support this provision and urge its retention.

Best Regards,

Donna A. Harman

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President and Chief Executive Officer