



**Ross E. Eisenberg**

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March 20, 2017

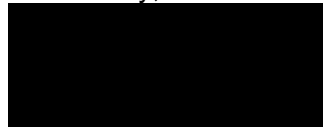
The Honorable John Shimkus  
Chairman  
Subcommittee on Environment  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Paul Tonko  
Ranking Member  
Subcommittee on Environment  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Shimkus and Ranking Member Tonko:

Thank you for your follow-up questions for the record from the Subcommittee's recent hearing, "Modernizing Environmental Laws: Challenges and Opportunities for Expanding Infrastructure and Promoting Development and Manufacturing." Enclosed are my responses. The National Association of Manufacturers looks forward to working with the Subcommittee on these and other issues affecting manufacturers.

Sincerely,



Ross Eisenberg  
Vice President  
Energy and Resources Policy



**RESPONSES TO QUESTIONS FOR THE RECORD**  
**ROSS EISENBERG, NATIONAL ASSOCIATION OF MANUFACTURERS**

**HOUSE COMMITTEE ON ENERGY AND COMMERCE, SUBCOMMITTEE ON ENVIRONMENT**  
**HEARING ON “MODERNIZING ENVIRONMENTAL LAWS: CHALLENGES AND OPPORTUNITIES FOR**  
**EXPANDING INFRASTRUCTURE AND PROMOTING DEVELOPMENT AND MANUFACTURING”**

**MARCH 20, 2017**

**Question from the Honorable John Shimkus (R-IL)**

- 1. Mr. Eisenberg, you testify that “the state of our national economy, the manufacturing sector and the environment are considerably different than they were 20, 30 or 40 years ago. However, we are still operating with policies designed to address the environmental challenges of a previous era.”**
  - a. Could you elaborate how some policies may not work for today’s regulated sectors?**

Every five years, EPA must decide whether the National Ambient Air Quality Standards (NAAQS) are sufficiently protective of public health. As NAAQS (for particulate matter, ozone, sulfur dioxide, carbon monoxide, lead and nitrogen oxides) have dropped closer to background levels, it is becoming increasingly difficult to pass the test and get an approved permit. Regulated industries are approaching a permitting gridlock. EPA should establish a new permitting process and adjust its modeling criteria to be more reflective of actual impacts. The challenges with the ever-tighter NAAQS are exacerbated by a lack of (or inappropriate) emission measurement methods, poor estimates of emissions, use of unrealistic air dispersion models, and several rigid permitting policies.

In the water space, the EPA continues to struggle with how to apply the Clean Water Act’s provisions to nonpoint source pollution. The relationships between and relative impacts of point and nonpoint sources differ regionally, and sometimes locally, making it difficult to establish a uniform program. What is needed is a balanced approach to point and nonpoint problems that focuses on the water quality of the watershed in question. More extensive treatment should not be required of any dischargers if such treatment will have no appreciable impact on the quality of the receiving waters. The NAM recommends improving capabilities for assessing the nation’s water quality that aid in determining the relative impact of point and nonpoint sources on water quality and the ability of waters to meet their designated uses. Conclusions derived from the data can then be used to better allocate the nation’s resources in achieving our water quality goals. Effective management of nonpoint sources of water pollution should be achieved through state and regionally developed programs. The EPA should provide technical assistance, but should not attempt to assume the role of developing a uniform federal nonpoint program or of directly regulating nonpoint sources.

Finally, the current regulatory requirements under CERCLA do not allow contaminated properties to be resolved in an efficient manner. Despite completing remediation activities, the property owners are often unable to get clearance from the regulatory agencies in a timely manner to sell or develop their properties. EPA should interpret regulatory requirements under

the Superfund program in a manner that would speed the remediation of these sites while reducing costs, while still ensuring the necessary environmental protections.

**Question from the Honorable Marsha Blackburn (R-TN)**

- 1. In a recent white paper entitled “EPA’s New Source Program: Time for Reform,” the authors state that EPA’s new ozone standards ‘may effectively prevent development in some parts of the country.’”**

- a. Do you agree that EPA’s new ozone standards threaten to prevent development in certain parts of the country?**

I agree that the EPA’s most recent ozone standards threaten to prevent development in certain parts of the country. In fact, in some areas the standards are already causing problems. In Colorado, the state environmental agency proposed, for the first time ever, to set specific permit limits for 49 individual manufacturing facilities, since there are no other possible reductions to be had. This move would more or less lock into place those permit limits and make it extremely difficult to expand. What is worse: Colorado believed it needed to take these actions just to meet the *2008 ozone standard* of 75 parts per billion. Manufacturers are very nervous about what measures might be required to meet the 2015 standard in the Denver metro area.

Colorado’s struggles are not unusual: half of the states in the continental U.S. have at least one area in nonattainment with the 2015 ozone standard. The Georgia Department of Natural Resources noted in its comments on the 2015 ozone standard that there were no effective control measures left available to the state, beyond those already identified and being implemented, to reduce ozone levels in the Atlanta nonattainment area.

Recall also the testimony of the San Joaquin Valley Air Pollution Control District, which testified before the Energy and Commerce Committee just last year. This area has already taken such extreme steps as banning residents from using their fireplaces in most winter months and limiting the amount of time lids can be off paint cans. Yet officials have concluded that they will not meet the 2015 ozone standards even if they eliminate emissions from all stationary and area sources, off-road equipment, farm equipment, passenger vehicles and heavy-duty trucks.

**Questions from the Honorable Buddy Carter (R-GA)**

- 1. In your written testimony, you recommend that Congress “[s]pecify that forest biomass energy is considered carbon neutral as long as forest carbon stocks are stable or rising on a broad geographical scale, and recognize the forest products industry’s use of forest products manufacturing residuals for energy as carbon neutral regardless of forest carbon stocks.” Could you elaborate?**

The carbon neutrality of biomass harvested from sustainably-managed forests has been recognized repeatedly by an abundance of studies, agencies, institutions, legislation and rules around the world, including the guidance of the Intergovernmental Panel on Climate Change and the reporting protocols of the United Nations Framework Convention on Climate Change.

When measuring carbon neutrality, it is important to focus on broad regions rather than specific plots of land. It is true that if the focus is on a single plot of forest, emissions from burning biomass for energy can take years to recapture. But that is not how biomass sustainability should be assessed, because in the same year that particular plots of land may be harvested, many other plots are growing, thus offsetting the loss of carbon from the harvested plot. As a result, carbon stocks across the region are continuing to increase even if several individual plots may have been harvested that year.

Moreover, one of the most significant impacts to forest carbon stocks is the shifting of forest lands to development or agriculture. Robust demand for wood products, including using biomass to generate energy, provides economic incentives to keep forest land forested.

In keeping with these principles, a report by the World Business Council for Sustainable Development (WBCSD) recommends that wood coming from a forest that has stable or rising carbon stocks should be deemed carbon neutral. In particular, the report defines carbon neutrality as “a property of wood or other biomass harvested from forests where new growth completely offsets losses of carbon caused by harvesting. Under these conditions, as carbon is released from harvested wood back into the atmosphere, usually as biogenic CO<sub>2</sub>, growing trees are removing CO<sub>2</sub> from the atmosphere at a rate that completely offsets these emissions of biogenic CO<sub>2</sub>, resulting in net biogenic CO<sub>2</sub> emissions of zero or less.”<sup>1</sup>

Forest product manufacturing residuals such as bark, sawdust, wood shavings, and black liquor associated with the Kraft pulping process would need to be disposed of if they are not combusted to produce useful energy. Disposing of these residuals by incineration without energy recovery would constitute a blatant waste of energy resources, and disposal by landfilling would generate methane, which is also a greenhouse gas.

A study by the National Council for Air and Stream Improvement (NCASI) found that, considering fossil fuel displacement, the forest products industry’s use of manufacturing residuals avoids approximately 181 million metric tons a year of CO<sub>2</sub>e emissions. That is the equivalent of removing about 35 million cars from the road.<sup>2</sup>

The forest products industry has created a highly efficient, market-based system of managed forest use with significant carbon benefits. Those benefits include: (1) providing biomass power by utilizing forest and mill residuals; (2) efficiently using biomass residuals through combined heat and power systems to assure forest biomass resources minimize total forest system GHG emissions; (3) diversifying manufacturers’ energy portfolios and reducing GHG emissions while simultaneously meeting society’s needs for forest products; (4) avoiding GHG emissions that otherwise would result from residual disposal; (5) balancing forest supply and demand through market-based systems for biomass due to forest planting and re-growth, as evidenced by net increases in forest carbon stocks over most of the last 50 years; and (5) recycling paper to reuse valuable biomass resources.

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<sup>1</sup> World Business Council for Sustainable Development, “Recommendations on Biomass Carbon Neutrality,” at 3 (Oct. 2015), available at <http://www.wbcd.org/Projects/Forest-Solutions-Group/Resources/Recommendations-on-Biomass-Carbon-Neutrality>.

<sup>2</sup> National Council for Air and Stream Improvement, “Greenhouse Gas and Fossil Fuel Reduction Benefits of Using Biomass Manufacturing Residuals for Energy Production in Forest Products Facilities,” Technical Bulletin No. 1016, available at <http://www.ncasi.org/Downloads/Download.ashx?id=9603>.

**2. Does use of forest and agricultural biomass currently play an important role in addressing energy needs in the United States, including for the manufacturing sector?**

According to the Energy Information Administration (EIA), biomass accounted for 49 percent of total U.S. renewable energy consumption in 2015 (biofuels, 22 percent; wood 21 percent; and biowaste 21 percent).<sup>3</sup> Data from the Energy Information Administration's 2010 Manufacturing Energy Consumption Survey (MECS) suggest that more than sixty percent of the energy used by the forest products industry is accounted for by biomass. Pulp, paper, packaging and wood products facilities account for 62 percent of the renewable biomass energy consumed by all manufacturing sector facilities.

With respect to agricultural biomass, the United States Department of Agriculture (USDA) found that the bioeconomy contributes \$393 billion in economic activity, provides 4.2 million American jobs, and is the leading source of domestic renewable energy.<sup>4</sup> Crops grown by farmers store CO<sub>2</sub> from the atmosphere; when agricultural feedstocks are used for food, fuel and fiber, the stored CO<sub>2</sub> returns to the atmosphere in a natural biogenic cycle.

**3. Is it important to manufacturers that Federal policy relating to forest and agricultural biomass for energy be consistent across Federal departments and agencies? And would more consistent Federal policy relating to biomass energy serve to promote domestic manufacturing in the United States?**

Manufacturers need regulations that are consistent and predictable; the federal government's stance on biomass energy has been anything but. Disparate policies across government agencies, such as the confusing patchwork of positions regarding biomass energy, create regulatory uncertainty and impede capital planning and investment. The government's current approach also undermines the sustainability of the industries that use biomass and discourages beneficial biomass use. A coherent, consistent policy regarding forest and agricultural biomass would help U.S. manufacturing industries use more biomass in a more certain and cost-effective manner and thus help the environment and manufacturing competitiveness.

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<sup>3</sup> [www.eia.gov/energyexplained/?page=renewable\\_home](http://www.eia.gov/energyexplained/?page=renewable_home).

<sup>4</sup> USDA, "An Economic Impact Analysis of the U.S. Biobased Products Industry" (Oct. 2016), *available at* <https://www.usda.gov/media/press-releases/2016/10/03/usda-report-shows-growing-biobased-products-industry-contributes>.