



**American
Forest & Paper
Association**

www.afandpa.org

Climate Policy Competitiveness Concerns

The American Forest & Paper Association (AF&PA) is the national trade association of the forest products industry and advances public policies that promote a strong and sustainable U.S. forest products industry in the global marketplace. The industry is an integral part of our nation's green job base and generates approximately 6 percent of the total annual U.S. manufacturing GDP.

AF&PA's member companies make pulp, paper, packaging and wood products, and own forest land. Our companies make essential products from renewable and recyclable resources that sustain the environment. Nationwide, the U.S. forest products industry:

- Employs approximately one million workers — on par with the nation's automotive and plastics industries.
- Provides green jobs that reduce greenhouse gases by sustaining the forests that absorb carbon dioxide; making the paper and wood products that store it indefinitely; generating and using more renewable energy than anyone else—28.5 million megawatt hours annually, enough to power 2.7 million homes; and recycling paper to avoid methane emissions and reduce waste.
- Is among the top ten manufacturing sector employers in 48 states.
- Is a significant taxpayer, paying approximately \$7 billion annually in federal, state, and local taxes.



The forest products industry is facing growing competition from high-emitting countries like China and Indonesia. These countries have lower energy costs, and less restrictive environmental and labor standards than the U.S. Imposing a carbon regulation on U.S. companies without requiring equal actions from other high-emitting countries will undercut American competitiveness.

The Forest Products Industry Faces Increasing Competition From Global Competitors

- The United States imports more forest products than it exports. In the past 5 years, the trade deficit averaged \$16.1 billion per year.
- Since early 2006, the industry has lost more than 300,000 jobs—almost one quarter of its workforce.
- Most of these jobs were in rural areas and were the major source of employment for the local community.

Increased Competition Comes Largely From High-Emitting Nations

- Countries such as China and Indonesia are growing competitors for the U.S. forest products industry. These countries have lower energy costs, and less restrictive environmental and labor standards than the U.S.

Legislation Requiring U.S. Companies To Reduce Emissions Without Requiring Equal Actions By Other High-Emitting Countries Will Weaken U.S. International Competitiveness

- Because the forest products industry operates in a highly competitive world economy, manufacturers cannot easily pass on higher energy and production costs to consumers and still remain competitive.
- A carbon regulation on U.S. companies without equivalent regulations in high-emitting competitor countries, like China, will make foreign products even cheaper to produce than U.S. goods and further increase our trade imbalance.
- This will result in more mill closures, decreased manufacturing capacity and fewer jobs and opportunities in the U.S.