

Chairman & Committee Members thank you for the opportunity to talk to you all today about one of the biggest issues facing all mankind.

I am Greg Pallesen – Vice President of the Association of Western Pulp & Paper Workers – AWPPW.

I am going to talk for just a few minutes about CO2 and the pulp, paper and wood products industry.

If you don't mind I have a few questions:

How many of you all have used paper or wood products in the last 5 days?

In the last 5 hours?

In the last 5 minutes?

If I may let me really narrow it down, in the last 5 secs?

Of the paper and wood products you all used how many of those products came from low CO2 emitting manufacturing sites?

How many of those products came from high CO2 emitting manufacturing sites?

Unfortunately we all know the answer, you don't know.

Welcome to reality.

We should have “carbon footprint labeling” on products along with a system that treats U.S. manufactured goods AND imported goods the exact same way.

Under this bill, because imports and domestic manufacturing are not treated the exact same way the results will be U.S. manufacturing facilities will be move to countries that are some of the worse CO2 emitters in the world; and new manufacturing sites will not be constructed in the United States.

Our industries have been under tremendous international competition.

Most of that competition comes from countries whose manufacturing facilities are the world's heaviest CO2 emitters.

Every AWPPW represented mill that in the last 15 years has had layoffs or has closed has been approved for Trade Adjustment Assistance (TAA) (NAFTA) benefits.

TAA benefits are only certified after the U.S. Department of Labor does a thorough investigation and it is determined people have lost their jobs due to unfair trade agreements.

A few examples of mills closed or downsized:

North Bend, Oregon Weyerhaeuser – closed – 220 people lost their jobs - equipment moved overseas brought back online.

Albany, Oregon International Paper – closed – 270 people lost their jobs – equipment sold, brought back online

Salem, Oregon Boise Cascade – closed – 100 people lost their jobs - equipment moved overseas brought back online

Oregon City, Oregon Blue Heron closed – 300 people lost their jobs – equipment moved overseas brought back online.

Newberg, Oregon WestRock – closed – 260 people lost their jobs – closed – most likely the equipment will be shipped overseas and brought back online.

The Newberg mill has previously been TAA certified twice; the current (new) TAA application will be certified.

Every one of these mills and the remaining mills retooled to utilize recovered recycled paper.

Every one of these mills has taken steps to invest in energy efficient equipment and processes, all of which have reduced their carbon footprint.

The Albany, Oregon mill received recognition for their installing energy efficient equipment.

Blue Heron paper products were manufactured out of 100% recovered recycled paper.

The WestRock Newberg, Oregon paper mill products were manufactured out of 100% recovered recycled paper. And the mill burned bio-mass material for co-generation purposes, producing steam for electrical energy production and steam utilized in the manufacturing of paper products.

Oregon no longer has any mills that manufacture goods made out of 100% recovered recycled paper.

Plant closures are not just an Oregon problem

Weyerhaeuser Longview, Washington – copy paper division closed, equipment moved overseas brought back online.

Georgia Pacific Camas, Washington – downsized, paper machine closed equipment moved overseas brought back online.

Kimberly Clark Everett, Washington – mill closed, state of the art paper machines moved to South America, brought back online.

For every 1 of our pulp and paper manufacturing jobs lost there are at least another 5 permanently jobs lost through the ripple effect.

As an example, a chemical plant in Kalama, Washington is scheduled to close because WestRock in Newberg was their last major customer.

- The pulp and paper industry is not a dying industry.
- 70 % of the recycled paper in the United States is now shipped overseas, made into the very same products we once made here and many times on the same machines that were once here. And those same products once made here are then shipped back here for our consumption.
- For a number of years China has been bringing online new paper machines every month.
- China now has the most advanced paper manufacturing equipment in the world; the biggest and fastest.
- China's pulp imports rebound by 6.5% in December; 2015 tonnage hits record high. (see attachments below)
- Chinese RCP (recovered paper) imports surge 23% month-on-month in last December, driving annual tonnage near historical high. (see attachments below)
- China now produces more paper products than anyone in the world.
- China's mills are some of the heavies CO2 emitters in the world.
- China's electrical power plants are some of the heaviest CO2 emitters in the world.
- The pulp, paper and wood products manufactured in the U.S. per ton have the lowest CO2 emissions of most anyone in the world.

In closing:

We have a shared value of wanting to protect the environment. We must take action that truly reduces CO2 emissions worldwide.

We should not take action that makes us “feel good” or makes us “feel like we did something” when that action’s results will be CO2 emissions going up worldwide, which is what this bill will end up causing.

And we certainly should not take action that reduces CO2 emissions in Oregon, or the Western Region, only to result in losing or stifling manufacturing jobs here, increasing manufacturing jobs in China and elsewhere along with increasing CO2 emissions elsewhere.

We should be taking action to bring manufacturing jobs back to the U.S.; where we have some of the world’s most stringent safety, health and environmental laws and regulations.

Our members support actions and legislation that will truly reduce CO2 emissions. Our members do not support actions and legislation that while being introduced with good intentions will have a negative impact on worldwide CO2 emissions.

We have heard many times “if you are not part of the solution you are part of the problem”; this bill is part of the problem.

Again thank you for this opportunity to speak today.

(attachments below)

China's mercury flushes into Oregon's rivers

Shelby Wood, *The Oregonian* By Shelby Wood, *The Oregonian*

on April 13, 2008 at 6:00 AM, updated July 21, 2008 at 9:02 AM

From The Oregonian of Nov. 24, 2006

The inky smoke belched by chimneys in Chinese cities such as Linfen and Datong contains mercury, a metal linked to fetal and child development problems. Trace amounts of the poison can take less than a week to reach Oregon, where research suggests that about one-fifth of the mercury entering the Willamette River comes from abroad --increasingly from China.

Mercury and other airborne contaminants collect over China during the winter and spring until Siberian winds arrive bearing dust from expanding Chinese and Mongolian deserts. Every five or six days, the winds flush out eastern China, sending dust and pollutants such as ozone precursors high over the Pacific, says Russ Schnell, observatory and global network operations director for the National Oceanic and Atmospheric Administration.

"The ozone on the West Coast in a few years will be controlled not by California and Oregon," Schnell says. "It will be controlled by China." The incoming pollution bucks a U.S. trend toward cleaner skies and water.

Mercury is especially suited for long-distance travel because at the smokestack in elemental form, it's insoluble. By the time it reaches the West Coast, however, some of the mercury has transformed into a reactive gaseous material that dissolves in Western Oregon's wet climate. It washes into the river, where microbes convert it into a form that further concentrates in fish.

Most of the mercury entering the Willamette comes from Oregon's volcanic soil and from sediment churned up on the river bottom. But Bruce Hope, senior environmental toxicologist of the Oregon Department of Environmental Quality, estimates that global sources beyond the state's control contribute 18 percent --more than four times the share from local air deposition.

"If I made every local source go away, would I be able to eat the fish?" Hope asks. "Right now the answer is maybe."

Hope was struggling to account for all the Willamette's mercury sources before he encountered Dan Jaffe, an atmospheric and environmental chemistry professor at the University of Washington at Bothell. Jaffe and other scientists were detecting Asian pollutants in monitors atop Mount Bachelor and Cheeka Peak, on the Olympic Peninsula.

Urban carcinogen levels

The monitors regularly record levels of airborne carcinogens equivalent to those of a major city, says Staci Simonich, an Oregon State University researcher. In April 2004, instruments mounted atop Mount Bachelor's Summit Express ski lift intercepted an enormous Asian plume laced with mercury and ozone. The fine-particle concentration hit about 20 micrograms per cubic meter, compared with the federal air-quality standard of an average 65 micrograms during a 24-hour period.

"The air we saw on that day was comparable to a moderately bad day in Portland," says Jaffe. "When you consider that that air has traveled thousands and thousands of miles, it's pretty amazing really." Jaffe calculated that Asia emits 1,460 metric tons of mercury a year, twice as much as previously thought.

To be sure, concentrations of foreign pollutants in Oregon are minimal compared with federal air-quality standards. On an average spring day in the Northwest, the overall sulfate concentration reaches just 0.72 micrograms per cubic meter, says Colette Heald, a University of California at Berkeley researcher. About one-quarter of the average sulfate level comes from Asia, Heald says.

But the DEQ's Hope realized that when fallout occurs across an area as large as the Willamette's 11,500-square-mile watershed, low concentrations add up. He identified the river's mercury sources for a study published in the international journal *Science of the Total Environment*.

Especially if China's share increases, Hope says, Oregon can do little to reduce contamination of the river even by cracking down on emissions, eliminating mercury from products and segregating waste. "Because of foreign sources, the kinds of management changes that would be acceptable would probably not be enough to let us eat the fish."

Oregon officials have warned since issuing a 2001 advisory that Willamette bass and pikeminnow bear unsafe mercury levels.

Mercury acts on the central nervous system and can reduce mental ability, making kids shy, irritable, and slow to learn, and causing tremors and visual disturbances. Children under 7 should not eat more than a single 4-ounce portion of nonmigrating fish every seven weeks, while women of childbearing age should eat no more than one 8-ounce portion a month.

The DEQ has a mercury cleanup plan for the Willamette that will take decades. But "you throw in the global contribution," says Dave Stone, Oregon public health toxicologist, "and it does become that much more complex." Oregon, which has 14 fish advisories for mercury, has not been able to lift one.

Impact on cleanup

The added mercury from abroad, coupled with Oregon's high natural levels, could concentrate pressure on local emitters under the DEQ's cleanup plan. Weyerhaeuser, for example, has more than 15 plants in the watershed. "We're concerned to the extent that we have to do something that won't matter," says Marv Lewallen, Weyerhaeuser Oregon environmental affairs manager.

It's not just the Willamette that will be difficult to clean up because of mercury beyond local control. Scientists expected to find patterns of mercury pollution from nearby factories when they took sediment samples beneath lakes near Bellingham, Wash., that contain fish unsafe to eat. Instead, most of the industrial mercury came from global sources.

"Our best estimates indicate that there's more mercury deposited in this country from outside our borders than from inside our borders," says Richard Scheffe, U.S. Environmental Protection Agency senior science adviser.

Mercury is just one of the foreign pollutants that scientists are tracking. At least one-third of California's fine particulate pollution --known as aerosol --has floated across from Asia, says Steve Cliff, an atmospheric scientist at the University of California at Davis.

"In May this year, almost all the fine aerosol present at Lake Tahoe came from China," says Tom Cahill, a UC Davis emeritus professor of atmospheric sciences. "So the haze that you see in spring at Crater Lake or other remote areas is in fact Chinese in origin."

Cliff says China's growing contribution will complicate U.S. efforts to meet annual average emissions standards. "As you try to reduce particulate pollution from local and regional sources, you're only reducing to some background level," Cliff says. "The concern is that as China continues to expand, that background level will only tend to increase."

A recent court decision raises the possibility that foreign firms could be held liable for polluting the United States. A 9th U.S. Court of Appeals panel ruled that Teck Cominco Ltd., a company that discharged heavy metals and slag in the upper Columbia River in Canada, must pay to clean up a downriver stretch in the United States.

Scientists are frustrated by a lack of data from Asia, where factories often aren't required to report what they emit, says Richard "Tony" VanCuren, a UC Davis applied-sciences researcher.

One thing is certain, though, because of geography and wind: "The maximum impact from Asia," Heald says, "is going to be in the Northwestern United States."

--Richard Read; richardread@news.oregonian.com

China's pulp imports rebound by 6.5% in December; 2015 tonnage hits record high

SINGAPORE, Feb 2, 2016 (RISI) - Pulp imports bounced back last December from November in China, climbing 6.5% month-on-month following a drop-off of 15.9% logged in November.

The rebound brought December tonnage to almost 1.714 million tonnes. 2015 ended with annual pulp intake hitting a record high of 19.841 million tonnes.

The December growth has been ascribed to a surge of bleached softwood kraft (BSK) pulp volume, which amounted to 657,031 tonnes, or a jump of 10.1% from November.

That month's data mainly reflected orders received in October, when sellers cut BSK prices by \$10-20/tonne in the Chinese market. This boosted sales volumes.

Conversely, inbound tonnage of bleached hardwood kraft pulp edged up 2.6% to 684,520 tonnes in December, after a sharp decline of 15.9% in the preceding month.

Despite China's slowing economy, its total pulp imports in 2015 grew a whopping 10.4% from the 17.966 million tonnes registered in the previous year.

CHINESE PULP IMPORTS (TONNES)			
	BSK pulp	BHK pulp	Total pulp
December 2015	657,031	684,520	1,713,625
November 2015	596,796	666,997	1,608,948
% change	10.1%	2.6%	6.5%
December 2014	566,748	737,908	1,619,748
% change	15.9%	-7.2%	5.8%
Year-to-date 2015	7,313,072	7,911,180	19,841,012
Year-to-date 2014	6,683,699	7,091,538	17,966,082
% change	9.4%	11.6%	10.4%

Source: China Customs.

Chinese RCP imports surge 23% month-on-month in last December, driving annual tonnage near historical high

SINGAPORE, Feb 2, 2016 (RISI) - Recovered paper (RCP) imports in China climbed to 29.284 million tonnes in 2015, the second highest total ever (*see table below*).

The highest volume was recorded in 2012, at 30.066 million tonnes.

Annual tonnage contracted in the following two years, down to 27.520 million tonnes in 2014.

Last year saw an increase of 1.764 million, or 6.4%, from that year.

In the final months of 2015, inbound tonnage grew significantly, surging 23.0% month-on-month in December to 2.769 million tonnes after climbing 7.6% in November.

Last month, intake of old corrugated containers jumped 16.5% to 1.573 million tonnes.

Old newspapers surged 21.5% to 473,724 tonnes, while mixed paper skyrocketed 40.2% to 645,708 tonnes.

Prices for RCP imports declined progressively during the second half of last year. Chinese mills apparently seized the opportunity and stepped up purchases in September and October, which was reflected in the customs data in the following two months.

CHINESE RECOVERED PAPER IMPORTS (TONNES)				
	OCC	ONP	Mixed paper	Total RCP
December 2015	1,572,863	473,724	645,708	2,769,301
November 2015	1,350,124	389,852	460,548	2,251,700
% change	16.5%	21.5%	40.2%	23.0%
December 2014	1,429,546	485,757	565,046	2,563,137
% change	10.0%	-2.5%	14.3%	8.0%
Year-to-date 2015	16,670,358	5,745,291	6,018,932	29,284,367
Year-to-date 2014	15,550,383	5,566,061	5,697,903	27,520,156
% change	7.2%	3.2%	5.6%	6.4%
<i>Source: China Customs.</i>				

