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New Study Shows EPA's Proposed Boiler MACT Rule Would Destroy Tens of Thousands of Jobs

*17,000 Jobs Destroyed at Pulp and Paper Mills Could Explode to 72,000 Jobs Lost in
Surrounding Communities*

WASHINGTON – A new study conducted by Fisher International, a market leader in pulp and paper mill data, concludes almost 17,000 jobs would be lost at pulp and paper mills due to the Environmental Protection Agency's (EPA) proposed Maximum Achievable Control Technology rule for industrial boilers (Boiler MACT). The ripple effect on the supply chain and local communities, jobs which depend on those mills, could explode the total jobs lost to nearly 72,000 as a result of the proposed Boiler MACT rule.

"The job losses shown in this study are grim indeed, and it crystallizes the potential impact of the Boiler MACT rule for our industry," said AF&PA President and CEO Donna Harman. "The proposed Boiler MACT rule would destroy jobs in our industry at a time when policymakers are rightly saying we need to preserve and grow manufacturing jobs. EPA has a choice – they can regulate in a way that protects both jobs and the environment, or they can regulate in a way that sacrifices jobs."

The Boiler MACT jobs study shows the proposed Boiler MACT rule, taken incrementally to other air regulations, would likely cause 30 mill closures and result in the loss of 16,888 jobs – a 14% reduction in the primary pulp and paper sector alone. When looking from a broader perspective, the ripple effect from the rule through the supply chain and surrounding community escalates the job losses to 71,774. Total jobs losses across the economy would be much higher, since the pulp and paper industry is just one of many sectors to be regulated by Boiler MACT.

"We recognize the necessity of eliminating hazardous pollutants like mercury from our communities, however as EPA proceeds with setting MACT standards for industrial boilers, it is critical that they do so in a way that is sustainable to the jobs of the more than 200,000 men and women employed in our nations pulp and paper industry," said United Steelworkers (USW) International President Leo Gerard. "These are good family

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and community-sustaining jobs that workers and our struggling economy cannot afford to lose."

The EPA's proposed Boiler MACT rule sets emission limits for boilers and process heaters located at universities, in small municipalities, food product processors, furniture makers, Federal facilities and a wide range of manufacturers. The rule is so stringent that it could create serious disincentives for the use of renewable energy and be unsustainable for the forest products industry.

The study also looked beyond the possible effect of the proposed Boiler MACT rule to include other pending EPA air regulations. It found 43,666 potential jobs lost from those cumulative air regulations for the primary pulp and paper sector. Looking again at the additional impact felt along the supply chain and surrounding community, job losses from these regulations could reach a staggering 185,581.

The jobs study, commissioned by AF&PA, was conducted by Fisher International, the market leader in data on U.S. paper mills, which includes each mill's product line, production process, type and age of boilers, estimated cost structure, and number of employees. The compliance costs data used by Fisher was prepared by URS, a well-known engineering consulting firm with expertise in pollution control costs and operation as well as the pulp and paper industry.

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The American Forest & Paper Association is the national trade association of the forest products industry, representing pulp, paper, packaging and wood products manufacturers, and forest landowners. Our companies make products essential for everyday life from renewable and recyclable resources that sustain the environment. The forest products industry accounts for approximately 5 percent of the total U.S. manufacturing GDP. Industry companies produce about \$175 billion in products annually and employ nearly 900,000 men and women, exceeding employment levels in the automotive, chemicals and plastics industries. The industry meets a payroll of approximately \$50 billion and is among the top 10 manufacturing sector employers in 48 states. Visit AF&PA online at www.afandpa.org.