



American
Forest & Paper
Association



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Climate Change

June 16, 2010

Overview

- Legislation
- Regulation
- A carbon constrained world



Challenges and Opportunities

- Challenges
 - Industry Competitiveness
 - Jobs
 - Technology



Challenges and Opportunities

- Opportunities
 - working forest
 - wood products
 - renewable energy
 - recycling



AF&PA Priorities

- In Cap and Trade
 - Single federal program
 - Reasonable targets & timelines
 - Allocation formula based on actual emissions
 - Broad definition of biomass/carbon neutrality
 - Robust offsets for managed forests, forest products and recycling

Status of Legislation

- House passed HR 2454, American Clean Energy Security Act
- Senate Committee approved S 1462 American Clean Energy Leadership Act
- Senate Committee approved Clean Energy Jobs & American Power Act S 1733
- Kerry, Graham, Lieberman effort

Prospects for Legislation

- Economy
- Jobs numbers
- Regional Divides
- Midterm elections



Prospects for Legislation

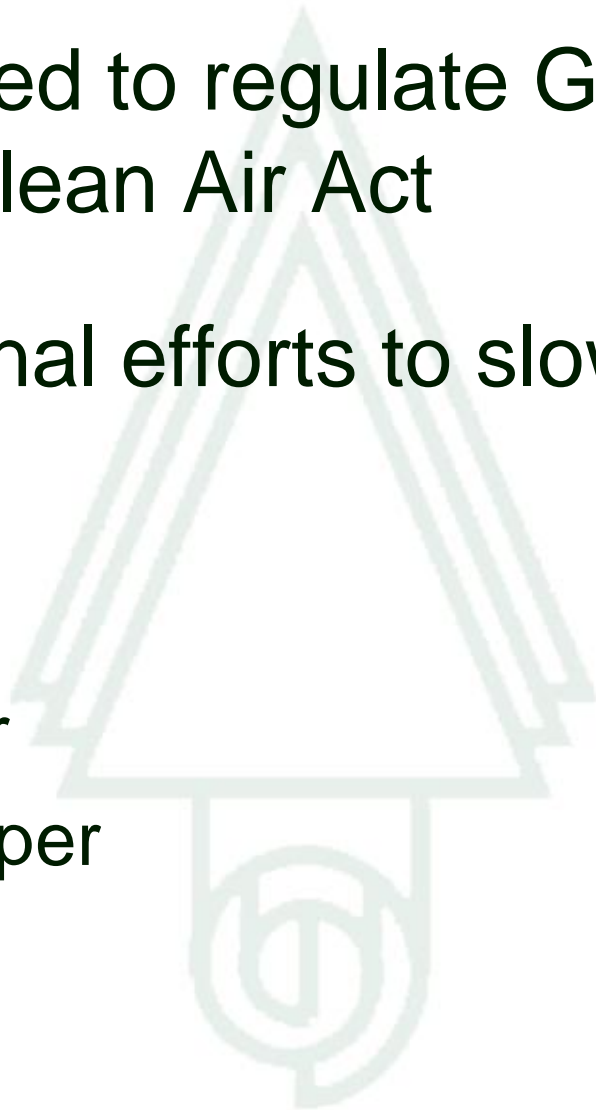
Game Changer...

- Oil Spill in Gulf of Mexico



Regulation

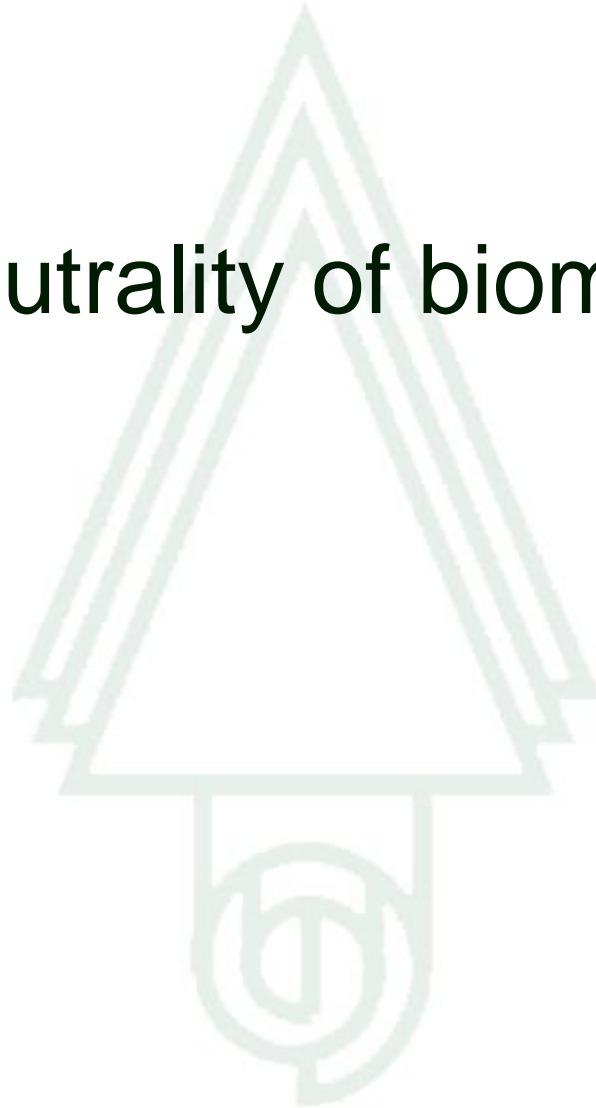
- EPA is poised to regulate GHGs under the Clean Air Act
- Congressional efforts to slow/stop EPA
 - Murkowski
 - Rockefeller
 - Casey-Carper



Regulation

At risk...

- Carbon neutrality of biomass



Low Carbon Future

Positioning the Industry

- Maximize opportunities for renewable energy, recycling and forest and product carbon storage
- Minimize costs associated with transitioning from fossil fuel
- Emphasize sustainability of forest resource

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- Work together
- Speak with one voice
- Emphasize the value chain



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Questions?