

Why Emissions Trading is Important

The American Forest & Paper Association (AF&PA) and the Midwest Ozone Group (MOG) have put together a regional haze emissions trading straw proposal for consideration by CENRAP and the other regional planning organizations. That proposal follows these few points that attempt to summarize why AF&PA and MOG feel that trading is an important alternative for states to consider as they seek to implement BART under the regional haze rule.

1. American manufacturing companies are facing increasing international competition at the same time that they are facing rising fuel prices, rising health care costs, rising transportation costs, and rising environmental costs.
2. New tighter environmental goals must be met, but the above challenges mandate that strategies for compliance be done in the most cost-effective manner to protect our economy and our workers.
3. Emissions trading programs have proven to be flexible, low-cost tools able to achieve the emissions reductions necessary to meet more stringent air quality standards.
4. Emissions trading under the Regional Haze Program will assist in meeting the ozone and PM air standards in addition to improving visibility, and provide incentives to companies to develop and utilize innovative pollution control technologies.
5. While a number of questions regarding cost, administration, the allocation of credits, and other issues still need to be resolved, the EPA Clean Air Markets Division, the American Forest & Paper Association (AF&PA), the Midwest Ozone Group (MOG), and others are working to resolve those questions.
6. The enclosed white paper on trading under the regional haze program was drafted in the fall of 2005 and seeks to begin to answer some of the questions regarding how a trading program may work under the regional haze program.
7. In the Spring, AF&PA and MOG expect to develop a model trading rule for consideration by the states and by EPA.
8. Details of an acceptable emissions trading program will be clarified in the final "Alternatives to BART" Rule due to be published by EPA in January 2006.

9. The Acid Rain program is an example of a very successful emissions trading program. Other successful trading programs include CAIR, and the NOx SIP Call.

10. Questions regarding the regional haze program or trading under regional haze can be addressed to Glynn Rountree, AF&PA at 202-463-2762 or Glynn_rountree@afandpa.org; or to Rob Kaufmann at Georgia-Pacific Corp. at 202-347-7306 or rkaufma@gapac.com.