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# Teleconference of EPA Science Advisory Board Environmental Economics Advisory Committee

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BETTER PRACTICES  
BETTER PLANET 2020  
Continuing AF&PA's Commitment to Sustainability

# AF&PA

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- National Trade Association for Forest Products Industry
  - Manufacturers of Paper and Paper-Based Packaging
  - Wood Products
  - Extensive Involvement in Cluster Rule and All Other Major Rule Development

# Support for Comparisons of Ex-Ante and Ex-Post Reviews

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- Costs Play Key Role for Benefit-Cost Analysis in Rulemaking; Need to be Accurate as Possible
- EO 13563: “[E]ach agency is directed to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible.”
- Especially Important During Difficult Economic Times and for Highly Regulated Industries in Competitive Markets
- “Lessons Learned” Can Be Helpful in Increasing Accuracy of Future Projections

# Developing Cost Estimates

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- Report Notes EPA Relies on Industry Cost Estimates to a Large Extent
- Support Continued Interaction Between Industry and EPA on Costs
- Good Way to Narrow the Gap Between Estimates

# Observations on Cluster Rule Review

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- Support Cautions About Extrapolating Results
- Regarding the Water Portion of the Rule:
  - EPA and NCEE *Underestimated* Costs
  - Industry Estimates Approximated Actual Costs
  - Major Reasons EPA and Industry Estimates Vary Are Choice of Baselines and Start Date for Expenditures
  - Importance of Closures
- Similar Results for Air

# Conclusions

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- Support Ex Post Reviews
- Support Cautions About Extrapolating
- EPA and NCEE Underestimated Costs; Industry Estimate Approximated Costs
- Baselines, Time Period for Expenditures, and Closures Are Important