



**American  
Forest & Paper  
Association**

December 22, 2017

Sustainability Accounting Standards Board  
1045 Sansome Street  
Suite 450  
San Francisco, CA 94111

**RE: AF&PA Comments on Renewable Resources and Alternative Energy Sector/Pulp and Paper Products Proposed Changes to Provisional Standards Exposure Drafts Redline for Public Comment**

To Whom It May Concern:

Enclosed you will find comments from the American Forest & Paper Association (AF&PA) on the Sustainability Accounting Standards Board (SASB) Renewable Resources and Alternative Energy Sector/Pulp and Paper Products Proposed Changes to Provisional Standards to Exposure Draft Redline for Public Comment (the "Standard").

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - *Better Practices, Better Planet 2020*. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

AF&PA's sustainability initiative - *Better Practices, Better Planet 2020* - is the latest example of our members' proactive commitment to the long-term success of our industry, our communities and our environment. We have long been responsible stewards of our planet's resources. Our member companies have collectively made significant progress in each of the following goals, which comprise one of the most extensive quantifiable sets of sustainability goals for a U.S. manufacturing industry:

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increasing paper recovery for recycling; improving energy efficiency; reducing greenhouse gas emissions; promoting sustainable forestry practices; improving workplace safety; and reducing water use.

## **GENERAL COMMENTS**

### **AF&PA Perspective on SASB Standards**

AF&PA has been involved with the development of SASB standards from the beginning of SASB's process. We have commented on multiple standards that may affect our members during each public comment opportunity. In addition, we have met with SASB staff and have had numerous productive discussions with them.

We recognize that SASB has improved the transparency of its process over the years. For example, for this comment opportunity, SASB provided 90 days for comment, it included a Basis for Conclusions document, and provided a redline version for review. In the previous round of comments, SASB also provided commenters with a Response to Comments document tailored to their specific comments.

We also recognize that many of our earlier comments have been incorporated into subsequent draft standards. However we have made a number of the comments below several times and they have not yet been adopted, and we urge SASB to give them serious consideration. In any event, AF&PA's comments should not be construed as endorsing any of the SASB standards, including the Pulp and Paper Products Standard. We also caution SASB that our comments below on the specific proposed metrics do not represent a consensus position of all AF&PA members.

### **Voluntary Standards and Materiality, Topics, and Metrics**

SASB's October 7th response to AF&PA's inquiry on these issues was helpful in that it acknowledged that "using the term 'materiality' to describe information in a voluntary sustainability report may create unnecessary risks that an attorney should review and approve." This warning, combined with SASB's confirmation, in the same letter, that the standards it is proposing are specifically intended to be voluntary and assist companies with identifying and disclosing material information provides an important and appreciated caution to our member companies. We also note SASB's commitment that the standards it is developing not become mandatory, especially since SASB regularly meets with the Securities and Exchange Commission (SEC), and it had been reported that SASB's ultimate objective is to have the SEC mandate the use of its standards.

The Supreme Court's definition of "materiality" makes clear that it is up to each company to decide for itself which sustainability topics are material, and SASB states that it is adhering to that definition. There is a lack of clarity, however, around how the Standard is intended to be used once a company determines that a topic is material.

SASB representatives have given the impression that once a company has determined a topic is material, it must use the SASB metrics for that topic. The “Guidance on Accounting of Material Sustainability Topics” in the draft Standard, however, states “SASB recommends that each company consider using these accounting metrics when disclosing its performance with respect to each of the sustainability topics it has identified as material.” SASB also recommends that “companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported.” Similarly, SASB’s October 7<sup>th</sup> response states:

“Even if a company uses SASB standards to help identify and make materiality assessments, it is not bound to use SASB standards to disclose any sustainability information that it determines to be material. Although the SASB standards can help the company disclose sustainability in a decision-useful, comparable manner to investors, *the company’s use of SASB **metrics** in disclosing material sustainability information is voluntary.*” (emphasis added)

Our members have serious concerns about the comparability and other aspects of the metrics SASB has chosen for the Standard. We believe making it clear, as does the text above, that companies have the flexibility to use those or other metrics, as well as the ability to explain why particular metrics do or do not “ensure completeness, accuracy, and comparability of the data reported” is very important for ensuring stakeholders using the data understand its potential limitations. Therefore, SASB should retain the “consider” language in the final Standard and explain the apparent inconsistency with its public statements.

### **Duplication With Existing Reporting Requirements**

We understand that SASB tried to choose metrics that companies already report (voluntarily or pursuant to government requirement), as a way to minimize reporting burdens and ensure the metric is viable. Choosing these metrics, however, does raise potential concerns for reporting companies. Specifically, inconsistencies are likely to occur between reports using the SASB standard (e.g., SEC reports) and other reports (e.g., a company’s own sustainability report), if SASB’s metrics and the way in which they are derived and reported are not exactly the same as those used in the other reports. At a minimum, this inconsistency creates confusion among stakeholders; it also creates legal risk for reporting companies. Accordingly, to the extent that a metric is subject to multiple reporting requirements, the Standard should permit the reporting company to choose which requirement it is reporting under and indicate that choice in its reports.

## **Assurance**

SASB indicates in the Pulp and Paper Products Standard that “it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings.” While AF&PA members have systems in place to ensure high quality data are publicly reported, we do not believe that some of the metrics in the Standard lend themselves to the same level of assurance as is provided in financial reporting. Metrics that are reported to government agencies are not a concern because they typically have their own assurance requirements. The methodologies for reporting other metrics, however, may allow for more flexibility in the calculation of the metric, and thus, there may be greater variation in reported information than one might typically encounter in financial documents. In the Containers & Packaging Provisional Standard, the section on assurance was removed. We would encourage SASB to remove this section from the Pulp and Paper Products Standard, as well, to provide consistency in the SASB standards. Further, the RPC Documents implicitly acknowledge that sustainability data are not yet of the same quality as financial data, although SASB believes that sustainability data will achieve that level of quality over time. In the meantime, however, companies could face legal risk if they use the SASB standards for reporting and sustainability data are held to the same quality requirements as financial data.

SASB also should make an explicit link between its assurance requirements, and its recognition that estimates may be used, as long as the company explains the basis for the estimate. SASB should revise its statement that “SASB does not discourage the use of such estimates” to make it a more neutral statement acknowledging the reality that estimates will need to be used in reporting sustainability data.

## **American National Standards Institute (ANSI) Procedures**

SASB’s Vision and Mission statement online states that “SASB is also an ANSI accredited standards developer. Accreditation by ANSI signifies that SASB’s procedures to develop standards meet ANSI’s requirements for openness, balance, consensus, and due process.” Finally, SASB’s “Our Process” webpage states that “[a]s an ANSI-accredited standards-setting organization, SASB follows an open, orderly process that permits timely, thorough, and open study of sustainability accounting issues.”

Adherence to ANSI *Essential Requirements* provides stakeholders with assurances that needed procedural safeguards are present. This is especially important, if, as is the case here, there is the potential for a government agency--the Securities and Exchange Commission (SEC)--to mandate the use of a standard (although, as discussed above, we strongly believe the standard should be voluntary). Government standards typically are developed through a notice and comment process and are subject to numerous due process protections for stakeholders, including in many cases, judicial review. Private

standards adopted for government use should be developed with the same level of due process protection.

Office of Management and Budget (OMB) Circular A-119 requires, with limited exception, that federal agencies and departments use “voluntary consensus standards,” which are “standards developed or adopted by voluntary consensus standards bodies.”<sup>1</sup> The Circular also established guidelines for federal participation in the development and use of voluntary consensus standards. Specifically, the Circular provides the following attributes for a “voluntary consensus standards body”: (i) openness; (ii) balance of interest; (iii) due process; (iv) an appeals process; and (v) consensus. Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104-113) basically codified the OMB Circular and requires that “all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies,” unless use of such a standard is “inconsistent with applicable law or otherwise impractical.”

By definition, private standards such as SASB’s do not include the due process protections found in the development of government standards. *ANSI Essential Requirements* closely track the procedural safeguards required by the Circular.<sup>2</sup> In its RPC Documents, SASB clarified that, even though it is an ANSI-accredited standards setting organization, it does not intend to use ANSI procedures to finalize its standards, and instead will seek comment on the proprietary procedures it intends to use.

We appreciate SASB’s direct acknowledgement that it is not using an ANSI-process, and in the spirit of complete disclosure and transparency, SASB should make clear in its standards and on its website that the standards have not been developed and are not being finalized pursuant to the ANSI procedures. We also look forward to commenting on SASB’s proprietary standards and we urge SASB to propose procedures that incorporate as much of the *ANSI Essential Requirements* as possible.

### **Private, Non-Consensus Standards**

Generally, as required by ANSI, the Standard should avoid references to private tools or standards (e.g., Green-e, World Resources Institute (WRI) Water Risk Atlas tool, Aqueduct). Among other concerns, these tools or standards have not been developed in a consensus-based process that provides the procedural safeguards discussed above.

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<sup>1</sup> Office of Management and Budget, Circular A-119 (Revised), February 10, 1998.

<sup>2</sup> The ANSI Essential Requirements for Due Process are: openness, lack of dominance, balance, coordination and harmonization, notification of standards development, consideration of views and objections, consensus vote, appeals, written procedures, compliance with normative ANSI policies and procedures. *ANSI Essential Requirements: Due process requirements for American National Standards*. January 2014.

In addition, SASB's adoption of a particular private tool or standard has the effect of locking in that standard for the future. Other existing tools or standards may perform similar functions and be more suitable to the Pulp and Paper Products sector, and new, innovative standards may be developed in the future. SASB shouldn't prejudge the suitability of those standards by locking in one particular standard at this time. At a minimum, SASB should describe what the tool provides or the standard is trying to accomplish, and after identifying the tool or standard, add "or equivalent."

### **Usefulness of Metrics as Indicators of Sustainability**

As discussed in the "Specific Comments" section below, we do not believe that the disclosure of particular metrics provides useful, comparable, sustainability-related information for stakeholders. But, more importantly, we do not believe that a simple comparison of any metrics themselves would provide a complete picture of the sustainability performance of the companies that reported those metrics (or didn't report a particular metric because it is not material). Many companies explain the context for the metrics they include in their sustainability reports. Similarly, SASB should encourage stakeholders to consider the entirety of the information provided by companies that may report based on the Standard, and not to simply compare one company to another based only on the metrics.

### **Activity Metrics and Normalization**

Along with the amount of pulp and paper production, the Standard recommends that companies also provide "total wood fiber sourced," with a foot note stating that this includes "all inputs that are processed to be sold as a finished good, including recycled raw materials, virgin raw materials, and goods that will be consumed directly in the production process, excluding biomass for energy use." AF&PA recommends that this metric be removed. First, it does not fit with the other activity metrics, which are measures of output; for normalization purposes, output measurements are appropriate. Second, it is duplicative of Note .54 under the RR0202-10 metric in the Wood & Fiber Sourcing & Recovery Topic.

## **SPECIFIC COMMENTS**

AF&PA has a number of comments on specific metrics included in the Standard as discussed below. We have omitted metrics on which we do not have any comments.

We would again caution SASB that our comments below on the specific proposed metrics do not necessarily represent a consensus position of all AF&PA members. Our members have serious concerns that not all the metrics in the SASB standards can legitimately be considered "material" for every company subject to the standard.

## **Greenhouse Gas Emissions**

### **Description**

The description correctly notes that significant amounts of biomass are used for the industry's energy needs. In fact, on average, about two-thirds of AF&PA members' energy needs are met through the use of biomass. The description should be changed to state that "***the vast majority of such*** biomass is sourced from residuals generated during operations..." to more accurately reflect our energy profile.

### **Greenhouse Gas Emissions (RR0202-01)** *Gross global Scope 1 emissions*

1. Global Warming Potential Factors (.01): The Standard references the global warming potential factors from the IPCC's Fifth Assessment Report (2013). However, companies should be allowed the flexibility to choose the set of global warming potentials they base their emission estimates on and disclose this as part of their calculation methodologies.

2. Mobile Sources (.02): The Standard requires the inclusion of mobile source emissions as part of scope 1 emissions reporting, and provides examples of "marine, road, or rail". Typically, our members may quantify emissions from the operation of mobile sources at our facilities, including through the use of emission factors applied to total fuel consumption, but they do not quantify emissions from mobile sources that transport our products, for example marine vessels. Those latter emissions would be considered Scope 3 emissions for our members and considered scope 1 emissions for the transportation entity. The Standard should be revised to better make this distinction, and only require the former category in Scope 1 reporting. Further, the referenced protocols (e.g., CDP) provide some flexibility and allow companies not to report company-owned mobile emission sources in some circumstances (e.g., data are not available) with appropriate disclosure; the Standard should include the same flexibility.

### **Greenhouse Gas Emissions (RR0202-02)** *Description of long-term and short-term strategy or plan to manage Scope 1 emissions, including emission-reduction targets and an analysis of performance against those targets*

General Comments: While the metric that SASB is proposing is qualitative, it is very prescriptive in the requirements for what registrants shall report. AF&PA recommends dropping the word "shall" from the notes under the metric and maintaining the notes as examples of types of qualitative disclosure a company may consider.

## **Air Quality**

**Air Quality (TA10-10-01)** *Air emissions for the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>2</sub>, volatile organic compounds (VOCs), particulate matter (PM), and hazardous air pollutants (HAPs)*

1. Value of Metric: Generally we do not see the value of this air metric, as it does not provide stakeholders with useful information on which to compare the environmental performance of reporting companies. Many permit limits for these pollutants will depend on the location of the facility and whether it is in an attainment or non-attainment area, making them not comparable. Further, air emissions are a lagging indicator and since reporting companies are already highly regulated, there is little relevance to an investor having this information, so long as a company is in compliance. Accordingly, SASB should remove these metrics from the Standard.
2. NO<sub>x</sub>, SO<sub>x</sub>, VOCs, (PM), and HAPs: AF&PA appreciates that SASB incorporated most of NCASI's technical comments on these metrics. Please see the NCASI comment regarding SO<sub>2</sub> as an additional technical point to consider.
3. Mobile Source Emissions (.13): Air emissions from mobile sources should be removed from the definition in Note (.13) as air emissions from mobile sources are not routinely measured and reported. In addition, the magnitude of emissions from mobile sources is negligible relative to air emissions from the industry's stationary combustion sources due to the high degree of outsourced transport by the industry.

### ***Energy Management***

**Energy Management (TA10-11-01)** *Total energy consumed, (1) percentage grid electricity, (2) total self-generated energy, (3) percentage from biomass and, (4) percentage from renewables*

1. General: As recognized in the description for this topic, the pulp and paper manufacturing industry is energy intensive. AF&PA members are very focused on reducing those costs and the better metric of financial exposure is one centered on purchased energy—not total energy. That is one of the reasons why AF&PA's *Better Practices, Better Planet 2020* energy efficiency goal is based on *purchased* energy, not *total* energy. In making this choice, we were consistent with the EPA Energy Star program and the U.S. Department of Energy predecessor program to its current Better Buildings, Better Plants program. SASB should be consistent with these programs as well, to provide the most investment-relevant information for investors. A SASB metric of purchased energy would be consistent with how government agencies and companies within this industry already report energy usage.

The description also discusses fossil fuels and states that a company's "ability to access alternative energy sources is likely to significantly impact its financial performance." Financial performance is just one of the reasons investors are interested in accessing information on the degree to which a company's fuel mix is fossil fuel-based or based on renewable or alternative energy; environmental issues are relevant as well.

Therefore, AF&PA recommends that, TA10-11-01 be broken into two separate metrics: “Total Purchased Energy Consumed” and “Percentage of Total Energy Consumed That is Renewable.” The “percentage of grid electricity” metric should be removed because it does not provide relevant information for investors, as the more critical issue is the amount of exposure to energy costs through purchase of all energy, not just electricity. Under this approach, note .18 would apply only to purchased energy.

2. Self-Generated (.20) The description should be amended to include energy sold to third party end users, in addition to that net metered to an electric utility. This would be consistent with the language in the Containers and Package standard currently out for comment.

3. Renewable Energy (.26) We suggest removing the reference to the Green-e standard as a requirement for an energy source to qualify as “renewable.” Similarly, for the same reasons, the Low Impact Hydropower Institute standard should not be referenced—Federal Energy Regulatory Commission (FERC) licensing should be sufficient. Many companies already report (voluntarily or as required by governments) their renewable energy usage and do not use those standards in reporting. This could lead to confusion among stakeholders as to the discrepancies between the reports.

SASB should also be aware that a company’s energy mix could be considered confidential business information. Given the volatility and current changes of energy markets, businesses may consider detailed disclosure of their energy management practices to be proprietary information.

### ***Water Management***

**Water Management (RR0202-05)** (1) *Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress*

1. Total Water Withdrawn (.31): AF&PA members are working to reduce water use in their mills by 12 percent -- an AF&PA *Better Practices, Better Planet 2020* sustainability goal -- and have achieved a 6% reduction in 2012 from the 2005 baseline. This demonstrates significant progress in reducing the water footprint of member mills. In addition, while the pulp and paper industry withdraws a significant amount of water for its manufacturing operations, it returns about 90% of the water withdrawn. The remainder is returned to the atmosphere or is in our products and byproducts. Thus, the industry’s consumptive use of water is very low, which may be of more importance especially in water stressed areas, where removals of water from the watershed (i.e., water consumption), rather than merely water use, are of most concern. However, as discussed below, not all facilities have the ability to accurately measure the amount of water withdrawn--and it is even more challenging to measure consumptive use.

The industry's water profile and the measurement challenges discussed in the NCASI comments previously filed illustrate some of the complications in choosing a water metric for sustainability reporting. This complexity becomes even more apparent when one considers that companies will be aggregating their individual mill water data and reporting on a global basis, while water sustainability issues clearly are very site-specific.

Accordingly, we recommend that the Standard allow companies to choose appropriate water metrics for disclosure and require discussion of why the metric was chosen and other relevant information needed to explain the water sustainability performance of the company. This is another case where simply comparing metrics does not result in increasing an investor's understanding of the performance of different companies, and where the Standard should encourage Standard users to consider all of the information on an issue provided by a company, as we noted in our General Comments above.

However, should SASB not allow companies the freedom to choose the most accurate metric to report on their water use, we recommend that the Standard mandate reporting only of water use, as measured by effluent discharge, which is a good surrogate for a mill's water use. First, measuring and reporting of effluent discharge is standardized and common across the industry; water permits require this information to be reported to government agencies. It is a good surrogate because mills discharge most of what they withdraw. In contrast, there is no standard way to measure consumptive use in the industry (see below and NCASI comments). Second, steps commonly taken in the industry to reduce water use actually could result in greater amounts of water consumption—thereby providing an inaccurate picture of the water profile of a mill. Finally, we do not expect significant differences among mills' consumptive use of water, so there is little value to investors in making companies go through the time and expense of calculating and reporting this metric. These considerations and others led AF&PA to choose water use measured by effluent discharge as the basis for our *Better Practices, Better Planet 2020* water goal, after specifically considering and rejecting a consumptive use goal.

No matter which metric is chosen, SASB should provide specific information in the Notes acknowledging that not all facilities have the measurement capability to accurately measure the amount of water withdrawn. As discussed above, AF&PA uses effluent discharge volume as a surrogate for water use. In early drafts of standards, SASB included the following language, which supported this approach: "For registrant's operations that are not submetered in a way that allows direct measurement of water use, estimation is acceptable and shall be disclosed as such." In the RPC document for Consumption I, SASB indicated it had removed that language, but pointed to its general guidance contained in the introduction to the standard that companies should include material information about the "accuracy and comparability of the data reported." While that general guidance is helpful, we still believe that the specific text quoted about

metering and measurement of water use is helpful as it explicitly acknowledges a specific issue for water measurements, in particular.

2. Consumptive Use (.33): As discussed above, we do not support mandatory reporting of consumptive use. If the metric is retained, however, we strongly recommend that the note include the following language: “There is no established methodology for measuring consumptive use in the pulp and paper industry. Accordingly, reporting companies should estimate consumptive use and describe the methodology they used to make the estimate.” As discussed above regarding water withdrawals, we do not believe the general guidance on information regarding the “accuracy and comparability of the data reported” is sufficient.

3. Water Stressed Areas (.34): For the reasons discussed above, AF&PA does not support the use of private, non-consensus standards such as the World Resources Institute (WRI) Water Risk Atlas tool, Aqueduct. In addition, as discussed in more detail in the NCASI comments, the tool is designed to reflect water stress at a large regional level and it is simply incapable of accurately indicating water stress at a facility level. SASB should allow companies to describe the methods or tools they have used to determine whether their facilities are operating in water stressed areas. We understand SASB’s desire to use a single tool to standardize and assist in the comparability of metrics as discussed in the RPC document. However, the limitations of the WRI tool are simply too great for it to be required as the only tool to disclose information on water risk. Further, Note .42 lists several other tools that could be used to assess risk in the context of the narrative discussion of water risks; those tools should be able to be listed in this Note as well.

**Water Management (RR0202-06)** *Discussion of water management risks and description of strategies and practices to mitigate those risks*

1. General Comments: SASB adopted our earlier suggestion to include a qualitative metric to allow companies the freedom to describe their unique water risks and their approaches for dealing with those risks. However, the metric in the Standard is qualitative yet prescriptive as it mandates a long list of issues companies must address. AF&PA suggests dropping the word “shall” from the notes under the metric and maintaining the notes as examples of types of qualitative disclosure a company may consider.

2. Risks Associated with Discharge of Wastewater (.39)The note seeks information on the “ability to eliminate existing and emerging pollutants of concern.” We suggest SASB eliminate this note as the term is undefined. In any event, it may not be necessary to “eliminate” the pollutant from the discharge—simply operating in compliance with a permit limit would be adequately protective. At a minimum the term should be “eliminate or reduce as needed.”

### ***Fiber Sourcing & Recovery***

**Fiber Sourcing and Recovery (RR0202-07)** *Percentage of wood fiber purchased (1) from third-party certified forestlands, by standard, and (2) percentage meeting other fiber sourcing standards, by standard*

1. Responsible sourcing standards for wood-based materials include the following, or equivalent (.45): As discussed above, the SASB standards should not be referencing private standards, as it is not up to SASB to determine which standards demonstrate responsible forest management practices. Nonetheless, we appreciate that SASB has included all of the credible forest management certification systems.

2. Criteria for Standards (.52): The second and third bullets are ambiguous and should be removed from this list. Further, forest management, including logging, can have a positive impact on a number of threatened and endangered species, which may not be obvious to those interpreting this information. The fourth and fifth bullets underneath this note are also likely to be considered proprietary business information by companies providing fiber and should be removed from the list. GMOs, pesticides, and other chemicals are already addressed in forest certification systems in depth, at this high a level the information provided would be useful for investors.

**Fiber Sourcing and Recovery (RR0202-08)** *Amount of recycled and recovered fiber procured*

General: We appreciate SASB's recognition in the "Description" and elsewhere of the various attributes of virgin fiber and recovered fiber and that there are tradeoffs in using one type of fiber or another. However, there seems to be a faulty assumption underlying the Description and the metric on "amount of recycled and recovered fiber procured." Specifically, the discussion seems to assume that companies start with a blank slate when making fiber purchasing decisions and weigh a whole host of factors when deciding to manufacture their products using virgin or recovered fiber or when deciding the percentage of each fiber to be used. In reality, while it is true numerous factors are involved in the decision, mill capabilities and customer requirements will always be the most important factors.

Further, the World Business Council for Sustainable Development's Forest Solutions Group released a report "Facts & Trends: Fresh & Recycled Fiber Complementarity" which examines the trends in the use of virgin and recycled fiber and the various factors affecting the decision to use one or the other or both. The report recommends taking a holistic view of the wood fiber system and states that "Comparing the environmental attributes of fresh and recycled fibers requires artificially separating the integrated wood fiber system into two parts – a fresh fiber system and a recovered fiber system. Estimating the environmental attributes of each system requires that the environmental releases from the wood fiber material life cycle be divided between the fresh and

recycled fiber systems.”<sup>3</sup> Therefore the two systems (virgin and recycled) really should be viewed holistically together as they actually are components of one overall wood fiber system.

In light of the above discussion, we recommend the metric be removed and that the Standard simply require a qualitative discussion of steps companies are taking to ensure the sustainability of their fiber supply--both virgin and recovered fiber. That discussion could cover topics such as efforts to combat illegal logging, steps taken to comply with the Lacey Act, etc. as discussed in our comments on Note (.52), above.

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AF&PA appreciates the opportunity to comment on the Standard. Please contact Jerry Schwartz at (202-463-2581 or [jerry\\_schwartz@afandpa.org](mailto:jerry_schwartz@afandpa.org)) or Sundara Bhandaram (202-463-2479 or [Sundara\\_Bhandaram@afandpa.org](mailto:Sundara_Bhandaram@afandpa.org)) if you have any questions on our comments.

Sincerely yours,



Jerry Schwartz  
Senior Director  
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<sup>3</sup> World Business Council for Sustainable Development. “Facts & Trends: Fresh & Recovered Fiber Complementarity”  
<http://www.wbcsd.org/Pages/EDocument/EDocumentDetails.aspx?ID=16502&NoSearchContextKey=true>