

Michaud Pushes Amendment to House Energy Bill to Promote Energy Efficiency Improvements for Paper Mills

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WASHINGTON, DC

- Today, Congressman Mike Michaud has authored and submitted an amendment to an energy bill that the House of Representatives is expected to consider this week. Michaud's amendment would establish a task force to help identify current government programs that can help papermakers make energy efficiency improvements or take other actions to lower their energy costs. The task force would also look to the future, recommending improvements that will make current programs work better and new programs and services to help the paper industry adjust to the new energy environment.

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"I worked in a paper mill for nearly 30 years before being elected to Congress," said Michaud. "Three days after I was sworn in, the mill I worked at closed its doors. It reopened under new ownership, but like all mills in Maine faces challenges, particularly when it comes to energy costs."

Papermaking operations and associated industries have been hit hard by the increase in fuel prices. Some in Maine have reported a doubling in energy costs. American pulpworkers and papermakers are still the largest world producers of pulp and paper products. However, the total number of people employed in this industry over the years has steadily decreased while the trade imbalance in the pulp and papermaking field has increased to the disadvantage of the United States.

According to the American Forest and Paper Association, energy is the third largest manufacturing cost for the forest and paper products industry. Studies by the Energy Information Administration put

the forest products industry third behind chemical and petroleum refining industries in terms of energy use.

"Energy is a major cost of doing business for papermakers and associated industries," said Michaud.

"As some of the largest consumers of energy, and given the right support, papermakers are in a unique position to implement improvements that lower their energy usage and in the long run lower their costs. Many facilities have already started down this path."

According to the Oak Ridge National Laboratory approximately seven percent of the nation's energy supply in 2006 was provided by renewable resources. Almost half of this came from biomass. Wood, wood waste, and black liquor from pulp mills is the single largest source for this biomass and accounts for more than two-thirds of total biomass energy consumption. On site use of sources of biomass energy at paper mills are now providing nearly 60% of the industry's energy needs, up from only 40% in the early 1970s according to Georgia Tech's Center for Paper Business and Industry Studies.

"There is some positive movement, but many operations struggle to stay afloat on a day to day basis," said Michaud. "Without assistance, some operations are unable to invest in improvements that would make their operations more energy efficient and lower their dependence on fossil fuels. The task force created by my amendment would help this industry identify sources of assistance and make recommendations for new ways that we can help this industry implement energy saving improvements and maintain its competitiveness in world markets."

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