Re: EU Proposal on Eco-labelling for tissue papers

ABECEL, the Brazilian Pulp Exporters' Association, strongly believes that a new and special way to manufacture, handle, trade and manage products, including pulp and paper, has arrived, as a consequence of overall mankind attitude in relation to the Environment. Eco-labelling and environmental quality certification are important and available tools to be implemented, accepted, used and respected by suppliers and consumers. A new era is just starting and it is expected to bring improvements to people and to nature.

To guarantee reliability in terms of being accepted, understood and recognized for all, the systems of providing eco-labelling award must be based on the following conceptual points:

a) The system must be open, clear and transparent.

b) It must be based on sound technical and scientific information.

c) It must have clear targets.

d)The criteria must not be discriminatory against products, producers, countries and regions.

e) The criteria must be selected on the life cycle basis and they must be independent of each other.

In case two or three criteria have a close relationship, one may be given too many credits or penalties to the same product / technology.

For example: energy consumption, CO_2 generation and SO_2 emissions are closely related because they are all connected to the use of fuels to generate energy. One single way to overcome hurdles is to go to nuclear power, according to the proposed criteria. Does this mean that this way is safer and better to environment? Is it available for all?

f) The system should not establish limits to process creativeness and competitiveness inherent of each country and case. These are conditions and situations which are typical case by case. These conditions lead to the use of more chemical storage due to the lack of local sources; or to the use of one available fuel because it is part of the country's resources, etc. Thus, to link

production processes to the ones used and restricted in EU is, at least, to disregard competitiveness and other domestic country policies.

g) The system must consider all types of impacts to environment and not only a segment of them. For example: AOX (chlorinated organic compounds) are not the only chemicals to possibly impact toxicity in nature. Thus, instead of giving penalties to one technology in favor to others, which also may have environmental impacts, our proposal is to replace AOX by eco-toxicological impact assessment, to cover all manufacturing processes, including the deinking of recycled fibers.

h) The system shall avoid manipulation to exclude some technologies or to favor others which are, for some reason, more convenient to the countries providing the award. We shall consider the impact of each technology and the capacity of local environment to recover and to maintain its sustainability. We should not define a very restrictive criterion and consider that it is the best and valid in all cases.

i) Regulatory Compliance / Environmental Certification

A product to be environmentally friendly should be manufactured by an environmentally friendly company. Thus, someone to request an eco-label award should be first environmentally qualified for and in full compliance with the environmental regulations valid for it. This concept should also be expanded to such company's suppliers.

A possibility for improvements is to grant credits or penalties to the manufacturers when comparing their environmental performances to those considered first-class on the basis of the best international technological achievements.

ABECEL is positive for the eco-label concept, since we believe a label based on sound assessments may give valuable information to consumers about the environmental friendliness of products. To be useful, such label must be reliable not only to the public, but also to the industries.

Unfortunately, the above listed conceptual conditions are not being fulfilled by the proposed criteria for awarding an eco-label to tissue paper products. The process is far from transparent; the criteria are based on empirical methodology and biased.

ABECEL strongly recommends that criteria must be more balanced in relation to recycled papers and virgin pulp sustainably manufactured.

ABECEL would also like to make some further comments on key specific issues:

a) Point System

Our position is that the proposed point system should be more balanced between recycled papers and virgin pulp sustainably produced. If current proposals are implemented, possibly no paper products manufactured with 100% virgin pulp will be able to get the label, even if they are produced in a sustainable way, according to the best available technology economically achievable and according to the world's more strict environmental standards.

b) Renewable Resources

We consider that today the Helsinki definition of sustainable forestry is too vague to be workable, since it is not based in measured parameters. This may lead to subjective judgements and decisions, which is something to be avoided.

Since there is a consensus about how difficult it is to define sustainability in the wide range of applications (from natural forests to the fast growing plantations), a time must be given to establish the standards and the criteria for this. Sustainable forests to be accepted as such must follow the criteria which are valid to the types of forests and places where they are located. These measurable parameters should be agreed by a team of recognized international experts, representing different regions of the world, so that the different local conditions are considered. The compliance to the standards should be verified and certified by neutral auditors and / or authorities. If the verification and certification is to be made by international authorities, this should be applied to all countries, and not just to the ones outside the EU.

In this case, the origin of all wood consumed must be evaluated for sustainability, no matter if logs, imported chips, sawmill residues or firewood.

Regarding the wood consumption parameter, we think that if forests are sustainably managed, the wood criteria must define zero load point. In contrast, when the operation is not sustainable we shall have a hurdle.

We see no reasons to ascribe penalty points to wood consumption when forests are sustainably managed.

For example: the present criterion as proposed by DG XI gives from 0.9 to 1.2 load points when a tissue mill uses 100% virgin pulp, even when the wood comes from a sustainably managed forest. This means that, no matter how hard and efficiently you work to guarantee sustainability and to provide a

sound relation between industrial production and Nature, you will get a penalty for.

In lack of further criteria, the Helsinki definition could only be used during an intermediary period.

c) AOX

This is a questionable criterion. Worldwide there are many question marks about it. It works by giving penalties just for one side of the environment. We need a broader criterion such as eco-toxicity of effluents.

Even in the case that AOX is implemented as a criterion, the concern factor should be reduced and the limits kept higher. Canadian and French scientists have proven that AOX below 1,0 kg/t are acceptable and not harmful to environment. Thus, no reason to have hurdle at a limit below this.

Example: Now-a-days, a first-class bleached kraft pulp mill with minimum environmental impact has, after a secondary or tertiary level wastewater treatment, an AOX specific load of about 0.3 kg/t. According to the latest DG XI proposal, this corresponds to 1.2 load points when 100% virgin pulp is used in a tissue mill. On the other hand, no points are due in this criterion to the use of fibers coming from a deinking plant without any type of wastewater treatment.

ABECEL's position is that eco-toxicity load could balance this unfair situation.

d) SO_2

This factor was considered as if all producers were contributing to the acid rain issue. This questionable issue is more regional than global. Producers located in regions not facing this problem should not receive penalties for it.

SO_2 has relevance in densely populated areas, very industrialized such as EU countries. It is not significative in areas where few sources are available and the concentration in air is low. In this case, the small liberation of sulphur in the air is even beneficial, since sulphur is a nutrient to the surrounding plants.

SO_2 is a typical case-by-case issue.

e) CO_2

As mentioned before, our position is to have criteria factors independent of each other.

In case CO_2 be adopted as a criterion, our opinion is that the overall balance should be evaluated. Then, the removal and immobilization of CO_2 by the planted forest must grant credit points to the companies which are planting their own forests for pulping. To be consistent, ABECEL's position is valid only in the case credits are also granted to the use of waste paper due to the question of solid waste reduction.

f) Non-renewable resources

The criterion assumes electricity as a non-renewable resource. This is not a correct assumption, since in many countries, such as Brazil, almost 100% of electricity supplied is obtained by hydro-power generation, being in fact renewable.

g) Waste paper

The DG XI favouring criterion to waste paper (or re-used paper) may unbalance the future supply of fibers to the paper industry. Is it an EU plan to become a waste paper importer from other countries to supply fiber demands in the future?

The balance between virgin fiber and waste paper is, by far, the most reasonable alternative, if based on technical, economical and social issues. When limiting the acceptance of pulps to the ones made from woods obtained in sustainably managed forests, the trend will be towards this balance. The options to the tissue manufacturer will be mostly two: a) to grow in re-used paper; b) to buy virgin pulp supplied by companies which care about sustainability.

We shall never discontinue the production of new fibers to the market. The award granting should be an stimulus to the market pulp makers to work more and more on a sustainable basis. And this should also be valid for other segments of fiber supply to the market, such as deinking plants, etc.

Our opinion is that no credit is due for solid waste reduction in case of recycling waste paper. Waste paper is a resource, a raw material for the industry, as wood also is. Used paper must be environmentally friendly collected, cleaned, stored, handled, deinked and used again.

h) Wastes / waste generation

The wastes generated in manufacturing industries, such as pulp and tissue mills, CTMP and deinking plants, etc, have different levels of hazardousness and toxicity. Thus, wood sawdust and tree bark are environmentally different from a sludge containing high concentration of heavy metals.

It is our understanding that wastes should be considered as the Total Equivalent Waste Concept, by weighting the differences in toxicity and hazardousness. They should also be considered in dry solid basis.

In summary, ABECEL believes that these are several important points to be discussed at this stage before the criteria are approved.

Therefore, we would like to emphasize the importance to the system to be transparent and open.

An overall agreement on this, as well as a fair and well-balanced criteria is what ABECEL demands.

We welcome the opportunity to discuss these issues at a meeting, soonest.

We would also like to inform you on the newly started work on Eco-labelling in Brazil, where ABECEL is cooperating with ABNT (Associação Brasileira de Normas Técnicas), the Brazilian Standards Association.