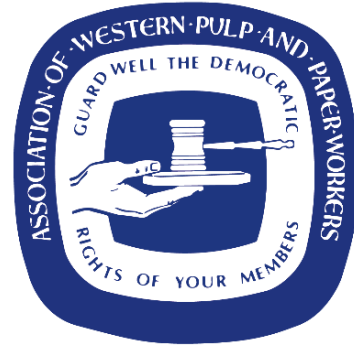


Adrian Young
Washington Dept. of Ecology
300 Desmond Dr SE
Olympia, WA 98504



September 3, 2025

Re: Ecology's Draft Report on Energy-Intensive, Trade-Exposed (EITE) Allowance Allocation for 2035–2050

Dear Mr. Young,

On behalf of the Association of Western Pulp & Paper Workers Union (AWPPW), I appreciate the opportunity to submit these comments regarding the Department of Ecology's draft report on long-term compliance obligations and the allocation of no-cost allowances for Energy-Intensive, Trade-Exposed (EITE) industries.

The AWPPW is proud to have been the only labor representative at the EITE Industries Group table. For more than a year, we participated in discussions with our industry partners and employers to ensure that the perspective of the worker at all levels was included and that the livelihoods and families directly impacted were not ignored. Our members operate the pulp and paper mills across Washington State and the broader Pacific Northwest. These facilities sustain thousands of union-backed, family-wage jobs in communities that have few alternative economic anchors.

In approaching this issue, I speak from lived experience. When the Kimberly-Clark pulp and paper facility in Everett closed, more than 700 direct jobs and thousands of indirect jobs were lost forever. I proudly held one of those jobs. The closure of that facility left a lasting scar on workers and their families, even in a city like Everett where other major employers such as Boeing provided some buffer against the economic shock. In many smaller, rural mill towns across Washington, where no such economic safety net exists, the loss of a mill is devastating on a scale that communities simply cannot recover from.

As I reflect on Ecology's draft report, I can only describe the sentiment this way: "Our industry is under attack, and our jobs are the collateral damage." That is how it feels for me as someone who has lived through a mill closure and seen the lasting consequences. Instead of positioning pulp and paper as part of Washington's climate solution, too much of this process has signaled an intent to phase out our industry altogether. Workers cannot help but feel that our jobs, our communities, and our livelihoods are being treated as expendable rather than as assets worth protecting.

The Economic Importance of Mills and Workers

For generations, AWPPW members have powered Washington's forest products industry—creating jobs, strengthening communities, and driving innovation. As stewards of a sustainable future, we continue to produce essential materials while supporting responsible forest management and economic opportunity for generations to come. Our work not only supports today's economy but lays the foundation for a thriving, renewable industry that benefits everyone.

As you have heard from multiple stakeholders in other comments and throughout this process, Washington's pulp and paper sector provides approximately 4,000 direct union-backed, family-wage jobs. When indirect effects are counted, this number more than triples, given the 3:1 multiplier effect associated with mill operations. The broader forest products sector supports over 42,000 direct jobs and 102,000 total jobs statewide. The pulp and paper segment represents some of the most stable, family-supporting work available in Washington's manufacturing economy.

These are not abstract statistics. In a town like Port Angeles, a single mill closure would erase not just 200–300 union jobs, but the equivalent of 600–900 additional jobs in the local economy. This is not theoretical; it is very real. When the McKinley Paper mill announced its closure, economist Dr. Dan Underwood projected the loss of 193 direct positions worth about \$16 million in annual income, another 151 supply-chain jobs valued at \$11 million, and an additional 73 jobs tied to community spending, worth \$3.2 million. In total, the mill's closure was expected to mean 418 jobs lost and over \$31 million in annual labor income. "It's a lot, it is significant," Dr. Underwood noted.¹

Local governments also faced steep projected losses. The projected direct loss of taxes to Clallam County and the City of Port Angeles was about \$300,000, with another \$500,000 from the supply chain and \$320,000 from the general economy—totaling \$1.1 million per year.

Tacoma faced a similar economic shock when the WestRock mill closed in 2023. The facility represented roughly 7% of Tacoma Water's revenue—the equivalent of water used by 100,000 homes.² Without that large customer, Tacoma Water warned that rates for families would have to rise to make up the gap. Soon after, the utility proposed a 9% increase in monthly residential rates, with 5% tied directly to the mill's closure on top of a previously approved 4% hike.³

¹ Jeff Tozzer, "It's Not a Pretty Picture," *Clallam County Watchdog*, July 3, 2024.

<https://www.ccwatchdog.com/p/its-not-a-pretty-picture>

² "Aroma of Tacoma' fades: WestRock paper mill to close in September," KOMO News, July 11, 2023.

<https://komonews.com/news/local/westrock-company-aroma-of-tacoma-paper-mill-to-close-september-2023-employees-community-impact-high-operating-costs-kraft-pulp-capital-pierce-county-washington-state>

³ *Tacoma Water could start charging customers 9% more*, KIRO 7 News, Sept. 14, 2023.

<https://www.kiro7.com/news/local/tacoma-water-could-start-charging-customers-9-more/GTHD25SD7BAYNDWDSUETV6WD3I>

This is the reality: mills are not only job sites, they are anchors for local tax bases, utility systems, and community stability. When they disappear, the costs shift onto families, small businesses, and local governments least able to absorb them.

Mill Closures in Washington: The Human Cost

When a mill closes, the impact is immediate and deeply personal. Families who have relied on steady, union-backed jobs suddenly find themselves facing an uncertain future. Paychecks stop, health care becomes uncertain, and parents are left to explain to their children why life at home is about to change.

The closure of the McKinley Paper mill in Port Angeles is a clear example. Nearly 200 workers lost jobs that had supported families and sustained the community for decades. Some families were forced to move away to find work, while others stayed and struggled, relying on already strained safety nets. Local businesses lost customers, schools saw students leave, and the stability of an entire community was shaken.

Union President John Fox described the closure as “a catastrophic event for employees, their families, and the entire community.” That reality is repeated whenever a mill shuts down. The damage goes far beyond economics—it reaches into kitchens, classrooms, and neighborhoods. Friendships forged over years of shared work are disrupted, and communities lose the anchor that kept them whole.

Generations of AWPPW members have powered Washington’s forest products industry with skill and dedication. When a mill closes, the loss is not just a facility—it is the unraveling of futures, the strain on families, and the weakening of communities that depended on those jobs for stability and pride. **The good news is that these closures are entirely preventable—but prevention requires a collaborative approach to policy and a commitment to protect the milling infrastructure we have while we innovate into the future.** It takes a regulatory landscape that does not aim to punish, but instead seeks to partner with us to address decarbonization challenges in a way that preserves both jobs and progress.

Leakage Risks: More Carbon, Fewer Jobs

The Climate Commitment Act (CCA) was written with a clear directive: protect jobs while reducing emissions. Lawmakers understood the danger of “leakage”—when production is driven out of Washington and into regions with weaker environmental standards. That outcome means more global pollution, fewer jobs at home, and lasting harm to the communities that have long relied on this industry.

This isn’t hypothetical. Studies show that shifting just a small share of Washington’s pulp and paper production to Canada would significantly increase greenhouse gas emissions, and moving the same production to China would multiply that impact many times over. The emissions don’t go away—

they simply show up on another country's balance sheet, while Washington workers are left with pink slips and communities with boarded-up storefronts.

The Legislature anticipated this risk and was explicit in directing protections for Energy-Intensive, Trade-Exposed (EITE) industries. RCW 70A.65.005(6) makes clear that climate policies “must be appropriately designed, in order to avoid leakage that results in net increases in global greenhouse gas emissions and increased negative impacts to those communities most impacted by environmental harms from climate change.” RCW 70A.65.110(4)(a) requires Ecology to review global best practices and ensure against emissions leakage and economic harm.

Yet throughout this process, it has felt as though the focus has been weighted heavily toward emissions leakage, while job leakage is acknowledged mostly in concept. **For our members, job loss isn't theoretical—it is immediate, personal, and devastating.** There must be serious and transparent consideration of the real employment impacts when determining allowance allocations and offset strategies. This is why later in this document we call for a comprehensive leakage analysis—one that gives equal weight to jobs and communities as it does to emissions metrics.

Protecting mills from closure and protecting jobs is not just consistent with Washington's climate goals—it is central to them. For workers, leakage means losing family-wage jobs. For communities, it means uncertainty and decline. And for the planet, it means higher emissions. Real climate leadership means keeping production here, under the nation's most rigorous standards, and ensuring these mills are part of the solution—not casualties of poorly designed policy.

Cutting Emissions Without Cutting Jobs

AWPPW members have been driving climate progress for decades. The reductions achieved in Washington's pulp and paper sector are not the result of outside mandates—they come from workers on the floor who run the systems, adapt to new fuels, and constantly look for ways to make their mills more efficient.

That progress is visible in the investments our facilities have made: efficiency upgrades, transitions to cleaner energy sources, and combined heat and power systems that generate lower-carbon energy than the grid itself. These are tangible, worker-led solutions that prove this industry can cut emissions and sustain production at the same time.

But not every decline in emissions has been a success story. Too often, reductions have come from mill closures and production cuts. On a spreadsheet, that may look like progress. In reality, it means lost jobs, lost health care, and communities hollowed out. **That is not climate leadership—it is abandonment. Washington must build on reductions that come from innovation, not closures.**

Looking ahead, additional reductions must be achieved in ways that protect jobs and communities. Technologies like hydrogen fuel and electrified boilers are being explored, but they are not yet viable at the scale needed in U.S. mills—and Washington's power grid is already under strain.

Setting goals that outpace what is technologically and economically possible will not deliver leadership. It will deliver closures.

The path forward must build on the progress already made, continue to invest in innovation, and keep workers central to both the effort and the benefit. Real leadership means cutting emissions while keeping good union jobs in Washington, not sacrificing one for the other.

And while the promise of “clean energy jobs” is often discussed in theory, those jobs have not been clearly defined or realized. They must not be dangled as a replacement for the strong, family-wage jobs that pulp and paper mills already provide. In fact, Washington formally recognized jobs in the forest products industry—including pulp and paper—as “green jobs” in 2010 (Substitute House Bill 2420, Chapter 187, Laws of 2010). The terminology may now lean toward “clean energy,” but the reality has not changed: these existing jobs are already part of the solution, and they cannot be dismissed or traded away for promises that may never materialize.

The Need for Partnership and Respect

The AWPPW entered the EITE process ready to partner. Our members are proud of the fact that pulp and paper is already part of Washington’s climate solution—using renewable biomass, generating clean combined heat and power, and driving decades of emissions reductions. We came to the table with a good-faith commitment to continue innovating and doing our part.

But throughout this process, Ecology’s approach has made workers feel like the objective is not to protect existing jobs, but to gradually eliminate the industry altogether. Draft recommendations emphasize technologies that are not yet viable, timelines that are not achievable, and allowance pathways that put mills at greater risk of closure. To us, this signals that the future of our jobs is seen as expendable. That perception erodes trust and undermines the possibility of partnership.

What stands out in stark contrast is the commitment shown by our industry partners and employers. They have demonstrated their determination to keep jobs and operations in Washington, standing shoulder-to-shoulder with labor to fight for the survival of this industry. As a labor voice in this process, AWPPW has seen firsthand that while labor and employers do not always see eye to eye, on this issue they have stood united in fighting to protect jobs—while Ecology’s current approach too often feels like it is working against them. **That unity should send a clear signal to policymakers: protecting Washington’s pulp and paper jobs is not just a business priority or a labor priority—it is a shared priority that demands equal commitment from the state.**

Workers and communities must be treated as stakeholders of equal importance—not as obstacles to be managed. Until our members see the same level of commitment from policymakers that they already see from their employers, trust in this process will remain fragile. Real partnership requires more than consultation—it requires respect, accountability, and action.

Legislative Mandates on Forest Products

Washington law could not be clearer: the forest products sector—including pulp and paper—is both an economic engine and a vital part of the state’s climate strategy. In 2020, the Legislature passed E2SHB 2528, explicitly recognizing that the entire sector—landowners, mills, bioenergy, pulp and paper, and the harvesting and transportation infrastructure that supports them—must be treated as part of the state’s global climate response.⁴ That recognition was codified in RCW 70A.45.090, which declares the sector a significant net sequesterer of carbon and directs that it must be supported across all of state government to achieve Washington’s climate goals.⁵

These statutory directives are not optional. Any state carbon program must recognize the forest products industry’s contributions and sustain its role as a climate solution. Ecology cannot disregard these mandates or treat pulp and paper jobs as expendable. Doing so not only undermines legislative intent, it contradicts Washington’s own climate policy framework.

AWPPW members power the pulp and paper segment of this sector every day, creating union-backed, family-wage jobs while driving real climate progress. Our expectation is straightforward: Ecology and the Legislature must honor the commitments already made in law and demonstrate the same resolve our employers and members have shown. Protecting pulp and paper jobs is not a concession—it is a legal, economic, and climate imperative.

Comparative Analyses and Best Practices

Other jurisdictions have recognized the need for comprehensive leakage analysis before imposing new burdens. Oregon’s Carbon Policy Office commissioned a Vivid Economics study in 2018, which thoroughly evaluated leakage and economic risk. Washington should do the same.

Likewise, Alberta’s Technology Innovation and Emissions Reduction (TIER) program demonstrates that facility-level benchmarking—rather than arbitrary product-level benchmarks—is a more effective way to capture the diversity of processes in pulp and paper. Without a rigorous, Washington-specific analysis, Ecology’s recommendations risk being speculative, biased, and detached from economic reality.

We also want to highlight and reinforce the comments submitted by the Northwest Pulp & Paper Association (NWPPA). Their call for comprehensive leakage studies, grounded in global best practices and tailored to Washington’s unique industrial landscape, is both reasonable and necessary. AWPPW is fully aligned with NWPPA’s recommendations, and we strongly support their

⁴ E2SHB 2528 (Chapter 120, Laws of 2020)—“Forest Products Sector—Climate Response,” passed by the 66th Legislature and effective June 11, 2020 (see pp. 3–4 describing forest products as a net sequesterer of carbon, and obligations for state support). lawfilesexternal.leg.wa.gov/.../2528-S2.SL.pdf

⁵ RCW 70A.45.090, codified via E2SHB 2528 (Chapter 120, Laws of 2020), RCW 70A.45.090 – *Forests and forest products sector—Climate response*. <https://app.leg.wa.gov/rcw/default.aspx?cite=70A.45.090>

request for thorough analysis before moving forward with policies that could put mills, workers, and communities at risk.

By drawing from lessons in Oregon and Alberta, and by adopting the sound recommendations advanced by NWPPA, Washington has the opportunity to build a framework that achieves climate goals without sacrificing good union jobs or driving production out of state.

Policy Recommendations

The AWPPW urges Ecology to:

1. **Maintain No-Cost Allowances** – This is the primary tool for avoiding leakage and protecting union jobs. The current schedule provides needed stability, and continued allocations are essential to keep mills operating in Washington rather than shifting jobs and emissions elsewhere. AWPPW joins NWPPA and others in urging Ecology to preserve this policy as the foundation for meeting climate goals without sacrificing good jobs.
2. **Honor Legislative Intent and Mandates** – State law explicitly recognizes the forest products sector—including pulp and paper—as a net sequesterer of carbon and a required part of Washington’s climate response. Ecology must uphold this mandate by protecting jobs and communities and by providing the Legislature with options, not prescriptive cap-alignment mechanisms.
3. **Conduct Comprehensive Leakage Analysis** – Model economic and job impacts similar to Oregon’s Vivid Economics study.
4. **Recognize Worker Voices** – Formalize labor’s seat at the table in all future deliberations.
5. **Account for Technological Feasibility** – Acknowledge the limits of electrification, hydrogen, and grid capacity.
6. **Delay Premature Timelines** – Avoid accelerated deadlines that preempt data collection and thorough analysis.
7. **Respect Workers as Partners** – Ensure policy signals that pulp and paper are valued contributors to Washington’s economy and climate goals—not industries to be written off.

Conclusion

The AWPPW strongly supports climate action. But climate action cannot come at the expense of union jobs, family livelihoods, and the survival of Washington’s rural communities. Our members have already proven that emissions reductions can be achieved while sustaining high-wage jobs. Washington can and must continue to lead in this balanced way.

But to do so, Ecology must realign its report with legislative intent, honor worker voices, and ensure that no-cost allowances remain in place as the cornerstone of leakage protection. **As it stands, the**

draft makes workers feel expendable—as though our industry is a problem to be erased, rather than a partner in building solutions.

We are ready to be that partner. But partnership requires respect. It requires policies that value our workforce, protect our communities, and ensure that pulp and paper continues to contribute to Washington's climate and economic goals. Without that balance, Washington will not just lose jobs—it will lose the trust and cooperation of the very people it needs to succeed.

If Washington wants to be recognized as a true climate leader, it must stop exporting both jobs and emissions, and stop kicking our carbon culpability down the road for someone else to deal with. Leadership means protecting family-wage union jobs here, keeping production under Washington's strong environmental standards, and investing in real solutions. These mills are not obstacles to overcome—they are part of the solution, and the workers who operate them deserve to be valued as partners in building Washington's clean energy future.

On behalf of the thousands of AWPPW members, our families, and the communities that rely on our jobs: thank you for your careful consideration of our comments. We urge you to act in alignment with these priorities so that Washington can protect good union pulp and paper, forest products, and manufacturing jobs while leading on climate.

Sincerely,



Joshua Estes

Policy Advisor & Lobbyist OR/WA

Association of Western Pulp & Paper Workers Union (AWPPW)