

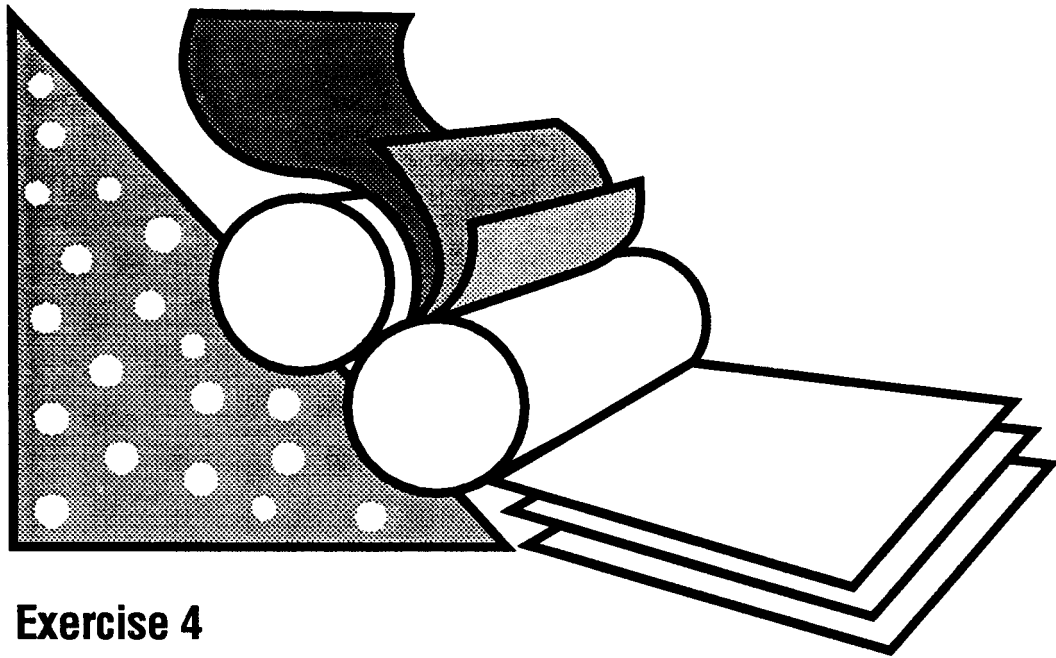
CHLORINE AND THE PAPER INDUSTRY

Chlorine And The Paper Industry is an exercise prepared by Alan R. Beckenstein and Brad Webb, the Darden School, University of Virginia, and Frederick J. Long and Barbra L. Marcus, the Sustainable Enterprise Program (SEP). It is intended for educational purposes only. Copyright ©1994 by the Sustainable Enterprise Program and Darden.

This exercise is a chapter in the book *Stakeholder Negotiations: Exercises in Sustainable Development* (1995) edited by Alan R. Beckenstein, Frederick J. Long, Matthew B. Arnold and Thomas N. Gladwin. The book contains six exercises that illustrate how different institutions place competing demands on the natural environment, how they attempt to incorporate these demands on the natural environment, and how they attempt to incorporate these demands into a sustainable development strategy.

For more than a decade, WRI's Sustainable Enterprise Program (SEP) has harnessed the power of business to create profitable solutions to environment and development challenges. BELL, a project of SEP, is focused on working with managers and academics to make companies more competitive by approaching social and environmental challenges as unmet market needs that provide business growth opportunities through entrepreneurship, innovation, and organizational change.

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Exercise 4

CHLORINE AND THE PAPER INDUSTRY

During the 1990s, the pulp and paper industry was responding to **pressure** over a number of environmental and natural resource issues, including deforestation, recycling, and pollution. Foremost among the problems facing the industry was dioxin, an extremely toxic substance produced by paper companies in their chlorine bleaching processes. Many environmental and community groups, concerned about damaging health effects of exposure to dioxin, were calling for a complete elimination of chlorine from all industrial processes. Companies, viewing the scientific analysis as inconclusive, were considering modifications to chlorine bleaching to reduce dioxin emissions, but were unwilling to spend billions of dollars to put in place new equipment that could produce “totally chlorine-W” paper.

Business people, environmentalists, and agency leaders were beginning to identify the shortcomings of rancorous debates over environmental issues like chlorine use and dioxin. The **U.S.** Environmental Protection

Agency had initiated a new regulatory process, commonly known as the “cluster rule,” to develop regulations based on better information and science. The eventual form of the cluster rule was not known to pulp and paper companies in late 1994. However, companies and environmentalists sensed that the cluster rule was, at best, a first step in developing better communication and more effective outcomes.

All stakeholders were interested in developing an outline for the **future** course of the industry’s environmental actions. While candid discussion would entail risks for all stakeholders, the participants believed that new solutions could benefit their individual organizations, the paper industry, and society **as a whole**.

Forward-thinking leaders have proposed a dialogue session on the environmental future of the pulp and paper industry. You will represent one of three pulp and paper companies, the U.S. EPA, or a leading environmental group in this dialogue.