



**American  
Forest & Paper  
Association**



**AMERICAN WOOD COUNCIL**

August 10, 2018

Mr. Jeffrey Crawford (jeff.s.crawford@maine.gov)  
Maine Department of Environmental Protection  
17 State House Station  
Augusta, ME 04333

**RE: Support for the State of Maine Petition to Remove Portions of Maine from the Ozone Transport Region**

Mr. Crawford:

The American Forest & Paper Association (“AF&PA”) and the American Wood Council (“AWC”) appreciate the opportunity to submit comments on the State of Maine’s petition to remove portions of Maine from the Northeast Ozone Transport Region (OTR). AF&PA and AWC serve 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 4.5 percent of the total U.S. manufacturing GDP, manufactures approximately \$200 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.

AWC is the voice of North American wood products manufacturing, representing over 75 percent of an industry that provides approximately 400,000 men and women in the United States with family-wage jobs. AWC members make products that are essential to everyday life from a renewable resource that absorbs and sequesters carbon. Staff experts develop state-of-the-art engineering data, technology, and standards for wood products to assure their safe and efficient design, as well as provide information on wood design, green building, and environmental regulations. AWC also advocates for balanced government policies that affect wood products.

AF&PA’s and AWC’s members operate facilities in the State of Maine that would benefit from approval of the petition. In the last decade, our industry and Maine have seen the unfortunate closure of several paper mills which had provided for decades high paying jobs

and important tax revenues in the communities in which they operate. Therefore, we support the State of Maine's petition and agree with their analysis that removal of portions of the state from the OTR would benefit mills without harming the environment.

The state of Maine has attained the ozone National Ambient Air Quality Standards (NAAQS) for several years in the areas petitioned for removal. Principally as a result of its geographic location relative to other states, stationary sources in Maine do not contribute to other states' nonattainment issues. Accordingly requiring the installation of further controls by continually ratcheting down RACT and LAER requirements on sources in areas attaining the ozone standard and not impacting attainment in other states will require unnecessary cost expenditures without providing meaningful benefit. As noted in the petition, about 99 percent of the state's VOC emissions are biogenic (making ozone formation NOx limited, not a result of industrial VOC emissions), and Maine's anthropogenic NOx and VOC emissions are only about 3 percent of the total emissions in the OTR. Requiring stringent VOC controls on Maine sources does not improve ambient ozone concentrations, and oxidation technologies for VOC control that increase NOx emissions could actually contribute to additional ozone formation (see Forest Product Journal, March 2002, Vol 52, No. 3, "Environmental Tradeoffs: Life Cycle Approach to Evaluate the Burdens and Benefits of Emissions Control Systems in the Wood Panel Industry", B. Sauer, et. al.). Maintaining the current emissions controls in facilities' permits and requiring facilities to follow EPA's New Source Review (NSR) and Prevention of Significant Deterioration (PSD) requirements that apply to sources in attainment areas will ensure that air quality in Maine is not degraded when facilities want to make modifications of existing facilities, or if new facilities want to operate in Maine.

The current requirements have prevented facilities from making operational changes or restarting idled equipment because they must obtain offsets and go through a rigorous permitting process that should only apply to sources that are actually in a nonattainment area. Removal of portions of the State of Maine from the OTR will place facilities on equal footing with their competitors in other regions and will allow them to implement projects that allow them to operate more efficiently, sustainably, and with the latest technology. Under the current configuration of the OTR, our member pulp mills and wood products facilities are currently hampered from carrying out several types of beneficial projects. For example, three of the remaining mills in Maine have recently invested in upgrades to paper machines and/or new tissue machines. In the future, these mills may need to invest in upgrades to increase pulping capacity. The OTR new source review requirements impose additional regulatory and financial hurdles to such investments and, therefore, necessarily render such investments less attractive.

Beneficial projects include physical changes that are needed to sustain proper and safe operation of these sources and projects that will result in production increases due to efficiency gains or reductions in downtime. The current configuration of the OTR creates a

barrier against our members making these improvements because they must offset any VOC or NO<sub>x</sub> emissions increases that result from them. If the petition were granted, such beneficial projects could more readily be completed as long as their emissions increases remain under the significant emission rate or if a best available control technology (BACT) analysis is conducted that would benchmark their future emission rate against competitors in attainment areas. Some projects that mills contemplate might increase VOC emissions but reduce emissions of other criteria pollutants. These projects would be easier to conduct under a non-OTR scenario (since VOC offsets wouldn't be required) and could actually result in air quality improvements. A PSD-required modeling analysis of any emissions increases associated with a proposed project would demonstrate that emissions increases will not cause local air quality to exceed the NAAQS. Therefore, removal of these facilities from the OTR should not result in future NAAQS exceedances or a wholesale relaxation in controls.

If all of Maine were to remain in the OTR, then all industrial sources in the state would be forced to continually spend resources re-evaluating RACT and LAER for VOC and NO<sub>x</sub>. There are no additional cost effective or technically feasible controls that would provide meaningful improvements in air quality that can be applied to forest products industry sources that are not already controlled. Our member facilities are subject to major air quality regulations (e.g., NSPS and MACT regulations for wood products processes, pulp and paper processes, and industrial boilers) that result in emissions control for our large emission units. Moreover, EPA has determined during all of its NO<sub>x</sub> transport rule revisions that it is not cost effective to apply NO<sub>x</sub> controls to the remaining universe of uncontrolled industrial sources (see for example the latest discussion in the preamble to the 2016 CSAPR update at 81 FR 74504 where EPA did not apply controls to non-EGU sources). Many of our fugitive sources of VOC cannot be feasibly controlled, but also would not provide any meaningful air quality benefit if they were controlled. In addition, EPA determined during its recent residual risk and technology review (RTR) for HAP emissions from pulp and paper mills (many of which are VOC) that risk from facilities is acceptable and that the current MACT rules protect the public health with an ample margin of safety. Finally, EPA is in the process of conducting its RTR review for wood product mills which will assure in the near future, judicial deadline of June 2020, that risks from these sources are or will also be acceptable.

The cost of requiring LAER and offsets for emissions increases at Maine facilities can result in cancellation of projects that could improve a facility's business conditions because such projects may not be economically attractive at that location. As mentioned in the petition, requiring facilities to acquire offsets does not result in emissions improvements, but making it easier for facilities to implement projects that improve efficiency and install up to date equipment will improve emissions. For example, installation of newer, more efficient equipment results in less process upsets and (at a minimum) fewer startups and shutdowns. This will reduce emissions because process emission rates are typically higher

during these periods. Ultimately, the disincentive for companies to conduct projects in Maine that would be cost effective to conduct in an attainment area outside of the OTR will cost the state business and the residents jobs. We believe the technical analysis that Maine has done supports the need for businesses in Maine to have equal footing with competitors in attainment areas outside the OTR.

Thank you for your consideration of our comments. We would also like to note that we fully support the comments being submitted by SAPPI, LP and the Maine Forest Products Council on the petition. Please feel free to contact Tim Hunt at 202-463-2588 on my staff if you have questions or need more information.

Sincerely,



Paul Noe  
Vice President for Public Policy  
American Forest & Paper Association



Robert Glowinski  
American Wood Council

cc: Paul Mercer, Maine DEP (paul.mercer@maine.gov)  
Marc Cone, Maine DEP (marc.a.cone@maine.gov)  
Commissioner Rosaire Pelletier, Maine DECD (rosaire.pelletier@maine.gov)