



Sappi North America

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July 27, 2018

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

Re: Clean Air Act Section 176A(a)(2) Ozone Transport Region Petition

Dear Mr. Crawford,

Sappi North America (Sappi) would like to express its support for the State of Maine's proposed petition to the United States Environmental Protection Agency (EPA) for removal of certain areas of the State from the Ozone Transport Region (OTR).

Opting out of the OTR is a growth issue for our Westbrook and Somerset mills. If our operations were to remain static, it is unlikely we would have an issue. However, we need to grow and change our operations to meet changing market demands to remain competitive.

Because Maine is in the OTR, VOCs are now treated as though they are a nonattainment pollutant. The majority of VOCs from our Somerset mill come from the pulping operation, primarily in the form of naturally occurring methanol (wood alcohol) that is released from the wood during the process. Digesting wood chips to make pulp releases the methanol from the wood, most of which is collected in areas where it is concentrated and recycled as a valuable fuel in our power boilers or lime kiln. However, there are fugitive sources of methanol that can be very difficult to collect and treat.

Here is an example of how remaining in the OTR could affect our Somerset mill. The Somerset mill recently upgraded one of its paper machines to change the type of paper and increase production to meet changes in market demand. Increasing the production of paper increased the quantity of pulp needed to produce this paper. Our pulp mill is running at full capacity and cannot supply this increase in pulp demand. The mill is meeting this new pulp demand by purchasing pulp on the open market. At some point, purchasing pulp from outside sources may become economically unacceptable and put the mill at a competitive disadvantage. Producing additional pulp from our existing facility or expanding through addition of more pulping capacity may make economic sense. Either option would require a major capital investment and increase VOC and NOx emissions.

Our Westbrook mill purchases pulp which it then uses to manufacture various coated paper products. The mill's boilers produce NOx emissions and the paper making and coating processes produce VOC emissions. In addition, Sappi is actively exploring growth opportunities for the Westbrook mill to take advantage of the site's underutilized infrastructure. As with a change to pulping capacity at the Somerset mill, a significant change to existing processes or expansion at the Westbrook mill to address changing markets would likely increase VOCs and NOx.

Capital jobs increasing air emissions usually require an Air Emission License from the State before construction can start. One of the first questions the business asks when considering a capital job of more than minimal magnitude is whether an air emissions license can be obtained or is there a fatal flaw within the air licensing process that could kill the project. The fact that VOCs and NOx are considered nonattainment pollutants in Maine is one of the potential fatal flaws for a capital project. The regulatory uncertainty with (1) the need to identify and pay for the Lowest Achievable Emissions Rate technology (LAER) and (2) secure and pay for VOC and/or NOx offsets can delay the project, increase the cost and potentially kill the project. This unfortunate outcome would not be driven by actual ozone nonattainment concerns, but rather due solely to membership in the OTR.

The facts are:

- 1) Maine is in attainment with the Ozone Standard.
- 2) Less than 1% of VOC emissions in the State come from point sources.

- 3) Emissions from Maine sources have a negligible impact on ozone attainment status in any part of the OTR.

And

- 4) Best Available Control Technology will continue to be used which allows the Maine DEP to require the best controls available considering costs and benefits.

Being in the OTR imposes unnecessary requirements and costs of businesses operating within the State and puts Maine at an economic disadvantage. Therefore, we support the State opting out of the OTR.

Sincerely,



Mike Haws

VP Manufacturing

cc: Anthony Ouellette, Managing Director, Somerset Mill
Michael Standel, Managing Director, Westbrook Mill
Commissioner Paul Mercer, paul.mercer@maine.gov
Marc Cone, marc.a.cone@maine.gov