

Boise Cascade Company
Legal Department
1111 West Jefferson Street Ste 300
PO Box 50 Boise, ID 83728
T 208 384 6679 F 208 395 7637
RussellStrader@BC.com



Boise Cascade

Russell Strader
Corporate Environmental Manager

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Joe Westersund
Cleaner Air Oregon Coordinator
Oregon Department of Environmental Quality
700 NE Multnomah St., Suite 600
Portland, OR 97232
Email: westersund.joe@deq.state.or.us and
<http://www.oregon.gov/deq/Regulations/rulemaking/Pages/Ccleanerair2017.aspx>

Re: Comments on Proposed Cleaner Air Oregon Rules

Dear Mr. Westersund:

On behalf of Boise Cascade Company (Boise Cascade), thank you for the opportunity to comment on the Proposed Cleaner Air Oregon (CAO) Rules. Boise Cascade operates nine wood products plants with approximately 1,400 employees in Oregon. Each of these plants will be affected by the proposed rules, and those employees earn good wages and receive good health insurance – both very important to good health.

Boise Cascade is a member of the Oregon Forest Industries Council (OFIC), American Wood Council (AWC), Northwest Pulp and Paper Association (NWPPA), the National Council for Air and Stream Improvement (NCASI), and Oregonians for Fair Air Regulations (OFAR), and we support the comments to the proposed CAO rules submitted by these organizations. When those comments might differ, we support the comments offered by the wood products industry over those submitted by OFAR. The comments submitted by NCASI are primarily technical comments and address many concerns about the risk assessment process as well as other technical errors. Boise Cascade strongly encourages ODEQ to carefully review those comments and implement the recommendations provided by NCASI. In addition to our general support of the comments submitted by these organizations, we would like to emphasize several points of particular concern to our business.

Good Data Penalizes Wood Products Plants

The wood products industry has invested a lot of money over the past 20 years gathering good emissions data to support development of wood products and boiler MACT standards. Boise Cascade has contributed to this knowledge base with financial support to NCASI's testing program and with our own emissions testing. As a result the wood products industry has a very extensive list of air toxics emissions associated with

our manufacturing processes. Consequently, the wood products industry submitted very complete air toxic emission inventories. Consultants with knowledge of the emission inventories submitted to ODEQ by other industries have indicated that the inventories submitted by many other industries are less complete than those submitted by our industry. Because the CAO program is based on cumulative risk, knowledge of emissions increases the calculated risk, and those facilities with more complete inventories are penalized in the risk ranking as their assessed cumulative risk is likely greater than those with less complete inventories though the cumulative risk of industries with less complete inventories might actually be greater. ODEQ should remember that it was companies with little knowledge of their air toxic emissions that created Oregon's current predicament.

We are asking that ODEQ ensure that facilities are ranked fairly based on their realistic emissions and that the process be transparent for those facilities affected. Facilities with extensive emissions data should not be unfairly disadvantaged in the risk ranking process. ODEQ should carefully review emissions data submitted by all companies to ensure all facilities have provided complete emissions inventories. Only after ODEQ has carefully worked through the inventories and ensured a consistent level of detail in all responses should ODEQ begin the ranking process.

Boise Cascade also suggests that prior to ranking, ODEQ should collect additional data from facilities, such as stack height and location, that will improve the robustness of the ranking process. If ODEQ truly wants to solve the top 80 air toxics risk, then ODEQ must gather the information necessary to accurately determine where the top 80 risks occur. And above all, ODEQ should not penalize those industries that submitted more complete inventories.

Construction Permit Delays Are Not Acceptable

The CAO program should not unreasonably delay construction approvals for companies seeking to expand their operations. The current air permitting program for mill expansions is already slow and expensive. Any additional review due to CAO rules that delay construction approvals may result in lost business opportunities for Oregon industry. Markets will not wait for slow permitting and Oregon industry may lose to more competitive industry in other states.

Risk Should Be Based On Current Land Use, Not Projected Land Use

Land use zoning should not be the basis for establishing receptor locations where no such receptors actually exist. Many areas near mills are zoned residential with the anticipation that development will occur. Rural communities in particular may have over-estimated their growth boundaries based on their dreams of growth. Facilities should assess risk based on actual receptors unless there are active plans to develop properties such that the actual receptors are likely to change. Facilities can revise their modeling if receptors change.

MACT Should Be TBACT

As proposed the CAO rules would establish that federal Maximum Available Control Technology ("MACT") defined in National Emissions Standards for Hazardous Air Pollutants ("NESHAPs") will amount to Toxics Best Available Control Technology ("TBACT") under the rule only if the source category has completed the Risk and Technology Review ("RTR") process. Many Oregon wood products mills, including four of Boise Cascade's mills, are subject to federal Plywood and Composite Wood Products (PCWP) MACT, Boiler MACT and Reciprocating Internal Combustion Engine (RICE) MACT standards and those mills have installed the controls and implemented the work practices established by those federal standards. We believe that NESHAP standards should satisfy TBACT even prior to completing the RTR process. NCASI comments provide good technical support for accepting MACT standards as TBACT. It is particularly important for those industries, such as the wood products industry, currently undergoing the RTR process to at least postpone any TBACT determination prior to completion of the on-going RTR in order to avoid installation of TBACT under the CAO rules that might not meet federal standards once the RTR is complete. Boise Cascade does not want to be in the position of spending money on controls that could become obsolete within a couple years if those controls would not comply with federal law.

Boise Cascade suggests that ODEQ defer sources for which a significant part of their operations are covered by existing MACT standards from being part of the first wave of sources (i.e. the first 80) subject to the risk assessment process. We suggest that federal MACT standards should be established as TBACT under the CAO rules. And finally, we suggest that any toxic emission unit that is part of the affected source of a federal MACT standard should not be required to conduct TBACT determinations until EPA completes an on-going RTR with a completion date within five years after the CAO rules are adopted.

Area Multi-Source Determination

The Area Multi-Source Program penalizes sources located in or near (within 1.5 kilometers) industrial zoned areas. Where can industry build if residential areas are off-limits or create unacceptable risk, if farm land is off-limits because of zoning limitations that allow for future development, and if industrial parks become off-limits because they exceed the cumulative risk standards? New industry will look to build in other states or off-shore and growth of existing industries will be limited thus jeopardizing potential expansion plans for our Oregon operations.

ODEQ's Cost/Benefit Analysis is Insufficient

As discussed above the CAO rules create significant business uncertainties. But it is reasonably clear that the rule will be costly for Oregon industry in general and particularly expensive for those facilities that must go through all steps and

subsequently install TBACT. Boise Cascade believes ODEQ has significantly underestimated the cost of compliance with CAO. Furthermore, Boise Cascade believes ODEQ's valuation of the benefit of the CAO rules relies solely on an idea that reducing air toxics will improve health without providing any evidence that Oregonians are currently being harmed by air toxics or how Oregonians health might be improved by the regulations.

ODEQ's cost/benefit analysis is inadequate and ODEQ should not impose significant costs to industry without being able to demonstrate those costs will result in significant improvements to the health of Oregonians. We agree with OFIC that ODEQ should bifurcate its rulemaking and begin with a comprehensive inventory and reporting effort. This would also address item 4 above by leveling the playing field with respect to known emissions from various industries. It would also help ODEQ avoid missing more toxic smaller facilities with little data about their emissions. Once ODEQ has a reliable assessment of toxic emissions and which sources pose the greatest risks only then can ODEQ reliably assess the health impact from those facilities and reliably estimate the benefit of reducing that risk.

This is not a low cost rule with big benefits. The opposite is more likely true. However, until ODEQ conducts a reliable cost/benefit analysis, industry should not be required to spend significant sums of money without being confident spending that money will truly benefit Oregonians' health.

Business Uncertainty

The proposed CAO rules create significant business uncertainty. The rules are extremely complicated and it is difficult to reasonably determine the impact of the rules to our operations. Under most proposed rules facilities can review the proposed rules, determine how those rules will apply, determine what controls will be required, and then estimate the cost of compliance. The facilities can usually make this evaluation without significant expense. The opposite is true for the proposed CAO rules.

First, Boise Cascade cannot even determine the potential impact of the proposed rules without first performing a complete risk assessment of our facilities in accordance with the procedures established in the proposed rules. It is expensive to conduct those assessments particularly when the risk assessment procedures might change in the final rule as they have during the rule development. Without completing risk assessments in accordance with the required procedures for all our mills it is impossible to evaluate potential the cost of this rule.

Second, facilities cannot reasonably determine when they might be required to comply with the CAO rules because we cannot determine which, if any, of our facilities are in the top 80 that will be required to conduct risk assessments.

Conclusion

Boise Cascade has more operations in Oregon than in any other single state. But operating in Oregon continues to become more difficult and expensive and puts our Oregon operations at a competitive disadvantage. The CAO rules will add more costs to these operations that may not be justifiable for the mills or for public health.

Boise Cascade accepts its responsibility to protect the communities in which it operates from unnecessary environmental burdens and health risks. We provide good, family wage jobs with health insurance benefits to many Oregonians. Those jobs and health insurance benefits are important to good health. While Boise Cascade wants to protect the communities from unnecessary health risks, including health risks associated with air toxic emissions, Boise Cascade believes it is best to establish those health risks based on complete emissions inventories using the best available science. Neither Boise Cascade nor the local citizens are well served when risks are based on anything but the best available science data.

Thank you again for the opportunity to comment on the proposed rules.

Yours Truly,



Russell Strader

Cc Tim Hunt, AWC
Kathryn VanNatta, NWPPA
Heath Curtiss, OFIC
Tom Wood, Stoel Rives