

Industrial Footprint Project
Assistance Agreement No. EI-96028401
Quarterly Report 6
August 1, 2007 – October 31, 2007

Project Synopsis

During this period we held weekly meetings with internal project staff to discuss the progress of the project. The outcome of these meetings kept us on track to complete two milestones and continue work on six others.

We continue pursuing mill participation to meet our goal of eight participants. Georgia Pacific Bellingham and Sonoco declined participation in the project. Port Townsend Paper is considering participation. In August, we presented appreciation plaques to the participating mills. News releases were issued for each of the presentations. We have been contacted by three other industrial sectors expressing their interest in being footprinted as the alternative sector for the project. Glacier Northwest of the concrete, asphalt, and aggregate industry, the construction industry, and Panel Tech laminates of the wood panel overlay and saturated media (countertop) industry. We met with Glacier Northwest September 6, 2007 and toured two of their facilities.

We finalized the contract and scope of work with Earth Economics. We signed the contract on August 10, 2007.

Marc Crooks and Angie Fritz attended the National Council for Air and Stream Improvement's west coast convention September 25 – 27. Topics covered included sustainability, carbon footprint, climate change, toxics, water quality, air quality, cogeneration of electricity, use of fossil fuel alternatives, and odor reduction in the wood and paper products industry. Marc gave a presentation on the Industrial Footprint Project.

We held the second Mill Collaboration Meeting on September 28, 2007. Representatives from all of the mills and Earth Economics attended. We discussed the draft stakeholder/community involvement plan, upcoming stakeholder involvement meetings, Earth Economics' literature review on life-cycle impacts of mill operations, and their recommendations for draft environmental, social, and economic indicators.

Earth Economics conducted research on aggregating indicators into a single index, will provide recommendations, and is developing a spreadsheet tool to accomplish the aggregation. They also reviewed sustainability plans of pulp and paper sector leaders to identify improvement opportunities.

We finalized the Stakeholder Involvement Plan. We held one stakeholder meeting for each participating mill, presenting and getting input from attendees on the project and indicators:

- Simpson Tacoma Kraft – October 9, 2007

- Grays Harbor Paper – October 16, 2007
- Boise Cascade, Wallula – October 20, 2007
- Nippon Paper USA – October 26, 2007

News releases and public notices were issued for the events. We created stakeholder mail and email distribution lists for each mill and for the project. We had ten stakeholders attend the Simpson event, nine at Grays Harbor, and twenty-five at Nippon Paper. The stakeholders received an overview of the project and were given an introduction to sustainability indicators. They created lists of indicators they view as relevant to the mills presence in their community, were presented with the draft indicators that Ecology and Earth Economics have created, and then individually ranked which indicators were most important to them personally.

Through the above described activities (review of sustainability indicator development, collaboration with the mills, and stakeholder involvement), we identified draft indicators appropriate to the individual mills, their communities, and the pulp and paper industry sector.

We updated the web page on a regular basis. We created and deployed an online comment form/survey to collect stakeholder input on indicators. It deployed on October 31, 2007 and the comment period will end on November 15, 2007.

We and Earth Economics concluded that the Quality Assurance Project Plan (QAPP) did not need to be updated during this quarter. Earth Economics reviewed the QAPP and has provided draft amendment recommendations for next quarter.

We are reviewing the carbon footprint calculation tool developed by the World Resources Institute, World Business Council for Sustainable Development, and International Council of Forest and Products Associations (ICFPA) for measuring the carbon footprint of each mill.

Marc Crooks attended EPA's Integrated Permitting Workshop titled "Lessons from U.K.'s Permitting Experience: Exploring New Directions for Environmental Permitting in the U.S." held in Washington, D.C. on October 25, 2007. The meeting included a discussion of the Industrial Footprint Project and EPA noted they had given an innovation grant to Ecology to help fund the project. Future related work on sustainability and integrated permits could tie into Industrial Footprint analysis work and future funding.

Narrative Discussion

The number of mills participating is lower than projected. Most of the mills continue to see this project as a burden that will not benefit them. An August 16, 2007 email from Carolyn Gangmark at EPA Region 10 assured us that it is "[understood] that the recruitment of mills has been more difficult than [we] had imagined. This type of

problem is not uncommon among grantees, and [it is not believed] that there is any need to amend our agreement at this time”. We will proceed with those mills that have agreed to participate and continue to pursue others. We still need to send a letter to all mills demonstrating the progress of the project, in order to encourage participation and for the purposes of informing non-participating mills of what the others are doing.

Though the local news station sent a reporter to the Boise Stakeholder Meeting for an interview, there were no attendees. We discussed this with the mill and Earth Economics and decided that we will participate in the local Earth Day Fair as the Spring 2008 stakeholder event in that community.

As discussed in the last Quarterly Report, there may be unique circumstances at individual facilities to warrant exclusion of particular indicators. Each of the mills participating has different processes and creates different products. If this complicates inter-facility comparisons, another method may be used if approved by Ecology. Additionally, if the final set of indicators must be limited due to budget and time constraints, Ecology must first approve the list.

Neither mill nor sector baseline footprint development took place during this period. Indicator selection needed to take place before starting this task.

After ten months of working on the project, we find that an energy challenge limited to electricity would be an ineffective use of project resources. We had several internal discussions on this subject and concluded that a carbon analysis of energy use at each participating mill will produce a broader range of results for the project. This analysis will not only encourage reduction in electricity use, but all sources of energy used at a large industrial facility such as a pulp mill. The participating mills agreed to replace the energy challenge with the carbon analysis and Earth Economics has agreed to provide support.

Since no updates to the QAPP were needed for this reporting period, the end date has been extended to January 2008. We will update the QAPP once the indicators are finalized and Earth Economics recommendations are finalized.

Project Tasks and Milestones (Reflecting Accomplishments for this Quarter, and Projection of Activities and Major Expenditures for Next Quarter Report)

The following is a listing of project milestones/tasks.

Milestone / Task	Milestone/Task Description	Start Date	End Date	Status/Notes
Secure Agency Resources	Hire project coordinator, include project work in IS staff work plans	Upon grant award	January 2007	Finished
Secure Mill Participation	Partner with eight pulp and paper mills and secure participation	June 2006	April 2008	Underway.
Select Sector Indicators	Develop draft sector indicators. Work with eight mills and Northwest Pulp and Paper Association to finalize sector indicators.	October 2006	January 2008	Underway. Peer review and finalize Earth Economics sector analysis. Finalize sector indicators.
Conduct Community Outreach	Establish community contacts, implement community stakeholder involvement plan, create and maintain a web page, conduct news releases, create and deploy a survey tool.	January 2007	April 2009	Underway. Wrap up first round of stakeholder meeting notes.
Develop Stakeholder Involvement Plan	Develop a community stakeholder involvement plan.	April 2007	September 2007	Finished
Secure Contractor Support	Draft and issue RFP to procure contractor support for data analysis and public involvement. Award contract.	January 2006	August 2006	Finished
Select indicators for eight mills	Partner with eight mills and eight communities to develop mill specific indicators.	January 2007	February 2008	Underway. Finalize individual mill indicators.
Amend QAPP	Develop data quality objectives for eight individual footprints.	February 2007	January 2007	Finalize indicators to know what data we need to make quality objectives for. Update the QAPP once Earth Economics recommendations are finalized.

Milestone / Task	Milestone/Task Description	Start Date	End Date	Status/Notes
Develop baseline footprints for eight mills	Collect and analyze data to complete eight baseline footprints. Develop spreadsheet tool for calculations.	February 2007	July 2008	Not started. Collect data on water and carbon portion of the footprint.
Develop sector baseline footprint	Collect and analyze data to complete sector baseline footprint	February 2007	June 2008	Not started.
Carbon footprint	Partner with pulp mills to measure carbon footprint as it pertains to energy use.	September 2007	March 2008	Currently underway. Determine if ICFPA carbon footprint tool is appropriate.
Develop sector priorities	Evaluate sector footprint for improvement opportunities, waste stream analysis, establish priorities	November 2007	June 2008	In progress. Earth Economics will develop a table describing state of the art green infrastructure investments, policies, and practices for the pulp and paper sector based on both literature review and review of stakeholder involvement materials. Improvement opportunities worked on in the upcoming quarter will consist of water conservation, water quality, energy conservation, and carbon footprint reduction.
Initiate Sector Priorities	If appropriate, initiate the top sector priority.	June 2008	July 2008	
Develop Priorities for four mills	Evaluate the baseline footprint for four mills for improvement opportunities and waste stream reduction. Establish priorities.	August 2008	November 2008	
Initiate two of the top individual priorities	If appropriate, initiate the top priorities for two mills.	December 2008	January 2009	
Final Report	Compare mills, assess the utility of footprint measurement as a regulatory tool, and share results with stakeholders.	October 2008	April 2009	
Assess Results of Energy Challenge	Use the footprint tool to assess the results of the energy challenge.	March 2009	April 2009	

Financial Report

Budget Category	Spent This Qtr	Total Grant Approved Budget	Approved Cumulative Expenditures To Date
Personnel	9,491	83,798	44,383
Fringe	4,274	23,464	15,248
Travel	773	4,495	4,561
Operating Services	0		7,692
Supplies	0		1,456
Contractual	17,942	100,000	18,040
Equipment	0		
Total	32,480	211,757	91,380
Less Op Svs & Sup	0		
Indirect Costs	5,368	42,508	17,880
Total	37,848	254,265	114,636

\$12,324 in contractual for Earth Economics and \$821 in operating services for advertising have not been completely processed through our fiscal office.