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TO: Admiral E. R. Zumwalt, Jr.

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FROM: Mark E. Price

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SUBJECT: Alvin v. Dow

COMMENTS: I will send documents  
from Temple Island later

**SIMPSON**

Inter-Office Communications

*PLEASE SEND  
ME COPIES OF  
YOUR RESPONSES  
AND SUGGESTIONS  
THANKS*

5/6/92

A. GETTLE
T. GRINHAMOT
D. HARTLEY
S. DEYONNE
H. JAMES

From: David J. Lutrick *[Signature]*

Place: Corp. Environmental Protection

To: John Fannon  
Bob Hillard  
Bryce Seidl  
Guy Lalouche  
Ray Tennison

Date: February 13, 1991

Subject: API Environmental Strategic  
Planning Committee Meeting

cc: Operations Managers  
Maureen Frisch  
Jim Hartley  
Joe Leitzinger

*Call on 2/24/91*

\*\*\* ACTION REQUESTED \*\*\*

The API Strategic Planning Committee (SPC) of the Environmental and Health Council meeting on January 29-30 focused on EPA's Pollution Prevention Initiative and associated developments affecting the industry.

INDUSTRY/EPA INTERACTION

Recent events involving the industry's effort have come fast and furiously. A meeting between the White House's John Sununu and API before Christmas resulted in a new responsiveness among second and third level EPA administrators. On January 17, the API Process and Technology Committee (PTC), charged with maintaining the industry's process options with respect to bleaching, met with some of these administrators. Then on January 23, Furman Moseley, John Georges, Marshall Hahn and Andrew Sigler responded to Bill Reilly's invitation to meet on the Pollution Prevention Initiative. This meeting was characterized as "frank," "spirited," "eye-rolling," etc. A critical issue in the meeting was the CEO's view that it is inappropriate for EPA to interfere in the market in the absence of "plausible risk based on sound science."

This point caused the SPC to refer to the PTC our recommendation for a strategy to deal with EPA in the immediate future. This strategy is to acknowledge the core issue, in a multitude of EPA initiatives, is elimination of chlorine as a process chemical. A SPC task force will attempt to work directly with EPA to understand their agenda, while at the same time stressing the industry's position that market interference is inappropriate.

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There appears to be a sense among the SPC members EPA will eventually move to a less extreme view on dioxin potency, offering some hope of "relief" on water quality standards and fish advisories. However, EPA will attempt to increase other factors, such as the assumed fish consumption rate of the population and the "bioaccumulation factor" to offset the relief expected on the cancer potency assumption.

I expressed my view to the committee that it may not be health-based concerns that ultimately determine the fate of chlorine use by the industry, but biological issues, such as protection of bird species. Currently the industry has a weak data base on such issues and the NCASI/API research program has no elements addressing the effects of chloro-organics on wildlife, other than the NCASI experimental streams program. We are, I believe, vulnerable on this subject and would be hard-pressed to maintain the argument that there is no "plausible risk based on sound science."

Simpson Tacoma Kraft was among nine mill that received a request to participate in an Effluent Guidelines Development variability study. The API Water Committee recommends the industry conduct its own variability study as an alternate to the EPA study, which is under-funded and inadequately designed. The study would be funded by the whole industry rather than just the mills involved, as was proposed by EPA.

#### POLLUTION PREVENTION STRATEGY

Our Wednesday luncheon guests were again from EPA, to discuss how the Industry Pollution Prevention Initiative will work. EPA's goals are to reduce the releases of 17 chemicals (see Attachment 1) by 1/3 by 1993 and 1/2 by 1995. This goal is in the aggregate, not by chemical, by industry, by company nor by site. The 1988 Sara 313 Form R report is the baseline. We are to estimate how we can do as a company and supply this information to API. Then the industry goals can be established. Individual company goals can, of course, be voluntarily adopted.

Action Item: Each mill's environmental manager has been asked to review their Form Rs, their plans for reducing reported releases, and then let Corp. Environmental Protection know the result by March 1. The pulp mills should also review their previous estimates on dioxin/furan reductions, as these chemicals are part of Reilly's letter, although EPA has not established the base line for dioxin. Note, also, that quantifying chloroform reductions will be important under the Clean Air Act Amendments.

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Action Item: The Pollution Prevention Act of 1990 made the waste minimization reporting section of Form R mandatory. Systematic quantification of waste reduction efforts should begin immediately, as 1991 will have to be reported in July 1992.

#### ENVIRONMENTAL PRINCIPLES

The Executive Committee has directed the SPC to present an approach to adopting a set of guiding Environmental Principles for the industry. This is in response to the pressure many of the public companies are getting from shareholders. A committee was appointed to respond.

Action Item: Simpson Paper should begin to discuss whether a set of Environmental Principles is desirable and whether we should/will subscribe to the API initiative on the subject, or draw up our own document.