



State of Vermont
OFFICE OF THE GOVERNOR

**Official Testimony of Governor Jim Douglas on International Paper's Proposal to
Burn Tire Derived Fuel at the Ticonderoga Facility**

Wednesday, November 09, 2005

Good evening. My name is Jim Douglas. I am a resident of Middlebury, and I am Governor of the State of Vermont.

Allow me to begin by stating the obvious: I am not a scientist and I am not a lawyer. I will leave the technical discussions about fine particulate matter, zinc oxide, Title V air pollution control permit limitations and other similar details to others.

I come here tonight in my capacity as Governor to deliver a very simple message:

If International Paper is going to burn processed waste tires for fuel at the Ticonderoga facility – which is just a stone's throw from Vermont's border across Lake Champlain—they should be required to install the best and most appropriate pollution control technology—period.

Make no mistake; Vermonters want International Paper to succeed, to prosper, and to continue to play an important role in the economy of this region.

While their numbers may be few, IP provides good jobs to Vermonters as well as New Yorkers. The presence of IP in this region also benefits loggers, truckers, and myriad businesses that support IP and the employees who work there.

I also recognize that lowering or stabilizing energy costs is a priority for every business in this region and that tire derived fuel may be one way for IP to do that.

I traveled here tonight with hundreds of other Vermonters, of all ages and from all walks of life, to let you know that while we want the Ticonderoga facility to be stronger and continue to provide good jobs, it is imperative that you take into consideration the many serious concerns of those of us that live, work and raise our families downwind from this facility.

If the prevailing winds blew from east to west, and not the other way around, this room would probably not be filled with so many Vermonters.



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Instead, I suspect this room would be filled with New Yorkers from North Hudson, Newcomb, and Indian Lake. They would be expressing to you many of the same concerns that you will hear about tonight and throughout the public comment period.

The State of Vermont is preparing—and will submit in writing—formal, detailed comments on both the plan and the draft permit.

Nevertheless, my specific purpose for coming here tonight is to propose what may be the last best opportunity for IP and our two states to work cooperatively toward a mutually beneficial resolution that will enable IP to become more energy efficient while minimizing the risk from the potentially toxic pollutants that are released into the air from burning tire derived fuel.

What we seek is a commitment from International Paper to equip the power boiler with an electrostatic precipitator – an ESP.

Again, the state's written comments will address this issue in much greater detail, but the basis for this request is not complicated: Fine particulate emissions are an area of growing public health concern.

Boilers such as this that regularly burn TDF are typically outfitted with an ESP, which is widely recognized as the industry standard pollution control device.

There is simply no debating the fact that fine particulate emissions will be measurably lower if an ESP is installed, and we continue to maintain that the Ticonderoga facility's current pollution control equipment is simply inadequate when processed waste tires are being burnt for fuel.

Now, consider what it will mean to the long-term viability of this plant if IP proceeds down the path of burning TDF without an ESP, without installing the recognized industry standard for pollution control, relying just on the wet scrubber technology currently on the boiler.

It would mean, logically, that IP Ticonderoga would be viewed as a facility with substandard equipment, a plant deemed as somehow not worthy of the most effective and appropriate pollution control technology.



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The employees of this facility deserve better. The families and businesses that rely on a strong IP presence in this area, who want to see this facility continue to operate for many more decades, deserve better. The people in this region – whether they are from New York or Vermont – deserve better.

Our people deserve a plant that is state-of-the-art and top of line, not one that seeks to burn tire derived fuel on the cheap and at the expense of our public health.

I have been Governor of Vermont for nearly three years. During that period, one of my proudest accomplishments has been presiding over a change in the debate about environmental protection and economic development.

For too long in our state, it was an either/or proposition: you either came down on the side of environmental protection, or you came down on the side of economic development.

In Vermont we reject that either/or proposition. Instead, we've embraced a third way, what we often refer to as the Vermont Way, which I think could also become the New York way.

In Vermont, we have recognized that one of the greatest strengths of our economy is our clean air, our clean water, and the natural beauty that surrounds us in this region.

It is one of the principal reasons people choose to live and work in Vermont, and is one of the principal reasons people choose to vacation in our state. In other words, a clean environment is a critical and necessary component of a strong economy.

There is a third way in this instance as well. You can have clean air, good jobs, and lower energy costs for IP all at the same time. It just requires creativity, a resolve to get things done, and a willingness to work together.

I come here tonight, in a spirit of cooperation, to offer the full support of my administration in cooperation with the State of New York and IP to resolve any legitimate financial or other obstacles preventing IP from installing an ESP.

If it is indeed financial hurdles that are preventing IP from installing the appropriate pollution control equipment on this facility, I am willing to have my administration work



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with state and federal officials in New York, along with IP itself, to develop a package that will help them overcome those hurdles.

In other words, even though this facility lies outside of Vermont's borders, we are willing to help IP – to an appropriate degree - purchase an ESP if that's what it is going to take.

During my tenure as Governor, we have had two instances where the State of Vermont partnered with our neighbors to the East – New Hampshire – to facilitate job retention and job creation.

The first example occurred in 2003. The Gilman Paper Mill, located along the Connecticut River in Lunenburg, Vermont, had been closed, putting many people from both Vermont and New Hampshire out of work.

Vermont and New Hampshire each awarded Community Development Funds to support the working capital needs of the new company that reopened the mill.

Vermont awarded \$513,000, New Hampshire awarded \$535,000, and those funds were an important chapter in a very successful story, as the paper mill now employs 108 people.

The second example occurred this past year. Ethan Allen is a very important employer in Vermont (and, as we all know, Ethan Allen himself is a very important figure in this area's history).

One of their two facilities in Vermont is located in Beecher Falls, on the border we share with New Hampshire, and the majority of employees come from New Hampshire.

It is a long and complicated story, but to summarize, this facility – just like IP – was having major problems with the high cost of running the plant.

So, Vermont and New Hampshire got together – again – and worked together to assist in the purchase and installation of a steam turbine that has helped the facility reduce its energy costs and preserve over 500 good paying jobs.

On both of these projects we negotiated and entered into unique and creative agreements with New Hampshire to assist these companies that in the end saved jobs for both states.

JAMES H. DOUGLAS
GOVERNOR



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It's a remarkable model: Two states, working together, helping important regional employers survive in very competitive industries.

This model of cooperation can work for New York and Vermont, just as it did for New Hampshire and Vermont, and together I know that we can find that third way.

A third way that will make the Ticonderoga facility stronger and more cost efficient, a third way that will preserve the jobs and the other positive economic impacts that this facility brings to the region, and—perhaps most importantly to the people I represent—a third way that will protect public health and our natural environment.

We are willing to help, as long as our concerns are addressed. All of us here tonight from Vermont are here in a spirit of cooperation, not of confrontation.

We are trying our best to be good neighbors, and we ask for the same in return.

Thank you for your time and consideration.

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