Testimony of Brian Gauthier General Manager, Soundview Vermont Committee on Natural Resources, Fish & Wildlife April 12, 2017

Thank you, Chairman Deen and members of the Committee for the invitation to participate in this discussion on H.211. My name is Brian Gauthier, and I am privileged to serve as General Manager of Soundview Paper's operations in Putney.

<u>Introduction</u>

Many of you know our company as Putney Paper. Soundview, headquartered in Elmwood Park, New Jersey, acquired Putney Paper in early 2013.

In so doing, we acquired a mill with a manufacturing history dating back two centuries. We are located along the brook where paper was first made in 1818. Tissue paper was first made at the site five decades later – under the banner of the Eagle Paper Mill. Commencing in the 1940's, Putney Paper made napkins, towels and wrapping tissue – all from recycled paper.

Today, Soundview Putney remains a 100% recycled tissue and towel manufacturer -- recycling over 40,000 tons of waste paper per year.

We are also a leading employer in Southern Vermont, with 130 associates from Putney and its surrounding communities. These skilled workers operate facilities located one mile apart. We have 50 associates at our Paper Mill on Main street, where parent rolls are produced for conversion to finished product. These parent rolls are then transported to our facility on Kathan Meadow Road, where 80 associates implement our conversion operation, turning parent rolls into finished goods.

Soundview Putney is a rare manufacturing success story.

Amid the very sad closing of multiple paper mills across the Northeast in recent years and a challenging marketplace --- and after years of uncertainty surrounding our historic and vital business in Putney -- we have not only stabilized but grown our business. Since the acquisition, we've invested over \$2 million in new equipment --- allowing us to actually increase our employee base by 10%.

I am pleased to share with this Committee that these results have been achieved in parallel with environmental stewardship.

We focus daily on reducing the environmental impact of our products and activities by optimizing energy, materials and water use, minimizing air emissions, and maintaining transparency across every aspect of its operations.

The result is reduced landfill waste, improved water and air quality, and the preservation of the environment for future generations.

For example, in 2009 we invested \$900,000 to replace the settling clarifier with a higher efficiency floatation clarifier. This significantly enhanced the water quality of our discharge such that the limits in our 2012 permit were <u>reduced</u>. **We have reduced our water consumption by 10% in recent years** --- resulting in fewer gallons needed per ton of paper produced.

We are an industry leader when it comes to low water consumption.

In 2013, we also converted our boilers to compressed natural gas from heavy fuel oil. New burners, controls and variable frequency drives were installed, **allowing us to reduce our total air emissions by 70%**.

Current Operations / Organic By-Product Land Application

Given the subject of H.211, let me share a brief overview of our operations relative to land application. It is an essential component to our business. Any change in policy that alters our ability to carry out the safe, highly regulated and efficient land application efforts we employ today would threaten the strength and long-term viability of our business.

In 2016, we sourced 40,187 tons of waste paper. This paper was converted into recycled tissue, napkin and towels used across commercial and institutional markets. This paper was also sourced within a 150 mile radius around Putney – via local sources in and around Brattleboro, White River Junction and as far north as Burlington.

We utilize a <u>bleach free de-inking process</u> to clean the waste paper into usable pulp. Rejects from this process are sent to our clarifiers, where liquid solid separation occurs. The clean water is reused in our process and the solids are dewatered further, creating our Short Paper Fiber (SPF) material.

This SPF is then land-applied thru beneficial reuse programs, in full compliance with significant state and local requirements. While safe and effective, we have nonetheless reduced our SPF generation per ton of paper produced by 14% in just the last three years.

<u>H.211</u>

Chairman Deen has long been a strong and effective advocate for the community where we operate and where many of our associates live. He has also been a leading voice in protecting our state's natural resources, most notably a tireless steward of our water quality. Any discussion of H.211 would be remiss without first commending him for this work.

Soundview Paper supports the intent behind Sections One through Four of H.211. These proposed provisions focus on the monitoring, notification and communication of water quality violations and outbreaks.

We are very concerned, however, with the current language of Section 5.

For example, the definition of Sludge" found at Section 5(a)2 of the bill is, we believe, unintentionally and harmfully far-reaching.

In its Findings found at Section 5 (b), H.211 cites as its primary justification for requiring the "Phase Out of Land Application of Septage" a report submitted to the General Assembly by Secretary of Natural Resources' on the Management of Wastewater Treatment Sludge and Septage in Vermont ("the Sludge and Septage Treatment Report"), dated January 16, 2016.

Section 5 (b) (7) of H.211 states, "Considering the environmental and health risks of land application of septage and sludge, the State should develop a cost-effective strategy to phase out of the land application of septage and sludge in a manner that increases protection of the environment and human health and safety."

The bill's findings do not, however, note that on Page 7 of the Sludge and Septage Treatment Report, the Secretary stated that, "Residual Waste, as used in Vermont, is a term encompassing several waste materials. Primary among these, and the topic of this report, are sewage sludge and septage. Other residual wastes, which are not discussed herein, include wood ash, short paper fiber, and sludges produced by the biological treatment of dairy wastes. [emphasis added].

The Short Paper Fiber residuals produced – and then safely land applied by Soundview Paper – were <u>not</u> discussed by the Secretary's 2016 Report. **They should not, therefore, be treated similarly as sewage septage residuals when it comes to any further potential regulation of land application.**

As such, we respectfully urge the Chairman and this Committee to either:

- (1) delete Section 5 in its entirety while advancing the bill's other provisions; or
- (2) amend Section 5 such that it does not include the requirement of any strategy to phase out the land application of organic by-product such as that which comes from Soundview Paper. There is no actionable data demonstrating the need for any policy change in this area.

Alternatively, we would encourage the Committee to advance a comprehensive study of all current methods of biosolids and septage management. Such an examination would underpin an effort to address any health-related residuals concerns.

It would also support the continued land application of by-products that are squarely consistent with the state's beneficial use goals -- and the interests of Vermonters -- such as those undertaken by Soundview today.

Soundview's mill in Putney is the single largest source of organic by-product in Vermont. Soundview does not land apply untreated septage in our land application process. Elimination of land application as required under the current language of H-211 would impose a potentially unsustainable cost structure for the disposal of Soundview's organic by-product.

We thank the Chairman and this Committee for the dialogue on this important subject and for the opportunity to testify today.

Thank you.