

Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

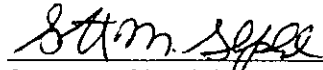
P.E. Certification Statement

Permittee:
Stone Container Corp.
Panama City Mill

Permit No.: 0050009-014-AC/PSD-FL-288(A)

Project type: Air Construction Permit - Modification of the Woodyard

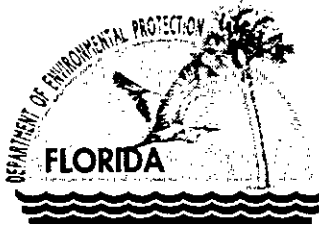
I HEREBY CERTIFY that the engineering features described in the above referenced application and subject to the proposed permit conditions provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including but not limited to the electrical, mechanical, structural, hydrological, and geological features).



Scott M. Sheplak, P.E.
Registration Number: 48866

05/03/03
date

Permitting Authority:
Department of Environmental Protection
Bureau of Air Regulation
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 850/921-9532
Fax: 850/922-6979



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2600 Blair Stone Road
Tallahassee, Florida 32399-2400

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May 12, 2003

CERTIFIED MAIL - Return Receipt Requested

Mr. Thomas L. Clements
Environmental Superintendent
Stone Container Corporation
Panama City Mill
One Everitt Avenue
Panama City, Florida 32412-0560

Re: Request for Modification of the Woodyard
Air Construction Permit/PSD Permit Amendment Nos.: 0050009-014-AC/PSD-FL-288(A)

Dear Mr. Clements:

One copy of the Draft Air Construction Permit/PSD Permit Amendment (letter) for the modification of the woodyard's processing rates at Stone Container Corporation's existing pulp mill located at One Everitt Avenue, Panama City, Bay County, Florida, is enclosed. The modification will correct the woodyard's allowable production rates from 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year to 1,524,600 tons of purchased chips per year and 1,946,934 tons of roundwood per year. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT" are also included.

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit (letter) pursuant to Rule 62-110.106(11), F.A.C.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Scott M. Sheplak, P.E., at the above letterhead address. If you have any other questions, please contact Bruce Mitchell at 850/413-9198.

Sincerely,

Trina L. Vielhauer
Chief
Bureau of Air Regulation

TLV/rbm

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permit by:

Stone Container Corporation
One Everitt Avenue
Panama City, Florida 32412-0560

Permit Project No.: 0050009-014-AC/PSD-FL-288(A)
Panama City Mill
Bay County

INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit/PSD Permit Amendment (letter; and, copy of the Draft permit(s) enclosed) for the modification of the woodyard's method of operation at Stone Container Corporation's existing pulp mill located at One Everitt Avenue, Panama City, Bay County, Florida. The modification will correct the woodyard's allowable production rates from 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year to 1,524,600 tons of purchased chips per year and 1,946,934 tons of roundwood per year.

The permittee, Stone Container Corporation - Panama City Mill, applied on April 28, 2003, for the modification.

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210 and 62-212. This modification is not exempt from permitting procedures. The permitting authority has determined that an Air Construction Permit/PSD Permit Amendment are required for the proposed modification.

The permitting authority intends to issue the Air Construction Permit/PSD Permit Amendment (letter) based on the belief that reasonable assurances have been provided to indicate that operation of the emissions unit will not adversely impact air quality, and the emissions unit will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.0872, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT." The notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. Where there is more than one newspaper of general circulation in the county, the newspaper used must be one with significant circulation in the area that may be affected by the permit(s). If you are uncertain that a newspaper meets these requirements, please contact the permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0144; Fax: 850/922-6979), within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit(s) (letter) pursuant to Rule 62-110.106(11), F.A.C.

The permitting authority will issue the Final Air Construction Permit/PSD Permit Amendment in accordance with the conditions of the enclosed Draft Air Construction Permit/PSD Permit Amendment unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed permit issuance action for a period of 30 (thirty) days from the date of publication of "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the Draft Air Construction Permit/PSD Permit Amendment, the permitting authority shall issue a Revised Draft Air Construction Permit/PSD Permit Amendment and require, if applicable, another Public Notice.

The permitting authority will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to Sections 120.569 and 120.57, F.S. Mediation under Section 120.573, F.S., will not be available for this proposed action.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/488-9730; Fax: 850/487-4938). Petitions filed by the permit applicant or any of the parties listed below must be filed within 14 (fourteen) days of receipt of this notice of intent. Petitions filed by any other person must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of this notice of intent, whichever occurs first. A petitioner must mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-5.207, F.A.C.

A petition must contain the following information:

- (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Permit File Number, and the county in which the project is proposed;
- (b) A statement of how and when each petitioner received notice of the permitting authority's action or proposed action;
- (c) A statement of how each petitioner's substantial interests are affected by the permitting authority's action or proposed action;
- (d) A statement of the material facts disputed by the petitioner, if any;
- (e) A statement of the facts that the petitioner contends warrant reversal or modification of the permitting authority's action or proposed action;
- (f) A statement identifying the rules or statutes that the petitioner contends require reversal or modification of the permitting authority's action or proposed action; and,
- (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wants the permitting authority to take with respect to the action or proposed action addressed in this notice of intent.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

In addition to the above, a person subject to regulation has a right to apply to the Department of Environmental Protection for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542, F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information:

- (a) The name, address, and telephone number of the petitioner;
- (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any;
- (c) Each rule or portion of a rule from which a variance or waiver is requested;
- (d) The citation to the statute underlying (implemented by) the rule identified in (c) above;
- (e) The type of action requested;

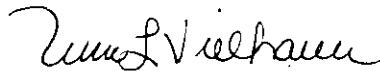
- (f) The specific facts that would justify a variance or waiver for the petitioner;
- (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and,
- (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2), F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the United States Environmental Protection Agency and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**



Trina L. Vielhauer
Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT (including the PUBLIC NOTICE and the Draft permit(s)) and all copies were sent by certified mail before the close of business on 5/15/03 to the person(s) listed:

Mr. Thomas L. Clements, Environmental Superintendent, SCC - PC Mill

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT AMENDMENT (including the PUBLIC NOTICE and the Draft permit(s)) were sent by U.S. mail on the same date to the person(s) listed:

- Ms. Sandra Veazey, DEP - NWD
- Mr. Kevin White, DEP - NWD
- Mr. Henry Hernandez, DEP - NWDB
- Ms. Jeananne Gettle, U.S. EPA, Region 4
- Mr. David Buff, P.E., GA

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency Clerk, receipt of which is hereby acknowledged.

Palma J. Friday 5/15/03
(Clerk) (Date)

**PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT/PSD PERMIT
AMENDMENT**

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Draft Air Construction Permit No.: 0050009-014-AC
Draft PSD Permit Amendment No.: PSD-FL-288(A)
Stone Container Corporation
Panama City Mill
Bay County

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit/PSD Permit Amendment (letter) to Stone Container Corporation for its existing pulp mill located in Panama City, Bay County. The applicant's name and address are: Thomas L. Clements, Environmental Superintendent, One Everitt Avenue, Panama City, Florida 32412-0560.

The permittee, Stone Container Corporation, applied on April 28, 2003, for a modification to the woodyard's method of operation at the existing pulp mill. The modification will correct the woodyard's allowable production rates from 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year to 1,524,600 tons of purchased chips per year and 1,946,934 tons of roundwood per year.

The permitting authority will issue the Air Construction Permit/PSD Permit Amendment, and subsequent Final Air Construction Permit/PSD Permit Amendment, in accordance with the conditions of the Draft Air Construction Permit/PSD Permit Amendment, unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Draft Air Construction Permit/PSD Permit Amendment (letter) issuance action for a period of 30 (thirty) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the Draft Air Construction Permit/PSD Permit Amendment (letter), the permitting authority shall issue a Revised Draft Air Construction Permit/PSD Permit Amendment (letter) and require, if applicable, another Public Notice.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/488-9730; Fax: 850/487-4938). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of the public notice or within fourteen (14) days of receipt of the notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the applicable time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Florida Administrative Code (F.A.C.) Rule 28-106.205.

A petition that disputes the material facts on which the permitting authority's action is based must contain the following information:

- (a) The name and address of each agency affected and each agency's file(s) or identification number(s), if known;
- (b) The name, address and telephone number of the petitioner; name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how petitioner's substantial rights will be affected by the agency determination;
- (c) A statement of how and when the petitioner received notice of the agency action or proposed action;
- (d) A statement of all disputed issues of material fact. If there are none, the petition must so state;

(e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle petitioner to relief; and

(f) A demand for relief.

A petition that does not dispute the material facts upon which the permitting authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available for this proceeding.

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Permitting Authority:

Department of Environmental Protection
Bureau of Air Regulation
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 850/488-0114
Fax: 850/922-6979

Affected District Office Authority:

Department of Environmental Protection
Northwest District Office
Air Resources
160 Governmental Place
Pensacola, Florida 32520-0328
Telephone: 850/595-8364
Fax: 850/595-8096

Affected District Branch Office Authority:

Department of Environmental Protection
Northwest District Branch Office
2353 Jenks Avenue
Panama City, Florida 32405
Telephone: 850/872-4375
Fax: 850/872-7790

The complete project file includes the Draft Air Construction Permit/PSD Permit Amendment, the application, the Technical Evaluation and Preliminary Determination, and the information submitted by the facility's representative, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact Scott M. Sheplak, P.E., at the above address, or call 850/921-9532 for additional information.

**TECHNICAL EVALUATION
AND
PRELIMINARY DETERMINATION**

Stone Container Corporation
Panama City Mill
Facility ID No.: 0050009
Bay County

Air Construction Permit/PSD Permit Amendment
Draft Air Construction Permit No.: 0050009-014-AC
PSD Permit Amendment No.: PSD-FL-288(A)

Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
Title V Section

1. APPLICATION INFORMATION.

A. Applicant Name and Address:

Stone Container Corporation
Panama City Mill
P. O. Box 59560
Panama City, Florida 32412-0560

Responsible Official

Mr. Thomas L. Clements, Environmental Superintendent

B. Reviewing and Process Schedule:

April 28, 2003: Receipt of Application

2. FACILITY INFORMATION.

A. Facility Location

The Stone Container Corporation's Panama City Mill is located at One Everitt Avenue in Panama City, Bay County, Florida.

The UTM coordinates of this facility are: Zone 16; 632.8 km East; and, 3335.1 km North.

B. Standard Industrial Classification Code (SIC):

Major Group No.	26	Paper and Allied Products
Group No.	261	Pulp Mills
Industry No.	2611	Pulp Mills

C. Facility Category

The Panama City Mill is classified as a major air pollutant emitting facility and is a Title V facility. The initial Title V Permit, No. 0050009-002-AV, was effective on June 28, 2000.

3. PROJECT DESCRIPTION.

An Air Construction (AC) Permit/PSD Permit Amendment is required to correct the federally enforceable allowable production rates of the woodyard. The modification will correct the woodyard's allowable production rates from 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year to 1,524,600 tons of purchased chips per year and 1,946,934 tons of roundwood per year.

4. RULE APPLICABILITY.

The proposed project is subject to permitting under Rule 62-210.300, F.A.C., Permits Required.

The permitting authority intends to issue this Air Construction Permit/PSD Permit Amendment based on the belief that reasonable assurances have been provided to indicate that the correction in the proposed throughput rates of the aforementioned woodyard operation will not adversely impact air quality; and, the affected woodyard operation will be in compliance with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C.

5. AIR QUALITY ANALYSIS.

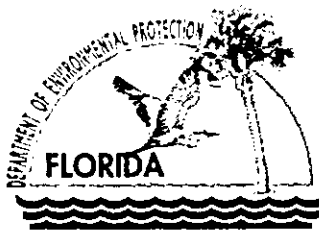
An air quality analysis was not required.

6. CONCLUSION.

Based on the foregoing technical evaluation, the Department has made a preliminary determination that the proposed project will be in compliance with all applicable state and federal air pollution regulations. The proposed corrected permit (letter) is attached.

Permit Engineer: Bruce Mitchell

Reviewed and Approved by Scott M. Sheplak, P.E.



Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

Month Day, 2003

CERTIFIED MAIL – Return Receipt Requested

Mr. Thomas L. Clements
Environmental Superintendent
Stone Container Corporation
Panama City Mill
One Everitt Avenue
Panama City, Florida 32412-0560

DRAFT

Re: Draft Air Construction Permit Project No.: 0050009-014-AC
Draft PSD Permit Amendment No.: PSD-FL-288(A)
Stone Container Corporation: Panama City Mill

Dear Mr. Clements:

This letter modification corrects the woodyard's allowable production rates established in the air construction permit(s), Nos. 0050009-005-AC/PSD-FL-288, issued/clerked on September 5, 2002. Therefore, the following is changed:

1. Specific Condition A.1.

FROM:

Capacity. The woodyard's maximum allowable production rates are 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year.
[Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

TO: Specific Condition B.1.

Capacity. The woodyard's maximum allowable production rates are 1,524,600 tons of purchased chips per year and 1,946,934 tons of roundwood per year.
[Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

2. All of Section III., Subsection A., Woodyard Operations, is relabeled as Section III., Subsection B., Woodyard Operations, and all of the Specific Conditions under this subsection are renumbered as follows:

FROM:

A.1. thru A.10.

TO:

B.1. thru B.10.

This permit (letter) is issued pursuant to Chapter 403, Florida Statutes (F.S.). Any party to this order has the right to seek judicial review of it under Section 120.68, F.S., by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by

"More Protection, Less Process"

Printed on recycled paper.

Mr. Thomas L. Clements
Draft Air Construction Permit Project No.: 0050009-014-AC
Draft PSD Permit Amendment No.: PSD-FL-288(A)
Stone Container Corporation: Panama City Mill
Page 2 of 2

filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within thirty days after this order is filed with the clerk of the Department.
Executed in Tallahassee, Florida.

Sincerely,

Howard L. Rhodes, Director
Division of Air Resource Management

HLR/rbm

cc: Ms. Sandra Veazey, DEP - NWD
Mr. Kevin White, DEP - NWD
Mr. Henry Hernandez, DEP - NWDB
Ms. Jeananne Gettle, U.S. EPA, Region 4
Mr. David Buff, P.E., GA