



PENSACOLA MILL
375 MUSCOGEE ROAD
PO BOX 87
CANTONMENT FL 32533-0087

March 30, 2006

RECEIVED

MAR 31 2006

BUREAU OF AIR REGULATION

Ms. Trina Vielhauer
Chief, Bureau of Air Regulation
Florida Department of Environmental Protection
Twin Tower Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Clarification of Information for Surrender of Air Construction Permit No. 0330042-007-AC for the International Paper Company (IP) Pensacola, FL Mill

Dear Ms. Vielhauer:

On March 17, 2006, International Paper Company (IP) received correspondence from the Florida Department of Environmental Protection (DEP) confirming the surrender of Florida Air Construction Permit No. 0330042-007-AC, and the withdrawal of Florida Air Construction Permit No. 0330042-008-AC. IP would like to correct a misstatement in the paragraph which pertains to the surrender of Permit No. 0330042-007-AC.

This paragraph incorrectly states that "Only the following parts of the project were completed: replacement of existing Kamyrr extraction screens with diagonal extraction screens; replacement of the causticizer body; and the replacement of two medium consistency pumps in the O2 delignification and bleach plant area". As described in a letter to the department dated February 28, 2006, only the replacement of the extraction screens was done. The causticizer body and the medium consistency pumps were never replaced.

Should you require additional information, please contact me at 850-968-4275.

Sincerely,

A handwritten signature in cursive script that reads "Mary Conatser".

Mary B. Conatser



Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

March 17, 2006

CERTIFIED MAIL - Return Receipt Requested

Mr. Christopher Read, Mill Manager
International Paper Company
Pensacola Mill
375 Muscogee Road
Cantonment, Florida 32533-0087

Re: International Paper Company - Pensacola Mill
Surrender of Permit No. 0330042-007-AC
Withdrawal of Air Permit Application No. 0330042-008-AC (PSD-FL-335)

Dear Mr. Read:

On November 15, 2005, the Department received a letter from the International Paper Company (IPC) regarding the "withdrawal" of Permit No. 0330042-007-AC and the withdrawal of air construction permit Application No. 0330042-008-AC (PSD-FL-335). On January 23, 2006, the Department requested additional information and clarification. On March 1, 2006, the Department received a letter from Ms. Mary B. Conatser (IPC) providing additional details. The following is the Department's response.

1. Withdrawal of Air Permit Application No. 0330042-008-AC (PSD-FL-335): The purpose of this project was to increase production. The application is pending and a permit was never issued. IPC indicates that it has changed its plans and this project is no longer being pursued. New plans are identified in IPC's application submitted to the Department's Northwest District office on February 24, 2006. The proposed project identifies substantial changes to the plant including a decrease in the production of bleached pulp and the processing of mostly softwoods. The application will establish past actual emissions in accordance with the Department's new regulations. The Department accepts your withdrawal of Application No. 0330042-008-AC (PSD-FL-335) for an air permit. It will be terminated in our permit tracking system and deemed "withdrawn" on the date of receipt of Ms. Conatser's letter (March 1, 2006).
2. Surrender of Permit No. 0330042-007-AC: This permit was issued on July 23, 2003 with an expiration date of April 30, 2007. Once a permit is issued, it cannot be "withdrawn", but it can be surrendered. The primary purpose of this project was to establish baseline actual emissions prior to Project No. 0330042-008-AC (PSD-FL-335) while authorizing some component replacements. Only the following parts of this project were completed: replacement of existing Kamyx extraction screens with diagonal extraction screens; replacement of the causticizer body; and the replacement of two medium consistency pumps in the O₂ delignification and bleach plant area. IPC maintains that the component replacements did not increase production capacity and indicates that the remaining work will not be completed. In consideration of withdrawn Application No. 0330042-008-AC (PSD-FL-335) as well as the new project under review by the Department's Northwest District, the Department accepts your surrender of this permit.

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 with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit. 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 attached Public Notice or within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit, 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)

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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 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 28-106.205, F.A.C.

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 or identification number, if known; (b) The name, address, and telephone number of the petitioner; the 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 the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when each 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, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. 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 Written Notice of Intent to Issue Air Permit. 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.

If you have any questions regarding this matter, please call Bruce Mitchell at 850/413-9198 or Jeff Koerner at 850/921-9536 or write to me at the above letterhead address.

Sincerely,



Trina L. Vielhauer, Chief
Bureau of Air Regulation

TLV/bm/jfk

cc: Sandra Veazey, NWD
John Bunyak, NPS
Kyle Moore, IPC

Gregg Worley, EPA Region 4
Ellen Porter, USF&WS
William V. Straub, P.E., All4 Inc.



PENSACOLA MILL
375 MUSCOGEE ROAD
PO BOX 87
CANTONMENT FL 32533-0087

RECEIVED

MAR 01 2006

February 28, 2006

BUREAU OF AIR REGULATION

Ms. Trina Vielhauer
Chief, Bureau of Air Regulation
Florida Department of Environmental Protection
Twin Tower Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Supporting Information for Withdrawal of Air Construction Permit No. 0330042-007-AC for the International Paper Company (IP) Pensacola, FL Mill

Dear Ms. Vielhauer

On January 23, 2006, International Paper Company (IP) received correspondence from the Florida Department of Environmental Protection (DEP) concerning the status of two permitting projects at the Pensacola Mill and the withdrawal of Florida Air Construction Permit No. 0330042-007-AC. The following information has been prepared to address the questions contained in the January 23 correspondence.

In early 2003, IP held discussions with Florida DEP to review a proposed project at the Pensacola Mill that would simultaneously address several objectives, increase pulp quality, increase energy efficiency and create a 150 ton per day pulping increase capability. The proposed project would occur in two phases, activities associated with the first phase of the project were required to be undertaken in advance of the second phase of the project. IP submitted a construction permit application in April 2003 to propose "Phase I" of the project. Activities proposed under Phase I included;

- Replace the existing Kamyr extraction screens with diagonal extraction screens to improve the quality of softwood pulp from the Kamyr digester;
- Install a new causticizer body and related piping; and
- Replace two medium consistency (MC) pumps in the softwood O₂ Delignification and Bleach Plant area.

Of the three components to the Phase I project, only the installation of a new causticizer body and the replacement of the two MC pumps in the softwood (A-Line) O₂ Delignification and Bleach Plant area were directly linked to the 150 tpd pulping increase. The replacement of the extraction screens was done to improve pulping quality and reduce energy usage. The Mill proposed to maintain pulping production levels at baseline levels until the second phase "Phase II" of the project was initiated.

Phase II of the project proposed changes to recovery operations, lime kiln/lime mud dryer system, bleaching and brown stock washing operations. The 150 tpd pulping increase would be realized after completion of Phases I and II of the project. The Mill submitted the Phase II Prevention of Significant Deterioration (PSD) project in July 2003.

On July 23, 2003 Florida DEP issued Air Construction Permit No. 0330042-007-AC for Phase I activities of the project. However, before implementing Phase I changes, the Mill reconsidered Phase II activities and ultimately decided to abandon the overall project. This decision meant that Phase I activities were unnecessary since the projected 150 tpd pulping increase would not occur. Of the three components of the Phase I project, only the installation of diagonal extraction screens was performed. This replacement of the Kamyr extraction screens with diagonal extraction screens was unrelated to the pulping increase. The benefits of the diagonal extraction screens are improved quality and reduced energy consumption, not an increased Kamyr pulping capacity or pulping rate.

The replacement of the straight extraction screens took place in November 2003. The maximum monthly softwood pulping production was essentially unchanged. A summary of the monthly pulping totals for the 1999 thru 2005 (pre- and post-screen replacement) is provided in Table 1. The table shows that the maximum monthly softwood pulping rate occurred in January 1999, indicating that with straight extraction screens, the Kamyr digester was capable of achieving high pulping rates comparable to pulping levels with diagonal screens. Any difference in the annual softwood pulping levels after the November 2003 installation of the diagonal screens is a reflection of improving market conditions, the shutdown of the No. 3 Paper Machine, improvement of overall Mill reliability, and a single Mill outage in 2005 rather than the normal two annual outages. Emissions would be unchanged by the replacement of the extraction screens.

It should be noted that the emissions from the Kamyr digester are collected by the Mill's low volume high concentration (LVHC) system and controlled by the Mill's Thermal Oxidizer. The emissions generated by the Kamyr Digester include total reduced sulfur (TRS) compounds and volatile organic compounds (VOC) and methanol. The Mill's Thermal Oxidizer is highly efficient for the control of VOC, TRS and methanol.

As detailed in IP's November 8, 2005 letter to Florida DEP, IP believes that Air Construction Permit 0330042-007-AC and pending project No. 0330042-008-AC/PSD-FL-335 should be withdrawn. None of the activities that would increase emissions or production have been or will be performed. Further, the replacement of the straight slotted screens with diagonal screens would have been, by itself, exempt from permitting per

Florida Administrative Code 62-4.040. The screens replacement was included as part of Air Construction Permit 0330042-007-AC for completeness purposes only.

Should you require additional information, please contact me at 850-968-4275.

Sincerely,

Mary Conatser

Mary B. Conatser

**International Paper Pensacola Mill
Pensacola, FL**

Year	1999	2000	2001	2002	2003	2004	2005
Month	(tons)	(tons)	(tons)	(tons)	(tons)	(tons)	(tons)
January	26,352	22,277	17,755	19,389	22,610	24,057	25,287
February	22,632	20,685	16,701	17,997	21,083	18,375	23,709
March	24,827	22,429	20,088	12,221	19,840	19,080	24,155
April	22,974	20,670	20,960	23,965	23,277	23,996	21,649
May	24,734	24,671	21,077	20,575	24,128	24,781	24,766
June	23,178	23,609	20,865	23,149	22,473	24,753	23,290
July	23,707	24,340	19,900	23,808	23,588	24,988	23,412
August	23,318	24,884	21,208	22,430	22,558	25,220	24,586
September	21,169	16,612	21,473	23,457	24,036	18,857	23,868
October	19,784	13,004	16,496	18,985	20,105	24,812	25,698
November	24,457	20,038	21,148	17,011	18,978	24,118	24,849
December	24,087	17,496	19,824	25,148	24,216	17,466	25,908
Annual Total:	281,219	250,715	237,495	248,135	266,892	270,503	291,177