

Georgia-Pacific Palatka Pulp and Paper Operations

FDEP June 1, 2009, Letter Requirements

Frequently Asked Questions

Questions and Answers:

Q. What is the next step in this process?

- A. During the past 12 months, Georgia-Pacific has worked with the Florida Department of Environmental Protection (FDEP) and a mutually agreed upon third party consultant to evaluate potential technologies and processes that could improve effluent quality from the Palatka mill. As a result of the study and pending final regulatory confirmation, the mill plans to move forward with several process changes that will enhance the mill's highly treated effluent.

The total investment package of more than \$30 million includes plans for process modifications that will further improve effluent and its entry point to the St. Johns River. The investment follows the company's more than \$200 million in environmental upgrades spent at Palatka that included the installation of state-of-the-art pulp washing and bleaching technologies during the last 10 years and demonstrates its commitment to continue operating Palatka as an integrated pulp mill while satisfying the mill's 2002 Administrative Order and achieving water quality compliance.

Q. Does this mean construction will begin on the pipeline?

- A. Pipeline construction would begin following FDEP's final evaluation of the Letter Order and confirmation to continue operations under the AO, analysis of contract proposals and awarding of those contracts. All projects are available for limited number of bids by qualified candidates in our communities with the capabilities to perform the work to Georgia-Pacific's satisfaction.

Q. Does the mill have all necessary permits to begin construction?

- A. Permits are secured and the current plan would include parallel construction paths with pipeline and the other mill environmental upgrades.

Q. When would the pipeline be completed?

- A. The pipeline would be scheduled to be completed prior to the requirement outlined in the 2002 Administrative Order – no later than October 15, 2012, pending regulatory confirmation.

Q. When was the Letter Order Cleared?

- A. Georgia-Pacific has complied with Letter Order and has been meeting with FDEP and third party experts since the LO was issued last summer. While we are disappointed that no technology was discovered to reliably comply at our current discharge location, we are pleased that opportunities for additional environmental improvements have been identified and would be implemented in an expeditious manner to further enhance the St. Johns River and Rice Creek, following regulatory approval.

Q. When will another round of HVE be conducted?

- A. While we continue to work with FDEP to evaluate options to further minimize any potential release of legacy solids, per the June 1, 2009, letter from FDEP, since no remediation, bypass or removal of legacy solids has occurred; The Department has agreed that HVE sampling is not currently required.

We continue to utilize the same sampling technique approved by the US EPA and FDEP that is specified for the NPDES program. We continue to demonstrate non-detect levels through the approved laboratory technique. We are committed to, and required by law, to following state and federal rules and regulations.

In addition, fish tissue samples taken from Rice Creek closest to the Georgia-Pacific outfall location show results lower than those taken elsewhere in the St. Johns River well outside any potential Georgia-Pacific influence (to the north and south). The levels found are well below ANY state consumption advisory thresholds in the United States -- in blue gill, dioxin levels were non-detect.

Q. What was the reason for the Letter Order issued by the FDEP?

- A. FDEP would be better served addressing that question. However, we can tell you that Georgia-Pacific has spent more than \$1 million evaluating alternative technologies and process modifications over the past twelve months searching for alternative technologies to eliminate the need to construct the pipeline. While the pipeline remains the only reliable compliance mechanism for achieving full water quality standards, additional technologies are being designed for implementation at Palatka to further improve effluent quality.

Q. Can you provide details of the pipeline itself?

- A. The pipe will be 4 miles in length, 36" in diameter, and constructed out of ductile iron pipe with a 1,000' diffuser. Average flow is anticipated at approximately 23 MGD.

Q. Are there any reasons to be concerned with dioxin levels in Rice Creek?

- A. Fortunately, for several years levels of dioxin found in fish from Rice Creek remain well below any state consumption advisory threshold in the United States and recent samples nearest the Georgia-Pacific discharge were below levels of fish sampled from various reference locations in the St. Johns River. This confirms that sources other than the mill effluent are more likely contributors to dioxin in the food chain.

In addition, fish tissue samples taken from Rice Creek closest to the Georgia-Pacific outfall location show results lower than those taken elsewhere in the St. Johns River well outside any potential Georgia-Pacific influence (to the north and south). The levels found are well below ANY state consumption advisory thresholds in the United States -- in blue gill, dioxin levels were non-detect. 2010 tissue samples from the outfall location nearest the Rice Creek outfall also indicate that federal dioxin water quality standards are being met in Rice Creek.