



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

SUN 5 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Scott D. Matchett
Senior Counsel
Georgia Pacific Corporation
133 Peachtree Street, N.E.
Atlanta, GA 30348-5605

SUBJ: Leaf River Cellulose, LLC
Consent Agreement and Final Order
Docket No. CERCLA-04-2007-2024(b)

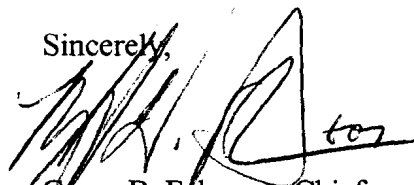
Dear Mr. Matchett:

Enclosed please find an executed copy of the Consent Agreement and Final Order (CAFO) that resolves the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) matter (Docket No. CERCLA-04-2007-2024(b)) involving Leaf River Cellulose, LLC. The CAFO was filed with the Regional Hearing Clerk, as required by 40 CFR Part 22 and became effective on the date of the filing.

Also enclosed, please find a copy of the "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts you on notice of your potential duty to disclose to the Security and Exchange Commission (SEC) any environmental enforcement actions taken by the Environmental Protection Agency (EPA). If you have any questions with regards to the SEC's environmental disclosure requirements, you may refer to the contact phone number at the bottom of the SEC Notice.

If you have any questions, please call Mr. Lawrence Fincher at (404) 562-9190.

Sincerely,



Caron B. Falconer, Chief
EPCRA Enforcement Section

Enclosures

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4

RECEIVED
EPA REGION IV
2007 JUN -5 PM 2:18
HEARING CLERK

IN THE MATTER OF:)
)
Leaf River Cellulose, LLC) Docket Number: CERCLA-04-2007-2024(b)
)
Respondent.)
_____)

CONSENT AGREEMENT AND FINAL ORDER

I. Nature of the Action

1. This is a civil penalty proceeding pursuant to Section 109 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, 42 U.S.C. § 9609 and pursuant to the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penalties, and the Revocation/Termination or Suspension of Permits (Consolidated Rules), codified at 40 CFR Part 22. Complainant is the Director of the Air, Pesticides and Toxics Management Division, Region 4, United States Environmental Protection Agency (EPA). Respondent is Leaf River Cellulose, LLC.

2. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 CFR § 22.18 and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 CFR § 22.13(b), this Consent Agreement and Final Order (CAFO) will simultaneously commence and conclude this matter.

II. Preliminary Statements

3. The authority to take action under Section 109 of CERCLA, 42 U.S.C. § 9609, is vested in the Administrator of EPA. The Administrator of EPA has delegated this authority under CERCLA to the Regional Administrators by EPA Delegation 14-31, dated May 11, 1994. The Regional Administrator, Region 4, has redelegated to the Director, Air, Pesticides and Toxics Management Division, the authority under CERCLA by EPA Region 4 Delegation 14-31 dated March 8, 1999, and updated August 6, 2004. Pursuant to these delegations, the Director of the Air, Pesticides and Toxics Management Division has the authority to commence an enforcement action as the Complainant in this matter.

4. Respondent is a limited liability company doing business in the State of Mississippi and is organized under the laws of the State of Delaware.

5. Respondent is a "person" as defined in Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

6. Respondent has a "facility" as that term is defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

7. Respondent's facility is located at Buck Creek Road, New Augusta, Mississippi.

8. Respondent is an "owner or operator" of the facility as that term is defined by Section 101 (20)(A) of CERCLA, 42 U.S.C. § 9601(20)(A).

9. Section 102(a) of CERCLA, 42 U.S.C. § 9602(a), required the Administrator of EPA to publish a list of substances designated as hazardous substances which, when released into the environment, may present substantial danger to public health or welfare or the environment and to promulgate regulations establishing the quantity of any hazardous substance the release of which was required to be reported under Section 103(a) of CERCLA, 42 U.S.C. § 9603(a). EPA has published and amended such a list, including the corresponding reportable quantities (RQ) for those substances. This list initially published on April 4, 1985 (50 Fed. Reg. 13474) and is periodically amended. The list is codified at 40 CFR Part 302.

10. Section 103(a) of CERCLA, 42 U.S.C. § 9603(a), and the regulations found at 40 CFR Part 302.6, require a person in charge of a facility or vessel to immediately notify the National Response Center (NRC), as soon as he or she has knowledge of a release of a hazardous substance from such facility or vessel in an amount equal to, or greater than the reportable quantity (RQ).

11. Respondent was in charge of the facility during the relevant period described below.

12. Sulfuric acid is a "hazardous substance" as that term is defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14), with an RQ of 1,000 pounds, as specified in 40 CFR § 302.4.

13. On August 21, 2006, a release of sulfuric acid above the RQ occurred at the facility.

14. EPA alleges that Respondent violated the notification requirements of Section 103(a) of CERCLA, 42 U.S.C. § 9603(a), by failing to immediately notify the NRC as soon as Respondent had knowledge of the release of sulfuric acid in an amount equal to or greater than its RQ at Respondent's facility and is therefore subject to the assessment of penalties under Section 109 of CERCLA, 42 U.S.C. § 9609.

15. Pursuant to Section 109 of CERCLA, 42 U.S.C. § 9609, and 40 CFR Part 19, EPA may assess a penalty not to exceed \$32,500 for each violation of Section 103(a) of

CERCLA, 42 U.S.C. § 9603(a), that occurred on or after March 15, 2004. Each day a violation of Section 103 continues constitutes a separate violation. Civil penalties under Section 109 of CERCLA, 42 U.S.C. § 9609, may be assessed by Administrative Order.

III. Consent Agreement

16. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set out above but neither admits nor denies the factual allegations set out above.

17. Respondent waives any right to contest the allegations and its right to appeal the proposed final order accompanying the Consent Agreement.

18. Respondent consents to the assessment of and agrees to pay the civil penalty as set forth in this CAFO.

19. Respondent agrees to complete the Supplemental Environmental Project (SEP) set forth in this CAFO.

20. Respondent certifies that as of the date of its execution of this CAFO, it is in compliance with all relevant requirements of CERCLA.

21. Compliance with the CAFO shall resolve the allegations of violations contained herein and in EPA's September 29, 2006 Notice of Opportunity to Show Cause. This CAFO shall not otherwise affect any liability of Respondent to the United States other than as expressed herein. Neither EPA nor Complainant waives any right to bring an enforcement action against Respondent for violation of any federal or state statute, regulation or permit, to initiate an action for imminent and substantial endangerment, or to pursue criminal enforcement.

22. Complainant and Respondent agree to settle this matter by their execution of this CAFO. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of CERCLA.

IV. Final Order

23. Respondent shall pay a civil penalty of TWO THOUSAND SIX HUNDRED NINETEEN DOLLARS (\$2,619) for the CERCLA violation. Payment shall be paid within thirty (30) days of the effective date of this CAFO.

24. Respondent shall pay the CERCLA civil penalty by forwarding a cashier's or certified check, payable to "EPA Hazardous Substance Superfund" to the following address:

U.S. Environmental Protection Agency
Box 371099M
EPA Hazardous Substance Superfund
Pittsburgh, PA 15251

The check shall reference on its face the name and the Docket Number of the CAFO.
[CERCLA-04-2007-2024(b)]

25. At the time of payment, Respondent shall send a separate copy of each check, and a written statement that payment has been made in accordance with this CAFO, to the following persons at the following addresses:

Regional Hearing Clerk
U.S. EPA, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Lawrence Fincher
U.S. EPA, Region 4
Air, Pesticides & Toxics Management Division
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Saundi Wilson
Office of Environmental Accountability
U.S. EPA, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

26. Respondent shall undertake and complete the following Emergency Planning and Preparedness SEP within 60 days of the effective date of this CAFO. Leaf River Cellulose, LLC, shall expend a total of NINE THOUSAND EIGHT HUNDRED TWENTY-FIVE DOLLARS (\$9,825) for the purchase and donation of the following equipment to the New Augusta, Mississippi fire and hazardous materials response team:

- 1 Hazardous Materials trailer Cargo Craft, 7' X 15'
- 6 Gas masks Full Darley Reusable Facepiece 6000 Series AZ 277
- 1 Gas detector Darley, Tetra Four Gas Detector AZ 263
- 6 pr Chemical overboots Hazmax boots
- 2 Spill kits Darley, AB 953
- 6 pr Chemical gloves Darley, Guardian Neoprene AC 970
- 6 Shovels Darley, Non-sparking AA 811
- 6 prs Chemical coveralls Darley, Tychem F AZ 272
- 6 Hazmat bags Darley, Standard AJ 09301
- 4 rolls Chemical tape Darley, ChemTape

- 1 Holligan hazmat metal cutting tool Darley, AC 622
- 10 bags Hazmat safety sorbent Darley, AK 193 40 lb bag
- 1 Chemical classifier Darley, AA 803
- 2 Hazmat cleanup brush Darley AB 961, 964
- 2 doz Nitrile rubber hazmat gloves Darley, AM 033

27. No later than thirty (30) calendar days after the completion of the project, Respondent shall submit to EPA a SEP Completion Report. The Report shall be sent to the EPCRA Enforcement Section, to the attention of Lawrence Fincher at the address provided above. The Report shall include the following:

- (a) an affidavit from an authorized company official, attesting that the SEP has been completed or explaining in detail any failure to complete it; and
- (b) copies of appropriate documentation, including invoices and receipts, showing a total amount of NINE THOUSAND EIGHT HUNDRED TWENTY-FIVE DOLLARS (\$9,825), or greater, was spent on the purchase of the equipment described in paragraph 26.

Upon request, Respondent shall send EPA any additional documentation requested by EPA.

28. If Respondent fails to timely and fully complete any part of the SEP, including failing to spend the minimum amount of NINE THOUSAND EIGHT HUNDRED TWENTY-FIVE DOLLARS (\$9,825) for the SEP, Respondent shall pay to the United States a stipulated penalty of the difference between NINE THOUSAND EIGHT HUNDRED TWENTY-FIVE DOLLARS (\$9,825) and the amount spent except as follows:

- (a) if the SEP was fully and timely completed, and Respondent expended at least 90 percent of the minimum amount required, Respondent shall not pay a stipulated penalty;
- or
- (b) if the SEP was not fully and timely completed, but Respondent expended at least 90 percent of the minimum amount required, Respondent shall not pay a stipulated penalty if the Respondent has made a good faith effort to fully and timely complete the SEP.

For purposes of this paragraph, whether Respondent has fully and timely completed the SEP and whether Respondent made a good faith effort to do so shall be in the sole discretion of EPA.

29. If Respondent fails to timely submit a SEP Completion Report as required by this CAFO, Respondent shall pay to the United States a stipulated penalty of \$100 for each calendar day that the report is late.

30. Respondent certifies that, as of the date this CAFO is signed, it is not required to perform any part of the SEP by any federal, state or local law, regulation, permit or order, or by any agreement or grant. Respondent further certifies that, as of this date, it has not received and is not negotiating to receive, credit for any part of the SEP in any other enforcement action of any kind.

31. Any public statement, oral or written, by Respondent making any reference to the SEP shall include the following language:

"This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for violation Section 103 of the Comprehensive Environmental Response, Compensation and Liability Act."

32. Respondent shall pay any stipulated penalties that accrue under this CAFO within 15 calendar days of the receipt by Respondent of written demand from EPA for such penalties. Such penalties shall be paid in accordance with the procedures set forth above for the payment of the civil penalty.

33. Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on the civil penalty from the date of entry of the CAFO if the penalty is not paid by the date required. Interest will be assessed at the rate established by the Secretary of Treasury pursuant to 31 U.S.C. § 3717. A charge will be assessed to cover the costs of debt collection, including processing and handling costs and attorney fees. In addition, a penalty charge will be assessed on any portion of the debt that remains delinquent more than ninety (90) days after payment is due.

34. Complainant and Respondent shall bear their own costs and attorney fees in this matter.

35. This CAFO shall be binding upon the Respondent, its successors, and assigns.

36. The following individual represents EPA in this matter and is authorized to receive service for EPA in this proceeding:

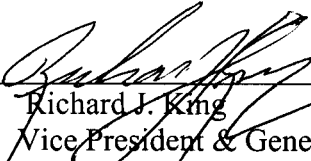
Caron B. Falconer
U.S. EPA, Region 4
Air, Pesticides & Toxics Management Division
61 Forsyth Street, S.W.
Atlanta, GA 30303
(404) 562-8451

V. Effective Date

38. The effective date of this CAFO shall be the date on which the CAFO is filed with the Regional Hearing Clerk.

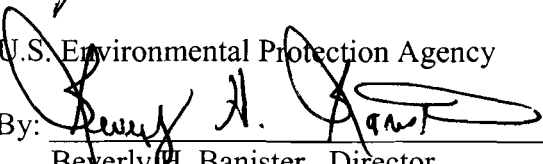
AGREED AND CONSENTED TO:

Leaf River Cellulose LLC

By: 
Name: Richard J. King
Title: Vice President & General Manager

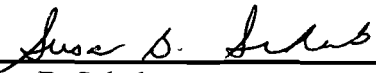
Date: 5/25/2007

U.S. Environmental Protection Agency

By: 
Beverly H. Banister, Director
Air, Pesticides & Toxics
Management Division
Region 4

Date: 5/9/07

APPROVED AND SO ORDERED this 5th day of June, 2007.


Susan B. Schub
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that on the date shown a true and correct copy of the foregoing Consent Agreement and Final Order, In the Matter of: Leaf River Cellulose, LLC, Docket No. CERCLA-04-2007-2024(b), was filed and served to the parties listed below in the manner indicated:

Caron B. Falconer
U.S. EPA, Region 4
Air, Pesticides, and Toxics
Management Division
61 Forsyth St., SW
Atlanta, GA 30303

(Via EPA's internal mail)

Saundi Wilson
U.S. EPA, Region 4
Office of Environmental Accountability
61 Forsyth St., SW
Atlanta, GA 30303

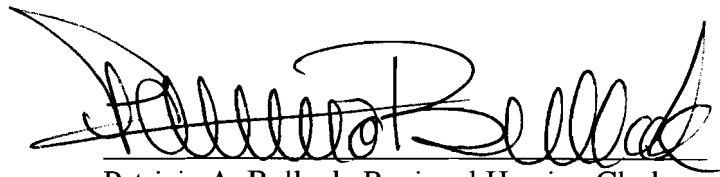
(Via EPA's internal mail)

(Respondent)

(Via Certified Mail, Return Receipt Requested)

Mr. Scott D. Matchett
Senior Counsel
Georgia Pacific Corporation
133 Peachtree St., N.E.
Atlanta, GA 30348-5605

Date: 6-5-07



Patricia A. Bullock, Regional Hearing Clerk
United States Environmental
Protection Agency, Region 4
Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, GA 30303
(404) 562-9511

EPA ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

TO BE COMPLETED BY THE ORIGINATING OFFICE:

(Attach a copy of the final order and transmittal letter to Defendant/Respondent)

This form was originated by: Saund, Wilson on 6/4/07
(Name) (Date)

in the OEA, OATGL at (404) 562-9504
(Office) (Telephone Number)

Non-SF Judicial Order/Consent Decree
USAO COLLECTS

Administrative Order/Consent Agreement
FMO COLLECTS PAYMENT

SF Judicial Order/Consent Decree
DOJ COLLECTS

Oversight Billing - Cost Package required:
Sent with bill

Not sent with bill

Other Receivable

Oversight Billing - Cost Package not required

This is an original debt

This is a modification

PAYEE: Leaf River Cellulose
(Name of person and/or Company/Municipality making the payment)

The Total Dollar Amount of the Receivable: \$ 2619
(If installments, attach schedule of amounts and respective due dates. See Other side of this form.)

The Case Docket Number: CERCLA 04 2007 - 2024 (6)

The Site Specific Superfund Account Number: _____

The Designated Regional/Headquarters Program Office: _____

TO BE COMPLETED BY LOCAL FINANCIAL MANAGEMENT OFFICE:

The IFMS Accounts Receivable Control Number is: _____ Date _____

If you have any questions, please call: _____ of the Financial Management Section at: _____

DISTRIBUTION:

A. **JUDICIAL ORDERS:** Copies of this form with an attached copy of the front page of the **FINAL JUDICIAL ORDER** should be mailed to:

- | | |
|--|------------------------------|
| 1. Debt Tracking Officer
Environmental Enforcement Section
Department of Justice RM 1647
P.O. Box 7611, Benjamin Franklin Station
Washington, D.C. 20044 | 2. Originating Office (EAD) |
| | 3. Designated Program Office |

B. **ADMINISTRATIVE ORDERS:** Copies of this form with an attached copy of the front page of the Administrative Order should be to:

- | | |
|---------------------------|------------------------------|
| 1. Originating Office | 3. Designated Program Office |
| 2. Regional Hearing Clerk | 4. Regional Counsel (EAD) |