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CLEARING HOUSE ACCOUNT
 DISTRICT OF OREGON
 PORTLAND, OREGON
 BY _____

02 MAY 14 AM 9:00
 CLERK, U.S. DISTRICT COURT
 DISTRICT OF OREGON
 PORTLAND, OREGON

FILED

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 and the **State of Louisiana,**)
 Plaintiff-Intervener,)
)
 v.)
)
BOISE CASCADE CORPORATION,)

Defendant.)

Civil No. **CV 02 311 ST**

CONSENT DECREE
CLEAN AIR ACT
42 U.S.C. § 7413 (b)

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CONSENT DECREE

WHEREAS, Plaintiff, the United States of America (hereinafter "Plaintiff" or "the United States"), on behalf of the United States Environmental Protection Agency (herein, "EPA"), has filed a Complaint alleging that Defendant, Boise Cascade Corporation (herein, "Boise Cascade" or "Defendant") commenced construction of major emitting facilities and major modifications of major emitting facilities in violation of the Prevention of Significant Deterioration ("PSD") requirements at Part C of the Clean Air Act (the "Act"), 42 U.S.C. §§ 7470-7492, and the regulations promulgated thereunder at 40 C.F.R. § 52.21 (the "PSD Rules");

WHEREAS, Plaintiff further alleged that Defendant commenced construction of emitting facilities or modified emitting facilities without first obtaining the appropriate preconstruction permits required by the Louisiana, Idaho, Oregon, and Washington State Implementation Plans ("SIPs") approved pursuant to 42 U.S.C. § 7410;

WHEREAS, Plaintiff further alleged that Defendant failed to properly provide information to state and federal regulatory agencies concerning potential air emissions from Defendant's facilities, including emissions of volatile organic compounds ("VOCs"), particulate matter ("PM"), carbon monoxide ("CO") and nitrogen oxides ("NOx");

WHEREAS, EPA issued Notices of Violation with respect to such allegations to the Defendant on March 3, 2000, and March 23, 2001 (the "NOVs");

WHEREAS, the State of Louisiana, ("Plaintiff-Intervener") has filed a Complaint in Intervention, alleging that Boise Cascade was and is in violation of the Louisiana SIP, by failing to obtain the appropriate pre-construction permits, by failing to accurately report emissions increases, and failing to install appropriate pollution control technology, in violation of applicable state laws;

WHEREAS, the Defendant has denied and continues to deny the violations alleged in the NOVs and each of the Complaints;

WHEREAS, the Defendant has implemented an extensive environmental management and auditing program designed to prevent future violations of environmental laws and has provided Plaintiff

with information on this program;

WHEREAS, the United States, Plaintiff-Intervener, and the Defendant have agreed that settlement of this action is in the best interest of the parties and in the public interest, and that entry of this Consent Decree without further litigation is the most appropriate means of resolving this matter; and

WHEREAS, the United States, Plaintiff-Intervener, and the Defendant have consented to entry of this Consent Decree without trial of any issues;

NOW, THEREFORE, without any admission of fact or law, and without any admission of the violations alleged in the Complaints or Notices of Violation, it is hereby ORDERED AND DECREED as follows:

I. JURISDICTION AND VENUE

1. The Complaints state a claim upon which relief can be granted against the Defendant under Sections 113 and 167 of the Act, 42 U.S.C. §§ 7413 and 7477, and 28 U.S.C. § 1355. This Court has jurisdiction of the subject matter herein and over the parties consenting hereto pursuant to 28 U.S.C. § 1345 and pursuant to Sections 113 and 167 of the Act, 42 U.S.C. §§ 7413 and 7477. Venue is proper under Section 113(b) of the Act, 42 U.S.C. § 7413(b), and under 28 U.S.C. § 1391(b) and (c).

II. APPLICABILITY

2. The provisions of this Consent Decree shall apply to and be binding upon the United States, the Plaintiff-Intervener, and upon the Defendant as well as the Defendant's officers, employees, agents, successors and assigns. In the event Defendant proposes to sell or transfer any of its facilities (i.e., a plant or mill) subject to this Consent Decree before termination of the Decree, it shall advise such proposed purchaser or successor-in-interest in writing of the existence of this Consent Decree, and shall send a copy of such written notification by certified mail, return receipt requested, to the EPA Regional Administrator for the region in which the facility is located before such sale or transfer, if

possible, but no later than the closing date of such sale or transfer. The Defendant shall provide a copy of the schedule for installation of controls and required destruction efficiencies contained in Paragraphs 10 and 12 of this Consent Decree to the vendor(s) supplying the VOC control technology systems required by Part IV (Compliance Program) of this Consent Decree.

III. FACTUAL BACKGROUND

3. Boise Cascade is a manufacturer of various wood products including plywood and particleboard. Though the manufacturing process for each of these products differs, both start with wood fiber as the raw material, which is then sliced into thin veneer strips or broken down into sawdust-like fibers. The veneer or the sawdust is then dried, coated with an adhesive and pressed into wood panels under conditions of high temperature and pressure. The United States and the Plaintiff-Intervener allege that in the course of these manufacturing activities significant quantities of PM, CO, VOCs, NOx and other pollutants are generated. VOCs and NOx are precursors to the formation of ground level ozone, or smog, which has been linked to respiratory impairment in certain individuals.

4. Boise Cascade owns and operates the following plywood facilities in the United States which were cited in the NOVs:

Florien, Louisiana

Oakdale, Louisiana

Elgin, Oregon

Medford, Oregon

White City, Oregon ("Rogue Valley" facility)

Kettle Falls, Washington

5. Boise Cascade owns and operates a particleboard facility at Island City, Oregon.

6. At times relevant to this Consent Decree, Boise Cascade owned and operated a plywood facility in Emmett, Idaho. The plywood manufacturing facility was closed permanently on or

about July 1, 2001.

IV. COMPLIANCE PROGRAM

A. POLLUTION CONTROL TECHNOLOGY

7. As set forth in Paragraph 12, Boise Cascade shall install control technology systems for control of VOCs which consist of Regenerative Thermal Oxidation ("RTO") or Regenerative Catalytic Oxidation ("RCO"), or other EPA-approved equivalent technology, on "hot zone" exhausts of the following veneer dryers:

Medford, OR.: Dryers 1, 5, and 6;

Elgin, OR.: Dryers 1, 2, and 3;

Florien, LA.: Dryers 1, 2, 3, and 4;

Oakdale, LA.: Dryers 1, 2, 3, and 4.

The "hot zone" is defined as each dryer zone that is heated by natural gas combustion, or by exhaust gases from wood combustion, or indirectly from the use of radiant heat from steam tubes within the dryer zone. Boise Cascade also shall comply with the alternative requirements described in Paragraph 12(d) of this Decree for the Island City Particleboard plant.

8. Boise Cascade shall minimize all fugitive VOC emissions from "hot zone" stacks of the veneer dryers and shall minimize visible emissions and leakages from dryer doors and the "green end" of the dryers (through appropriate operation and maintenance procedures) for the plywood plants identified in Paragraph 4.

9. Boise Cascade shall specify in all purchase orders issued after this Decree is executed and which are used to obtain, install, or operate the control technology systems required by this Decree that the control technology systems provided by the manufacturer(s) must achieve a 95% VOC destruction efficiency and shall minimize CO and NO_x emissions consistent with good engineering design of the control technology selected.

10. Boise Cascade shall achieve a destruction efficiency of 95% for VOC emissions at units

required to be controlled pursuant to Paragraph 7, as demonstrated by compliance with the requirements of Paragraph 12, and consistent with the criteria established in Attachment 1 to this Decree. The destruction efficiency need not be maintained during periods when the dryers and presses are not operating or during previously planned startup and shutdown periods (including bakeouts and washouts), and Force Majeure events (including malfunctions which qualify as Force Majeure events). These startup and shutdown periods shall be conducted consistent with acceptable plant practice and during these events, Boise Cascade shall minimize emissions to the greatest extent practicable. Boise Cascade must, at the beginning of every month, record plans for scheduled maintenance related to the specific control technology systems covered by this Decree. To the extent practical, maintenance of control technology systems will be performed during times when process equipment is also shut down for routine maintenance.

11. If Boise Cascade can demonstrate that emissions inlet concentration to any of the control devices described in Paragraph 7 is less than 100 parts per million ("ppm") VOC as carbon, then Boise Cascade may demonstrate compliance with the destruction efficiency requirements of this Consent Decree by a compliance test from the control device that indicates that the outlet concentration is less than 10 ppm total VOC as carbon.

12. Boise Cascade's installation, startup, and initial compliance testing of the control technology systems required by Paragraph 7, shall be in accordance with the following schedule.

12. (a) Medford:

(1.) As of lodging of the Consent Decree, Boise Cascade has applied for state construction permits and/or construction permit waivers for the installation of control technology systems;

(2.) By no later than April 1, 2002, Boise Cascade shall complete installation, shake-down and debugging, and commence full-time operation of the control technology systems at the Medford facility for veneer dryers 1, 5, and 6;

(3.) By no later than July 1, 2002, Boise Cascade shall submit test results

demonstrating compliance with the destruction efficiency provision in Paragraph 10.

12. (b). Oakdale and Florien:

(1.) By no later than October 1, 2002, Boise Cascade shall apply for state construction permits and/or construction permit waivers for the installation of control technology systems;

(2.) By no later than January 1, 2003, Boise Cascade shall complete installation, shake-down and debugging, and commence full-time operation of the control technology systems at the Oakdale facility for veneer dryers 1, 2, 3, and 4 and at the Florien facility for veneer dryers 1, 2, 3, and 4;

(3.) By no later than May 1, 2003, Boise Cascade shall submit test results demonstrating compliance with the destruction efficiency provision in Paragraph 10.

12.(c). Elgin:

(1.) By no later than June 1, 2003, Boise Cascade shall apply for state construction permits and/or construction permit waivers for the installation of control technology systems;

(2.) By no later than September 1, 2003, Boise Cascade shall complete installation, shake-down and debugging, and commence full-time operation of the control technology systems at the Elgin facility for veneer dryers 1, 2, and 3;

(3.) By no later than January 1, 2004, Boise Cascade shall submit test results demonstrating compliance with the destruction efficiency provision in Paragraph 10.

12. (d). Island City:

(1.) By no later than November 1, 2003, Boise Cascade agrees to fully implement one of the following strategies at the Island City facility:

(a.) Install an RTO/RCO, or EPA-approved equivalent VOC control technology, on an enclosed line 1 press at the Island City facility; or

(b.) Install an RTO/RCO, or EPA-approved equivalent VOC control technology, on the green furnish dryer; or

(c.) Permanently cease operating the green furnish dryer, in which case Boise Cascade will notify EPA and the Oregon Department of Environmental Quality ("ODEQ") that it has permanently shut down the green furnish dryer.

(2.) Boise Cascade shall notify the United States of its choice of strategies by no later than November 1, 2002, and shall provide a milestone implementation plan at that time. Should Boise Cascade pursue options (a.) or (b.) above, Boise Cascade shall submit test results demonstrating compliance with the destruction efficiency provision in Paragraph 10.

(3.) Unless and until the green furnish dryer permanently ceases operation or is controlled, Boise Cascade shall limit the wood species mix to the green furnish dryer to not more than 40% pine. Within 90 days following the Parties' execution of this Consent Decree, Boise Cascade shall propose a modification to its operating permits to include this wood species limitation as a permit condition.

(4.) Beginning immediately upon the Parties' execution of this Consent Decree, Boise Cascade shall continue its existing operational practices to limit pine to not more than 40%. Boise Cascade shall continue such practices until the State has approved an enforceable permit limitation as provided in subparagraph 12(d)(3) above.

12. (e). Rogue Valley:

(1.) Within 90 days following execution of this Consent Decree Boise Cascade will meet with ODEQ to request recalculation of the facility's baseline and plant site emission limits ("PSEL") for VOC emissions according to current ODEQ requirements or criteria.

(2.) Boise Cascade will request that ODEQ make a determination of whether the calculated change between the baseline VOC emissions and PSEL VOC emissions will require the facility to obtain a PSD permit or modify its Title V permit to include a federally enforceable limitation that would limit its VOC emissions to a level below a significant emission rate increase above its baseline.

(3.) Based on ODEQ's determination, Boise Cascade will apply for the necessary

and appropriate federally enforceable permits from ODEQ.

12. (f). Kettle Falls:

(1). From the date of lodging of this Consent Decree until its termination, Boise Cascade shall comply with the current permit provision to re-circulate at least 7% of its dryer emissions as combustion air in the fluidized bed combustor ("FBC"), in accordance with NOC Order No. DE-92AQ-E152 and Title V Permit No. DE-97AQ-E136, 8/26/97, Page 30 of 48. Boise Cascade may not make modifications that will affect this limit without applying for and receiving a federally-enforceable permit modification and conducting a PSD analysis to determine whether this modification would be subject to PSD.

13. To demonstrate compliance with the destruction efficiency provisions in Paragraph 10, Boise Cascade will undertake compliance testing in accordance with the schedules set out in Paragraph 12, and the test protocol set forth in Attachment 1 of this Consent Decree.

14. EPA shall advise Boise Cascade within 30 days of receipt of the compliance test results whether the destruction efficiency required by this Consent Decree as set out in Paragraph 10 has been met.

15. If the destruction efficiency has not been met, Boise Cascade will be subject to the stipulated penalties set forth in Paragraph 34(f).

B. PERMITS

16. Boise Cascade shall apply for appropriate federally-enforceable permits for the actions required under Paragraphs 10 and 12 in accordance with the schedule set forth in Paragraph 12, and shall apply to incorporate new emission limits or destruction efficiencies in all applicable operating permits by no later than 12 months following the installation of controls under Paragraph 12.

17. Nothing precludes Boise Cascade from closing a facility or ceasing to operate an emission source rather than installing controls and obtaining permits so long as the facility closes before the deadlines for installing controls set forth in Paragraph 12. In the event that Boise Cascade elects to close any one of the facilities identified in Paragraphs 4 or 5, or cease to operate an emission source,

Boise Cascade shall notify the United States within sixty (60) days of such closure or cessation.

18. In the event that Boise Cascade chooses to re-open any facility or emissions sources it has closed or ceased to operate pursuant to Paragraph 17, or to reopen the Emmett, Idaho facility, Boise Cascade shall provide notification to the United States at least 30 days in advance of start-up, and treat the re-opened facility as a new, stationary source of air emissions subject to a PSD and/or New Source Review applicability determination by the appropriate regulatory authority, prior to resuming operations. Boise Cascade's permitting shall use a current, accurate VOC emission factor based on a complete VOC emission test with a protocol approved by EPA. Failure to comply with the requirements of this Paragraph will subject Boise Cascade to stipulated penalties as set forth in Paragraph 34(j).

C. COMPLIANCE MONITORING

19. Boise Cascade shall propose appropriate monitoring provisions as part of the federally enforceable permits required under Paragraph 16, as well as in its Title V Air Operating Permit. Such monitoring shall include parametric, periodic and continuous monitoring as determined appropriate by the states, subject to EPA approval of such monitoring provisions. Failure to propose compliance monitoring provisions under this Paragraph shall subject Boise Cascade to stipulated penalties as set forth in Paragraph 34(b).

D. ENVIRONMENTAL AUDITS

20. Boise Cascade shall conduct a comprehensive review of the compliance status of each of the facilities identified in Paragraphs 4 and 5 of this Consent Decree (hereinafter "Audit Program"), once during the life of the Consent Decree. The Audit Program will evaluate each facility's compliance with this Consent Decree and the following federal statutes and their implementing regulations: the Clean Air Act, the Clean Water Act, 33 U.S.C. § 1251 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., and the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq. Boise Cascade may utilize its current corporate environmental audit program, which has been reviewed by EPA, to

meet this requirement.

E. EMISSIONS OFFSETS

21 For purposes of this Consent Decree, an "emission offset" is the reduction or prevention of pollutants not otherwise required by federal law to be captured and/or controlled. Boise Cascade shall obtain emissions offsets by reducing total particulate matter emissions from dryers at the Florien facility by 80%. The reductions will be obtained by fulfilling Boise Cascade's obligation for the Florien facility under Paragraph 12(b) of this Decree. Boise Cascade will demonstrate it has obtained 80% particulate matter reduction from the Florien facility dryers by conducting a source test according to EPA Methods 5 and 202 before and after the control device. Boise Cascade shall submit to EPA and the Louisiana Department of Environmental Quality ("LDEQ"), test results demonstrating compliance with 80% total particulate matter emission reduction in the first quarterly report required by Paragraph 27 after the source test is completed and the results are obtained by Boise Cascade. Failure to obtain emission offsets as required by this Paragraph shall subject Boise Cascade to stipulated penalties as set forth in Paragraph 34(d).

F. SUPPLEMENTAL ENVIRONMENTAL PROJECTS

22. Boise Cascade shall implement the following supplemental environmental project(s) ("SEP(s)"), at an aggregate cost of at least \$2.9 million and in accordance with Attachment 2 to this Consent Decree:

(a.) RTO or RCO, or other EPA-approved equivalent technology, on the hot zone of and to control VOC emissions from Dryers 2, 3, and 4 at the company's Medford, OR Plywood facility, which will result in an estimated 95% reduction of VOCs from these dryers;

(b.) RTO or RCO, or other EPA-approved equivalent technology, on the hot zone of and to control VOC emissions from Dryers 1, 2, 3 and 4 at the Yakima, Washington plywood facility, which will result in an estimated 95% reduction of VOCs from these dryers;

(c.) Overfire air project on hogged fuel boiler at Kettle Falls, Washington, plywood facility to seek to improve combustion efficiency and reduce CO emissions;

23. Boise Cascade shall request approval from EPA of any proposed changes to the approved SEPs identified in Paragraph 22. In the event Boise Cascade requests approval from EPA to change an approved SEP because the company intends to close a facility or cease to operate an emission source, at which a SEP was approved in this Consent Decree, EPA shall respond within 30 days.

24. Resolution of any disputes arising out of the implementation of the SEPs shall be subject to the Dispute Resolution procedures in Part X of this Consent Decree.

25. Boise Cascade agrees that in any public statements regarding the funding of these SEPs, Boise Cascade must clearly indicate that these projects are being undertaken as part of the settlement of an enforcement action for alleged Clean Air Act violations. No amount of the \$2.9 million to be paid by Boise Cascade for SEPs described in Attachment 2 shall be used to reduce its federal or state tax obligations.

26. Failure to fully implement the SEPs as required by Paragraphs 22 through 25 and Attachment 2 to this Consent Decree will subject Boise Cascade to stipulated penalties as set forth in Paragraph 34(e), not to exceed the value of the particular SEP(s) which have not been implemented.

V. REPORTING AND RECORDKEEPING

27. Beginning with Boise Cascade's first full fiscal calendar quarter after entry of this Consent Decree, the Defendant shall submit a quarterly progress report ("quarterly report") to EPA, and to the Plaintiff-Intervener for Louisiana facilities, within 30 days after the end of each of Boise Cascade's fiscal calendar quarters during the life of this Consent Decree. This report shall contain the following:

- (a.) progress report on the implementation of the requirements of Part IV (Compliance Program) above;
- (b.) a description of any problems anticipated with respect to meeting the Compliance Program of Part IV of this Consent Decree;
- (c.) a description of all SEP implementation activity in accordance with Attachment 2 of this Consent Decree; and
- (d.) a summary of the emission offsets obtained as required by Paragraph 21 of this Consent Decree for the quarterly report following the specific emissions test required under Paragraph 21.

28. The quarterly report shall be certified by the Division Operation Vice President as follows:

I certify under penalty of law that this information was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my directions and my inquiry of the person(s) who manage the system, or the person(s) directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete.

29. Failure to report as required by this Paragraph shall subject Boise Cascade to stipulated penalties as set forth in Paragraph 34(g).

30. Defendant shall retain records required by this Decree for the life of the Decree or a period of five (5) years, whichever is longer.

VI. CIVIL PENALTY

31.(a). Within thirty (30) calendar days of entry of this Consent Decree, the Defendant shall pay to the United States and Plaintiff-Intervener a civil penalty pursuant to Section 113 of the Act, 42 U.S.C. § 7413 in the amount of \$4,350,000. Of the total, \$4,100,000, shall be paid to the United States by Electronic Funds Transfer ("EFT") to the United States Department of Justice, in accordance with current EFT procedures, referencing the USAO File Number and DOJ Case Number 90-5-2-1-06414, and the civil action case name and case number of the District of Oregon. The costs of such EFT shall be Boise Cascade's responsibility. Payment shall be made in accordance with instructions provided to Boise Cascade by the Financial Litigation Unit of the U.S. Attorney's Office in the District of Oregon. Any funds received after 11:00 a.m. (EST) shall be credited on the next business day. Boise Cascade shall provide notice of payment, referencing the USAO File Number and DOJ Case Number 90-5-2-1-06414, and the civil action case name and case number, to the Department of Justice and to EPA, as provided in Paragraph 62 (Notice). The total remaining amount, \$250,000 in civil penalties shall be paid to the Plaintiff-Intervener as follows:

31.(b.) \$250,000 shall be paid to Plaintiff-Intervener the State of Louisiana, made in the form of a certified check payable to the Louisiana Department of Environmental Quality and delivered to:

Darryl Serio, Fiscal Officer,
P.O. Box 82231
Baton Rouge, Louisiana 70884-2231

32. Upon entry of this Decree, this Decree shall constitute an enforceable judgment for purposes of post-judgment collection in accordance with Rule 69 of the Federal Rules of Civil Procedure, the Federal Debt Collection Procedure Act, 28 U.S.C. § 3001-3308, and other applicable federal authority. The United States shall be deemed a judgment creditor for purposes of collection of any unpaid amounts of the civil and stipulated penalties and interest.

33. No amount of the civil penalty to be paid by Boise Cascade shall be used to reduce its federal or state tax obligations.

VII. STIPULATED PENALTIES

34. The Defendant shall pay stipulated penalties to the United States and the Plaintiff-Intervener, to be paid 50% to the United States and 50 % to the Plaintiff-Intervener for Louisiana facilities, otherwise 100% to be paid to the United States, for each failure by the Defendant to comply with the terms of this Consent Decree, to be calculated in the following amounts:

(a) for failure to meet the deadlines for installation of control technology systems and obtaining permits, per day per plant:

1st through 30th day after deadline	\$1,312
31st through 60th day after deadline	\$3,150
Beyond 60th day	\$6,825

(b) for each day of failure to propose compliance monitoring provisions as required by Paragraph 19 at any plant covered by this Consent Decree:

1st through 30th day after deadline	\$1,050
31st through 60th day after deadline	\$2,100
Beyond 60th day	\$5,250

(c) for failure to conduct a compliance test as required by Paragraph 12, per day per plant:

1st through 30th day after deadline	\$1,050
31st through 60th day after deadline	\$2,100
Beyond 60th day	\$5,250

(d) for failure to obtain emissions offsets as set forth in Paragraph 21,

1st through 30th day after deadline	\$1,050
31st through 60th day after deadline	\$2,100
Beyond 60th day after deadline	\$5,250

(e) for failure to implement the SEPs as set forth in Paragraphs 22 through 26 and Attachment 2 hereto, \$5,250 per day, provided however that if Boise Cascade has made good faith

and timely efforts to complete the SEPs, and certifies, with supporting documentation, that at least 90% of the money which was required to be spent was expended on the SEPs, no stipulated penalty shall be imposed.

(f) for failure to demonstrate the minimum 95% destruction efficiency for VOCs, as specified in Attachment 1 for the control technology systems as shown by required compliance demonstration stack tests or under the exception set forth in Paragraph 11.

If the Destruction Efficiency is greater than or equal to 85% and less than 95% - \$10,500

If the Destruction efficiency is less than 85% - \$15,500

(g) for each failure to submit reports or studies, as required by any part of this Consent Decree or to provide any notice required by this Consent Decree, except a notice of closure covered under Paragraph 34(j), per day per report or notice:

1st through 30th day after deadline	\$ 367
31st through 60th day after deadline	\$ 787
Beyond 60th day	\$1,312

(h) for failure to pay the civil penalty as specified in Part VI of this Consent Decree, \$36,750 per day plus interest on the amount overdue at the rate specified in 31 U.S.C. § 3717.

(i) for failure to pay or escrow stipulated penalties, as specified in Paragraph 36 of this section, \$3,675 per day per penalty demand.

(j) for failure to notify the United States pursuant to Paragraph 17 of Boise Cascade's closing of a facility or ceasing to operate an emission source, or for failure to notify EPA pursuant to Paragraph 18 regarding re-opening of any facility or emission source or for failure to treat a re-opened facility as a new stationary source for PSD and/or NSR applicability purposes pursuant to Paragraph 18, \$1,050 per day.

35. Boise Cascade shall pay stipulated penalties upon written demand by the United States no later than thirty (30) days after Defendant receives such demand. Stipulated penalties shall be paid to the United States and Plaintiff-Intervener in the manner set forth in Part VI (Civil Penalty) of this

Consent Decree.

36. Should Boise Cascade dispute its obligation to pay part or all of a stipulated penalty, it may avoid the imposition of the stipulated penalty for failure to pay a penalty due to the United States, by placing the disputed amount demanded by the United States, not to exceed \$50,000 for any given event or related series of events at any one plant, in a commercial escrow account pending resolution of the matter and by invoking the Dispute Resolution provisions of Part X within the time provided in Paragraph 35 for payment of stipulated penalties. If the dispute is thereafter resolved in Defendant's favor, the escrowed amount plus accrued interest shall be returned to the Defendant, otherwise the United States shall be entitled to the escrowed amount that was determined to be due by the Court plus the interest that has accrued on such amount, with the balance, if any, returned to the Defendant.

37. The United States reserves the right to pursue any other remedies to which it is entitled, including, but not limited to, additional injunctive relief for Defendant's violations of this Consent Decree. The United States and Plaintiff-Intervener will not seek stipulated penalties and civil penalties for the same violation of the Consent Decree.

VIII. RIGHT OF ENTRY

38. Any authorized representative of the EPA or an appropriate state agency, including independent contractors, upon presentation of proper credentials and in compliance with the facility's safety requirements, shall have a right of entry upon the premises of Boise Cascade's plants identified herein at any reasonable time for the purpose of monitoring compliance with the provisions of this Consent Decree, including inspecting plant equipment, and inspecting and copying all records maintained by Defendant required by this Consent Decree. Nothing in this Consent Decree shall limit the authority of EPA to conduct tests and inspections under Section 114 of the Act, 42 U.S.C. § 7414.

IX. FORCE MAJEURE

39. If any event occurs which causes or may cause a delay or impediment to performance in complying with any provision of this Consent Decree, Defendant shall notify the United States in writing as soon as practicable, but in any event within ten (10) business days of when Defendant first knew of the event or should have known of the event by the exercise of due diligence. In this notice Defendant shall specifically reference this Paragraph of this Consent Decree and describe the anticipated length of time the delay may persist, the cause or causes of the delay, and the measures taken or to be taken by Defendant to prevent or minimize the delay and the schedule by which those measures will be implemented. Defendant shall adopt all reasonable measures to avoid or minimize such delays.

40. Failure by Defendant to comply with the notice requirements of Paragraph 39 as specified above shall render this Part IX voidable by the United States as to the specific event for which the Defendant has failed to comply with such notice requirement, and, if voided, is of no effect as to the particular event involved.

41. The United States shall notify the Defendant in writing regarding the Defendant's claim of a delay or impediment to performance within 30 days of receipt of the Force Majeure notice provided under Paragraph 39. If the United States agrees that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Defendant, including any entity controlled by the Defendant, and that the Defendant could not have prevented the delay by the exercise of due diligence, the parties shall stipulate to an extension of the required deadline(s) for all requirement(s) affected by the delay by a period equivalent to the delay actually caused by such circumstances. Such stipulation shall be filed as a modification to this Consent Decree pursuant to the modification procedures established in this Consent Decree. The Defendant shall not be liable for stipulated penalties for the period of any such delay.

42. If the United States does not accept the Defendant's claim of a delay or impediment to performance, the Defendant must submit the matter to this Court for resolution to avoid payment of

stipulated penalties, by filing a petition for determination with this Court. Once the defendant has submitted this matter to this Court, the United States shall have 20 business days to file its response to said petition. If the Defendant submits the matter to this Court for resolution and the Court determines that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Defendant, including any entity controlled by the Defendant, and that the Defendant could not have prevented the delay by the exercise of due diligence, the Defendant shall be excused as to that event(s) and delay (including stipulated penalties), for a period of time equivalent to the delay caused by such circumstances.

43. The Defendant shall bear the burden of proving that any delay of any requirement(s) of this Consent Decree was caused by or will be caused by circumstances beyond its control, including any entity controlled by it, and that the Defendant could not have prevented the delay by the exercise of due diligence. The Defendant shall also bear the burden of proving the duration and extent of any delay(s) attributable to such circumstances. An extension of one compliance date based on a particular event may, but does not necessarily, result in an extension of a subsequent compliance date or dates.

44. Unanticipated or increased costs or expenses associated with the performance of the Defendant's obligations under this Consent Decree shall not constitute circumstances beyond the control of the Defendant, or serve as a basis for an extension of time under this Part. However, failure of a permitting authority to issue a necessary permit in a timely fashion is an event of Force Majeure where the failure of the permitting authority to act is beyond the control of the Defendant and Defendant has taken all steps available to it to obtain the necessary permit including but not limited to:

- (a.) submitting a timely and complete permit application;
- (b.) responding to requests for additional information by the permitting authority in a timely fashion;
- (c.) accepting lawful permit terms and conditions; and
- (d.) prosecuting appeals of any unlawful terms and conditions imposed by the permitting authority in an expeditious fashion.

45. Notwithstanding any other provision of this Consent Decree, this Court shall not draw any inferences nor establish any presumptions adverse to either party as a result of Defendant delivering a notice of Force Majeure or the parties' inability to reach agreement.

46. As part of the resolution of any matter submitted to this Court under this Part IX, the parties by agreement, or this Court, by order, may in appropriate circumstances extend or modify the schedule for completion of work under this Consent Decree to account for the delay in the work that occurred as a result of any delay or impediment to performance agreed to by the United States or approved by this Court. Defendant shall be liable for stipulated penalties for its failure thereafter to complete the work in accordance with the extended or modified schedule.

X. DISPUTE RESOLUTION

47. The dispute resolution procedure provided by this Part X shall be available to resolve all disputes arising under this Consent Decree, except as otherwise provided in Part IX regarding Force Majeure, provided that the party making such application has made a good faith attempt to resolve the matter with the other party.

48. The dispute resolution procedure required herein shall be invoked upon the giving of written notice by one of the parties to this Consent Decree to another advising of a dispute pursuant to this Part X. The notice shall describe the nature of the dispute, and shall state the noticing party's position with regard to such dispute. The party receiving such a notice shall acknowledge receipt of the notice and the parties shall expeditiously schedule a meeting to discuss the dispute informally not later than fourteen (14) days from the receipt of such notice.

49. Disputes submitted to dispute resolution shall, in the first instance, be the subject of informal negotiations between the parties. Such period of informal negotiations shall not extend beyond thirty (30) calendar days from the date of the first meeting between representatives of the United States and the Plaintiff-Intervener (for Louisiana facilities) and the Defendant, unless the parties' representatives agree to shorten or extend this period.

50. In the event that the parties are unable to reach agreement during such informal negotiation period, the United States shall provide the Defendant with a written summary of its position regarding the dispute. The position advanced by the United States shall be considered binding unless, within forty-five (45) calendar days of the Defendant's receipt of the written summary of the United States position, the Defendant files with this Court a petition which describes the nature of the dispute. The United States shall respond to the petition within forty-five (45) calendar days of filing.

51. Where the nature of the dispute is such that a more timely resolution of the issue is required, the time periods set out in this Part X may be shortened upon motion of one of the parties to the dispute.

52. Notwithstanding any other provision of this Consent Decree, in dispute resolution, this Court shall not draw any inferences nor establish any presumptions adverse to either party as a result of invocation of this Part X or the parties' inability to reach agreement.

53. As part of the resolution of any dispute submitted to dispute resolution, the parties, by agreement, or this Court, by order, may, in appropriate circumstances, extend or modify the schedule for completion of work under this Consent Decree to account for the delay in the work that occurred as a result of dispute resolution. Defendant shall be liable for stipulated penalties for its failure thereafter to complete the work in accordance with the extended or modified schedule.

XI. GENERAL PROVISIONS

54. Effect of Settlement. This Consent Decree is not a permit; compliance with its terms does not guarantee compliance with any applicable federal, state or local laws or regulations.

55. Emission Reductions. Boise Cascade shall be able to use or rely on the emission reductions generated as a result of the control technology systems installed at the plants identified in Paragraphs 4 and 5 of this Consent Decree in any federal or state emission averaging, banking, trading, or similar emission compliance program only to the extent of any reductions in excess of 95% of VOCs destroyed pursuant to Paragraph 10, and in excess of the 80% reduction of particulate matter required as emission offsets pursuant to Paragraph 21.

56. Covenants. Satisfaction of all of the requirements of this Consent Decree constitutes full settlement of and shall resolve all civil and administrative liability of the Defendant to the United States and the Plaintiff-Intervener for the Clean Air Act violations alleged in the United States' and Plaintiff-Intervener's Complaints and in the March 3, 2000, and March 23, 2001, NOVs from the United States.

57. Other Laws. Except as specifically provided by this Consent Decree, nothing in this Consent Decree shall relieve Defendant of its obligation to comply with all applicable federal, state and local laws and regulations. Subject to Paragraph 56, nothing contained in this Consent Decree shall be construed to prevent or limit the United States' rights to obtain penalties or injunctive relief under the Clean Air Act or other federal, state or local statutes or regulations, including but not limited to, Section 303 of the Act, 42 U.S.C. § 7603.

58. Third Parties. This Consent Decree does not limit, enlarge or affect the rights of any party to this Consent Decree as against any third parties.

59. Costs. Each party to this action shall bear its own costs and attorneys' fees.

60. Public Documents. All information and documents submitted by the Defendant to the United States pursuant to this Consent Decree shall be subject to public inspection, unless subject to legal privileges or protection or identified and supported as business confidential by the Defendant in accordance with 40 C.F.R. Part 2.

61. Public Comments. The parties agree and acknowledge that final approval by the United States and entry of this Consent Decree is subject to the requirements of 28 C.F.R. § 50.7, which provides for notice of the lodging of this Consent Decree in the Federal Register, an opportunity for public comment, and consideration of any comments. Further, the parties agree and acknowledge that final approval by Plaintiff-Intervener the State of Louisiana, Department of Environmental Quality, and entry of this Consent Decree is subject to the requirements of La. R.S. 30:2050.7, which provides for public notice of this Consent Decree in newspapers of general circulation and the official journals of parishes in which Boise Cascade facilities are located, an opportunity for public comment,

consideration of any comments, and concurrence by the State Attorney General.

62. Notice. Unless otherwise provided herein, notifications to or communications with the United States or the Defendant shall be deemed submitted on the date they are postmarked and sent either by overnight receipt mail service or by certified or registered mail, return receipt requested. Except as otherwise provided herein, when written notification to or communication with the United States, EPA, or the Defendant is required by the terms of this Consent Decree, it shall be addressed as follows:

As to the United States:

Thomas L. Sansonetti
Assistant Attorney General
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, DC 20044-7611

Michael W. Mosman
United States Attorney
District of Oregon
1000 S.W. Third Ave., Suite 600
Portland, OR 97204-2902

As to the U.S. EPA:

Bruce Buckheit
Director, Air Enforcement Division
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code 2242-A
Washington, DC 20004

and the EPA Regional office for the region in which the facility is located:

Region 6:

Samuel Coleman, P.E.
Director, Compliance Assurance and
Enforcement Division
Environmental Protection Agency, Region 6
1445 Ross Avenue

Dallas, Texas 75202-2733

Region 10:

Betty Wiese
Manager, Air Enforcement and Program Support Unit
Office of Air Quality
Environmental Protection Agency, Region 10
1200 Sixth Avenue OAQ-107
Seattle, WA 98101-1128

As to Boise Cascade Corporation:

Boise Cascade Corporation
ATTN: General Counsel
P.O. Box 50
Boise, ID 83728

and

Ross Macfarlane
Preston, Gates, & Ellis, LLP
701 Fifth Avenue, Suite 5000
Seattle, WA 98104-7078

As to Plaintiff-Intervener the State of Louisiana, through the Department of Environmental Quality:

Barbara Romanowsky, Administrator
Enforcement Division
Office of Environmental Compliance
P.O. Box 82215
Baton Rouge, Louisiana 70884-2215

63. Change of Notice Recipient. Any party may change either the notice recipient or the address for providing notices to it by serving all other parties with a notice setting forth such new notice recipient or address.

64. Modification. There shall be no modification of this Consent Decree without written approval by the United States and Boise Cascade, or by Order of the Court.

65. Continuing Jurisdiction. The Court retains jurisdiction of this case after entry of this Consent Decree to enforce compliance with the terms and conditions of this Consent Decree and to take any action necessary or appropriate for its interpretation, construction, execution, or modification. During the term of this Consent Decree, any party may apply to the Court for any relief necessary to construe or effectuate this Consent Decree.

XII. TERMINATION

66. This Consent Decree shall be subject to termination upon motion by either party after the Defendant satisfies all requirements of this Consent Decree and has operated the control technologies identified in Paragraph 12 for a minimum of 12 months. At such time, if the Defendant believes that it is in compliance with the requirements of this Consent Decree and the permits specified herein, and has paid the civil penalty and any stipulated penalties required by this Consent Decree, then the Defendant shall so certify to the United States, and unless the United States objects in writing with specific reasons within 60 days of receipt of the certification, the Court shall order that this Consent Decree be terminated on Defendant's motion. If the United States so objects to the Defendant's certification, then the matter shall be submitted to the Court for resolution under Part X (Dispute Resolution) of this Consent Decree. In such case, the Defendant shall bear the burden of proving that this Consent Decree should be terminated.

However, if all the requirements of the Consent Decree have been met except for the conclusion of the operational period for the federal SEPs as specified in Attachment 2, the Consent Decree may be terminated as to all its conditions but may continue only as to the operation of those

SEPs pursuant to Attachment 2, until the operational period has concluded.

So entered in accordance with the foregoing this 13th day of May, 2002.



United States District Court Judge
for the District of Oregon

ANNA J. BROWN

FOR PLAINTIFF, UNITED STATES OF AMERICA:

Thomas L. Sansonetti/kj

Date 3/12/02

Thomas L. Sansonetti
Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
10th & Pennsylvania Avenue, N.W.
Washington, DC 20530

Dianne M. Shawley

Date 3/1/02

Dianne M. Shawley
Senior Counsel
Environment and Natural Resources Division
U.S. Department of Justice
1425 New York Avenue, N.W.
Washington, DC 20005

Jeffrey Kopf

Date 2/21/02

Jeffrey S. Kopf
Special Trial Attorney
US EPA Region 10
1200 Sixth Avenue
Seattle, WA 98101-1128

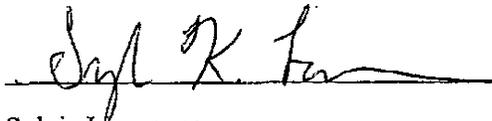
Michael W. Mosman
United States Attorney
District of Oregon

Neil J. Evans
for

Date 3/13/02

Neil J. Evans
Assistant U.S. Attorney
United States Attorney's Office
District of Oregon

FOR U.S. ENVIRONMENTAL PROTECTION AGENCY:
(United States and State of Louisiana v. Boise Cascade Corporation)



Date 3/12/02

Sylvia Lowrance
Acting Assistant Administrator
Office of Enforcement and Compliance
Assurance
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460



Date 3/12/02

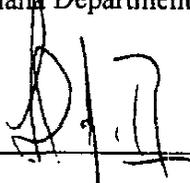
Jan Gerro
Senior Enforcement Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

PRELIMINARILY FOR PLAINTIFF-INTERVENER, THE STATE OF LOUISIANA,
THROUGH THE DEPARTMENT OF ENVIRONMENTAL QUALITY:



Date 2/22/02

R. Bruce Hammatt
Assistant Secretary
Office of Environmental Compliance
Louisiana Department of Environmental Quality



Date 2-21-02

Ted R. Broyles, II
Senior Attorney (LA Bar No: 20456)
Legal Division
Louisiana Department of Environmental Quality
(225) 765-0236

FOR DEFENDANT, BOISE CASCADE CORPORATION:

OK
quit


Date 2/25/02

George J. Harad, Chief Executive Officer
Boise Cascade Corporation
1111 West Jefferson Street
Boise, Idaho 83728-0001

ATTACHMENT 1

Compliance Determination Testing Protocol

Boise Cascade agrees to undertake compliance determinations according to the terms identified in this testing protocol for the pollution control equipment installed at the facilities identified in Paragraphs 4 and 5 of this Consent Decree.

In addition, as part of its SEP obligation in accordance with Paragraphs 22 through 25 of the Consent Decree and Attachment 2 to this Consent Decree, Boise Cascade shall demonstrate a 95% or greater reduction of VOC emissions across the pollution controls installed on veneer dryers.

The following requirements are applicable:

1. EPA may provide representatives, including contractors, to observe the tests.
2. Testing must be performed to determine the mass VOC emissions entering (lbs/hr VOC in) and exiting (lbs/hr VOCout) the control devices. The destruction efficiency (D.E.) will be calculated using the following equation:

$$\%D.E. = [(lbs/hr VOC in) - (lbs/hr VOC out) / (lbs/hr VOC in)] \times 100$$

If the destruction efficiency is calculated to be equal to or greater than 95%, Boise has completed its obligation of demonstrating the destruction efficiency of the control device under this consent decree. If the inlet concentration is equal to or less than 100 ppm VOC reported as carbon, then compliance is demonstrated if the outlet concentration is equal to or less than 10 ppm VOC reported as carbon:

3. The test method to be used is EPA Reference Test Method 25A (40 C.F.R. Part 60, Appendix A), for VOC emissions from dryers and presses. Appropriate modifications to Method 25A will be allowed as required to accommodate moisture levels in the emissions stream, in accordance with EPA "Manual for the Coordination of VOC Emissions Testing Using Methods 18, 21, 25, 25A" (EPA 340/1-91-008) and "Preliminary results from laboratory and field studies of total hydrocarbon (VOC) analyzers and discussion of the application of Method 25A measurement systems to wood products sources," Dr. D. Word, National Council for Air and Stream Improvement. Any modifications to Method 25A will be determined in consultation with, and approved by EPA. EPA Methods 1-4 must be used for stack gas flow rate and moisture.

4. Testing must be conducted on the inlet and outlet of each VOC emission control device required to be installed under this consent decree.
5. During each test, the process being controlled shall be operated as close as possible to its maximum design capacity.
6. Boise Cascade will submit, as specified below, a pretest and an emission test report.
7. At least thirty-five (35) days prior to any test that will be used for compliance determination purposes, Boise Cascade will submit a pretest report for that plant. The pretest report may describe and apply to multiple plants. EPA will review the pretest report and provide any comments to Boise Cascade no later than five (5) days prior to the scheduled test date.
8. Boise Cascade is required to include the following information in the pretest report:
 - a. A brief description of the manufacturing process at the facility and the air pollution control equipment associated with the process including the type of control device, the anticipated operating parameters of the process unit and control device during testing, permit limits, and the maximum design capacity, if known.
 - b. A description of the emissions sampling equipment including a schematic diagram of the sampling train.
 - c. A sketch with dimensions indicating the flow of exhaust gases from the process, through the control equipment associated ductwork to the stack.
 - d. According to Method 1 (40 CFR Part 60):
 - (1) An elevation view of the dimensions of the stack configurations indicating the location of the sampling ports and distances to the nearest upstream and downstream flow interference.
 - (2) A cross-sectional sketch of the stack at the sampling locations with dimensions indicating the location of the sampling traverse points.
 - e. Estimated gas flow conditions at the sampling location, including temperature, moisture content, velocity, and static pressure.

- f. A description of the process and list of control equipment operating data to be collected during the sampling period. Also include the proposed wood species to be processed during the test.
- g. Copies of the field data sheet forms to be used during the tests.
- h. Identification of the testing firm, and contact person, which will be performing the testing.

A description of the procedures for maintaining the integrity of the samples collected, including chain of custody and quality control procedures.

- 9. If Boise Cascade pursues the Island City Particleboard Line 1 Press project alternative outlined in Paragraph 12(d)(1)(c) of the Consent Decree, the method for determining capture efficiency for press emissions shall be the method required by either the proposed or final Panel MACT regulations, if issued; or, if such regulations have not been issued at the time of the press project, then capture efficiency shall be as approved by EPA in the Pretest Report submitted by Boise Cascade.
- 10. The emission test report shall contain pertinent data concerning the test, including a description of the process and operating conditions under which the tests were conducted, the results of the test, and test procedures. EPA will provide any comments to Boise Cascade on the Emission Test Report within 45 days of receipt of the report by the Agency. The test report shall, at a minimum, include information addressing all protocol items 1-9 listed above, as well as the following information:
 - a. Introduction and Summary
 - (1) Identification, location, and dates of tests.
 - (2) Summary of emission data.
 - (3) Name and affiliation of all persons participating in the tests.
 - b. Dryer operating conditions during the testing
 - (1) Plywood dryer data reported will include:
 - (a) Hourly production (1,000 sf-3/8" basis) of veneer meeting the facilities' dryness specifications through each dryer during the test.

- (b) Species processed, represented as a percent of total hourly production.
- (c) Percent redry, represented as a percent of total hourly production.
- (d) Estimated average dryer temperature of the heated zones for each dryer during the test.

(2) Particleboard press data reported will include:

- (a) Hourly production (1,000 sf - 3/4" basis) of panels processed by the press. This value is calculated based on the number of press loads and panel thickness and the net panel dimensions.
- (b) Estimated average line speed of the production line being tested.
- (c) Estimated specie mix during the testing presented as a % of the total production.

c. RTO/RCO operating parameters:

- (1) Average chamber temperature during the test
- (2) Airflow rate in the stack.
- (3) Temperature of the stack gases exiting the unit

d. Sampling and Analytical procedures:

- (1) Description of the sampling train and field procedures
- (2) Description of analytical procedures, including calibration and recovery as applicable.
- (3) Sketch indicating sampling port locations relative to process and control equipment, upstream and downstream disturbances.
- (4) Cross-section sketch of the stack, indicating traverse point locations.
- (5) Copies of all field data collected during the test (including filter temperatures of testing device), including sampling data sheets and the process information indicated in Section 2.
- (6) Copies of all analytical laboratory data as applicable.
- (7) Sampling equipment and laboratory calibration data.
- (8) Copies of all chain of custody information as applicable.

e. Calculation and data reduction methods:

- (1) Description of computational methods, including equation format used to obtain emissions results from field data.
- (2) Example calculations from at least one run of each type of test performed.

f. Test results and discussion:

- (1) Detailed tabulation of results including process operating conditions and gas flow conditions.
- (2) Discussion of any divergences from normal sampling procedure or operating conditions which could have affected the results. Process operating conditions and gas flow conditions.
- (3) The results of the Destruction Efficiency calculations as presented in Section A of this Appendix.

Attachment 1

Individual PSEL Violations at Boise Cascade Facilities

FACILITY	TIME FRAME	POLLUTANT
Elgin	1995-1998	VOCs, PM
La Grande (Island City)	1984-1987 & 1989-1999	VOCs
	1984-1999	NO _x & PM
Medford	1985-1990	CO
	1984-1991 & 1993-1997	VOCs
	1985-1989	NO _x
	1983-1991 & 1993-1997	PM
White City (Rogue Valley)	1983-1999	CO, VOCs & PM

ATTACHMENT 2

Supplemental Environmental Projects

I. General Conditions

- A. Boise Cascade agrees to install and operate, as Supplemental Environmental Projects (SEPs):
 - 1. Regenerative Thermal Oxidation ("RTO") or Regenerative Catalytic Oxidation ("RCO"), or other EPA-approved equivalent technology, on the hot zone of and to control VOC emissions from Dryers 2, 3, and 4 at the company's Medford, OR Plywood facility, which will result in an estimated 95% reduction of VOCs from these dryers;
 - 2. RTO or RCO, or other EPA-approved equivalent technology, on the hot zone of and to control VOC emissions from Dryers 1, 2, 3 and 4 at the Yakima, Washington plywood facility, which will result in an estimated 95% reduction of VOCs from these dryers;
 - 3. Overfire air project on hogged fuel boiler at Kettle Falls, Washington, plywood facility to seek to improve combustion efficiency and reduce CO emissions;

- B. The total cost of the SEPs will be at least \$2,900,000.

- C. Each SEP will include a schedule for construction, installation, and operation and will proceed independently of one another, according to the schedule.

- D. Boise Cascade agrees to submit a progress report to EPA in accordance with Section V, Paragraph 27(c) of this Consent Decree. However, Boise Cascade agrees to report as soon as practicable any information during implementation of any of these SEPs which will materially affect the success of any SEP.

- E. Boise Cascade may request approval from EPA to any proposed changes to these approved SEPs. EPA agrees to respond to and approve or disapprove such a request within 30 days. Resolution of any disputes arising out of the implementation of the SEPs, or any request for a change shall be subject to the Dispute Resolution procedures in Section X of this Consent Decree

- F. By November 1, 2002, Boise Cascade may propose an alternative SEP to be implemented in lieu of one of the projects listed in subparagraphs I.A. (1)-(3) above. In no case may the alternative bring the cumulative cost of all SEPs below \$2.9 million.

- G. In the first progress report following startup of each SEP, Boise Cascade shall submit to EPA for approval a Final SEP Report containing a narrative description of the SEP and certification that the SEP was installed and completed materially in accordance with this Attachment, or as modified with EPA approval. EPA shall respond to the Final SEP Report with any comments within 30 days of its receipt.
- H. Each SEP must be installed and operated in compliance with all applicable federal, state, and local laws and regulations.

II. Installation and Operation

- A. Boise Cascade shall install the pollution control technology at the Medford, OR facility within 36 months of entry of this Consent Decree and shall operate the control technology according to the performance criteria outlined in Paragraph D below.
- B. Boise Cascade shall install the pollution control technology at the Yakima, WA plywood facility within 36 months of entry of this Consent Decree and shall operate the control technology according to the performance criteria outlined in Paragraph D below.
- C. Boise Cascade shall install overfire air project on hogged fuel boiler at Kettle Falls, Washington, plywood facility to seek to improve combustion efficiency and reduce CO emissions within 36 months of entry of this Consent Decree.
- D. Performance Criteria for RTO/RCO Control Systems in Paragraphs I.A.1 and I.A.2
 - 1. Boise Cascade shall specify in all purchase orders for the VOC control technology systems that the systems provided by the manufacturer must achieve a VOC destruction efficiency of at least 95%.
 - 2. Boise Cascade shall operate all air pollution control equipment in a manner that minimizes air pollutant emissions at all times, except as provided in paragraph 3 below, and achieve a destruction efficiency greater than or equal to 95% for the captured VOC emissions as demonstrated by compliance with the requirements of Consent Decree Paragraphs 10 and 11 and Attachment 1.
 - 3. The 95% destruction efficiency need not be maintained during periods when the dryer(s) is/are not operating and during previously planned startup and shutdown periods, including bakeouts and washouts, and during Force Majeure

events (including malfunctions which qualify as Force Majeure events). These startup and shutdown periods shall not exceed the minimum amount of time necessary for these events, and during these events, Boise Cascade shall minimize emissions to the extent practicable.

- E. While the parties contemplate that Boise Cascade shall continue to operate these controls through the end of their useful life, the terms and conditions of this Consent Decree cover only the first 5 year period of operation after startup.
- F. Boise Cascade shall incorporate the performance requirements for operation of the VOC control technology outlined in Paragraphs 1.A.1 and 1.A.2 above into each facility's operating permit at the time it applies for, modifies, or renews its operating permit.