

**Draft Environmental Impact Statement
Final Environmental Impact Statement
Appendices**



**UPM/Blandin Paper Mill Thunderhawk Project
Grand Rapids, Minnesota
January – April 2006**

FEIS Appendix A

Comment Letters

ADAMS



P.O. Box 409 Grand Rapids, MN 55744-0409
Phone: 218-326-9414 FAX: 218-326-3659
email: bank@grsb.com web: www.grsb.com

Rec with
2/21/06

Mr. Bill Johnson, DNR
100 Lafayette Road
St. Paul, MN 55155-4025

February 16, 2006

RE: Blandin Paper Co. Thunderhawk project.

Dear Mr. Johnson,

1.a

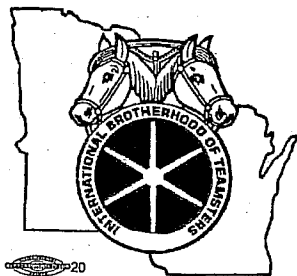
As a resident of Itasca County and employee of Grand Rapids State Bank in Grand Rapids I am deeply interested in seeing this project approved. The project is absolutely necessary for this town and county to be economically viable in the future. This project will directly or indirectly impact the lives of 90% of the people in Itasca County. I am involved in overall loan administration at the bank and can attest to the urgency in this matter. The positive impact on our overall economy will far exceed any negative impact. The negative impacts can be managed.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. S. Adams III", with a stylized flourish at the end.

G. S. Adams III
Executive Vice President





TEAMSTERS LOCAL 346

GENERAL DRIVERS

Dairy Employees, Warehousemen, Helpers & Inside Employees

Affiliated with the International Brotherhood of Teamsters

2802 West First Street • Duluth, MN 55806

218/628-1034 • Fax: 218/628-0246

Mailing Address
P.O. Box 16208
Duluth, MN 55816-0208

*Recd WJH
2/8/06*
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Recording Secretary

LES KUNDO
Business Agent

JAMES McMANIGLE
BARRY JOHNSON
WILLIE BOTHMA

February 3, 2006

Mr. Bill Johnson
Natural Resources Program Consultant
Minnesota Dept. of Natural Resources
500 Lafayette Rd.
St. Paul, MN 55155

Dear Mr. Johnson:

I am writing to inform you that after reviewing the Draft Environmental Impact Statement for UPM-Blandin Paper Mill Thunderhawk Project, Teamsters Local 346 fully supports this expansion.

2.a

A company that is willing to invest in a community in Northern Minnesota and to secure good paying jobs with good benefits for the future should be commended. Too often companies have either shut down or relocated because of the status of the economy.

2.b

Again, UPM-Blandin should be commended for wanting to invest in the future of Minnesota, Grand Rapids, and its citizens and doing it in an environmentally friendly manner.

Yours truly,
Teamsters Local 346

Roderick Alstead

(cd)

Roderick Alstead
Vice President

cc: Division Stewards

RA:cd

Dictated but not read

BUY AMERICAN

Arbour
Rec 2/21/06
WHS
At Public Mtg.

February 21, 2006

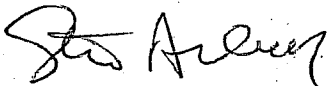
Bill Johnson,

As a committee of concerned citizens supporting UPM's Blandin Paper Company, we would like to publicly state that we have reviewed the Draft Environment Impact Statement and offer the following comments.

1. The DEIS sufficiently answers the questions and areas brought up in the "Scoping" document. 3.a
2. The impact on the community in terms of noise and traffic are acceptable. 3.b
3. The economic impacts on our community of the "build" option are significant. These benefits include approximately \$96 million dollars in local construction benefits, the addition of 27 new good paying jobs, and the continued employment of 250 present employees who could be shifted from PM #5 to #7. Blandin has been a mainstay of the local area economy for over 100 years and this will continue for the foreseeable future under the "build" option. 3.c
4. It seems to us that the science and assumptions used in the modeling of fiber supply are based on the best available information. Historical review of the previous GEIS demonstrates that those values are relatively close to reality. Thus the findings are sound. 3.d

IDC/Jobs 2020 Blandin Retention and Expansion Committee supports and accepts the DEIS as written. 3.e

Steve Arbour, Co-chair



Axtell Rec'd 2/23/06

February 16, 2006

Mr. Bill Johnson
Department of Natural Resources
500 Lafayette Road
St. Paul, Mn. 55155-4025

Dear Mr. Johnson:

We are writing in support of the proposed expansion of the Blandin Paper Company in Grand Rapids. As an employee (Ronald) of Blandin Paper Company since 1977, I am tremendously interested in the future of the company. We have children and grandchildren who live in Grand Rapids and wish to see a bright future for them in this community. We know that the economic viability of the area depends greatly on the operation of this mill. Blandin Paper has provided me with steady, productive employment for the past 29 years and as well as many of our friends and relatives.

4.a

We understand the DNR is doing an Environmental Impact Study on the proposed project. We feel this proposed expansion will have minimum impact on the conditions such as increasing demand for aspen, spruce and balsam fir, traffic in the vicinity of the papermill, and future noise levels. For example, modeling shows that the increased demand for fiber is sustainable under current conditions. While some mills have expanded, others have closed. Traffic concerns can be addressed by adjustments to signals at key intersections with an estimated additional delay of only five minutes. Future noise levels with the project are projected to be within state standards and annual noise monitoring will be a condition of the MPCA permit.

4.b

The addition of the 27 full time jobs to the mill is a definite positive as is the 800+ jobs during the construction phase. The jobs generated by the project will positively affect many other businesses and individuals in the community.

4.c

Grand Rapids is a community of dedicated people who will contribute their utmost to comply with the regulations/changes/adjustments necessary for this project to make a minimal impact on the environment. This expansion of Blandin Paper Company is of utmost importance to the viability of the present paper mill and the economic stability of our area.

4.d

Thank you for your consideration.

Sincerely,

Nancy Axtell Ronald Axtell
Nancy Axtell and Ronald Axtell
24426 Great Sunset Road
Cohasset, Mn. 55721

UPM/Blandin Paper Thunderhawk Project EIS
Draft EIS Public Meeting

Donahue
Rec'd
2/24/06

PUBLIC COMMENT FORM

The Department of Natural Resources welcomes comment from the public on the Draft EIS prepared for UPM/Blandin Paper's Thunderhawk Project. Please provide your comments here along with your name and legal mailing address. Also please indicate whether you would like to receive a copy of the Final EIS.

Name: Larry Bondhus

Address: 2310 NW 3rd Street

Grand Rapids, MN 55744

Please copy me on the Final EIS when it becomes available. Y X N

Comment:

I was very impressed at the presentation of the EIS Draft at the public meeting
in Grand Rapids on February 21, 2006. This comment is in total support of the
Thunderhawk project here in Grand Rapids.

5.a

5.b

It is of high importance to our community to have this project move forward.
UPM/Blandin has been a fine steward of the natural resources in our area and I am
confident that they will continue those practices.

5.c

Rail and truck traffic is certainly within tolerable limits and environmental
issues are well defined.

5.d

UPM/Blandin is a well respected member of our community and the Thunderhawk
project will help to insure that for years to come.

5.e

DNR will accept written comments on the Draft EIS through 4:30 PM on Tuesday, March 7, 2006. Comments should be sent to: Bill Johnson; Division of Ecological Services; Box 25; MN Department of Natural Resources; 500 Lafayette Road, St. Paul, MN 55155. Fax: 651-297-1500. E-mail comments may be sent to: thunderhawk@dnr.state.mn.us; e-mails must include a name and legal mailing address to be considered.

Bonner

From: "James Bonner" <jbonner@landecker.com>
To: <thunderhawk@dnr.state.mn.us>
Date: Fri, Mar 3, 2006 2:26 PM
Subject: Thunderhawk DEIS Comment

Dear Mr. Johnson,

The purpose of this email is to express my strong support for the UPM/Blandin Paper Thunderhawk Project. I am a licensed professional engineer with BS and MS degrees in Civil Engineering, and I am also a business owner. I have reviewed the DEIS and considered the alternatives. In my opinion, the proposed addition of PM7 would undoubtedly result in positive impacts to our community. Thank you for your consideration.

6.a

Jim Bonner PE

35431 Freestone Road

Grand Rapids, MN 55744

PROJECT THUNDERHAWK- SUPPORT OF PROJECT

*Our community needs the 700 plus living wage jobs provided by UPM Blandin Paper Company. We also need assurance that those jobs will be in our community in the future. While building a number seven paper machine does not in itself guarantee that we will always have a paper mill in the Grand Rapids Area, NOT building one almost certainly guarantees economic disaster in the future. We need project Thunderhawk!

7.a

*I am not a forester nor am I an expert on forest management. I am only a student and a member of the Youth Leaders For Vital Communities who has been a part of this community for a number of years and understands the value of the jobs that a local industry like UPM/Blandin Paper Company provides. It is my understanding that this company, over the years, has been a great corporate citizen and that the Blandin Foundation would not exist today had it not been for the old Blandin Paper Company of not so long ago. Our community needs to continue that legacy and support project Thunderhawk.

7.b

*According to the summary of the Environmental Impact Statement that has been provided by the D.N.R., only minor impacts such as a small local traffic increase and a slight rail traffic increase are worth mentioning. Noise does not seem to be an issue either. The socioeconomic impact however is another matter. Local construction expenditures are expected to be more than \$96 Million dollars and the total economic impact of the project could be as much as \$77 Million dollars. I hope that you will consider this positive impact on our community and do everything that you can to make sure that project Thunderhawk is successful.

7.c

*Project Thunderhawk is not expected to cause excessive delays to drivers operating along the existing road network in Grand Rapids. It will result in only two additional five minute delays per day at Grand Rapids Rail crossings. Future noise levels are projected to be within state guidelines. Projected timber harvesting is sustainable with current estimates. The expansion of the UPM/Blandin Paper Company will solidify the economic vitality of our community for fifty years. I think that the scales tip completely on the side of project Thunderhawk.

7.d

Conrad

From: <shconrad@2z.net>
To: <thunderhawk@dnr.state.mn.us>
Date: Fri, Mar 3, 2006 1:48 PM
Subject: Concerns about Thunderhawk

I am deeply concerned about the Thunderhawk proposal, particularly its impact on the forests surrounding the project site. As a wildlife enthusiast, I am especially dismayed by the likely impacts to the black spruce and other forests of north-central Minnesota. The wetland conifer forests of this region are extremely unique and are critical habitat for many species of wildlife, most notably birds--I can provide examples if necessary.

8.a

8.b

Under the proposal, 197,000 additional cords annually will be taken from forests surrounding Grand Rapids, many of which are public lands. This use of a public resource is said to directly create 27 jobs. It is upsetting to think that the cutting of this much forest is worth 27 jobs. The proposal claims that there would be a \$77 million annual impact to the local economy. I find it difficult to believe that this project will somehow return \$390 PER CORD to the LOCAL community.

8.c

I feel that the worst part of the EIS is found in Appendix A. The increase in spruce harvest annually is listed as 59,000 cords. Unfortunately, it is impossible to discern whether the "spruce" in question is native black spruce wetland or white spruce plantations, or some ratio of the two. Appendix C readily acknowledges environmental perils with harvesting lowland spruce.

8.d

In addition to the wildlife effects, the recreational and scenic effects of this project will be very significant. In 40 years we can expect a half million fewer acres of mature timber according to Appendix C. Coupled with the loss of forestland to develop, this will cause increasing pressure on our public forests, which are already lacking in mature forests--particularly as you venture into northern Itasca and Koochiching counties. I also object to the use of the entire state of Minnesota forest data in the analysis when it is likely that most forests cut will be in the immediate vicinity of the development.

8.e

8.f

My hope is that this project does not materialize for the sake of our forests and wildlife. We should be looking at ways to create employment that are more creative than resource exploitation and we should be considering ways to conserve and recycle paper products rather than extracting more wood from our beautiful and already stressed forests. This proposal brings us the worst of both worlds. Thank you.

8.g

Shawn Conrad
PO Box 288
Bovey, MN 55709

This message was sent using Znet webmail.

Czeck

From: "Mike Czeck - Hidden Haven Resort"
<vacation@hiddenhavenresort.com>
To: <bill.johnson@dnr.state.mn.us>
Date: Tue, Feb 21, 2006 8:48 AM
Subject: Project Thunderhawk DEIS

Good morning Mr. Johnson, I am in support of the Thunderhawk project in Grand Rapids, Mn. The potential of a expansion of the Blandin Paper Company would be a huge economic benefit for Itasca County.

9.a

Thank you for your time.

Hidden Haven Resort
Mike & Judy Czeck
31516 Malbay Rd.
Cohasset, MN. 55721
218-246-8989
1-866-246-8989
E-Mail: vacation@hiddenhavenresort.com
www.hiddenhavenresort.com

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Attorneys at Law

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102 Northeast Third Street, Suite 120

Grand Rapids, MN 55744

Telephone: 218/326-9646

Facsimile: 218/326-9647

CHAD B. STERLE

TRICIA A. STERLE

E-mail: dimichlaw@grandrapidsmn.com

February 21, 2006

Bill Johnson
Department of Natural Resources
500 LaFayette Road
St. Paul, MN 55155

RE: Thunderhawk Project

Dear Mr. Johnson:

Thank you for the Draft Environmental Impact Statement on the UPM/Blandin Paper Mill Thunderhawk Project.

I appreciate the plan's review of significant issues like noise, traffic, socioeconomic and cumulative timber harvesting effects. 10.a

The traffic issues of increased delays to drivers, increase to rail traffic and construction can be addressed through signal timings. Noise levels appear to be within state noise standards. 10.b

The socioeconomic factors, however, are enormous both in terms of additional construction expenditures into the local economy, as well as the dangers of a no built facility. 10.c

Although the number of additional jobs is 27, the impact of no construction, could be significant to Itasca County. Itasca County needs to retain these jobs, and create the new jobs with projects like Thunderhawk, Mesaba Energy and Minnesota Steel. Without these higher paying jobs, Itasca County's average annual wage will continue to lag behind the state average. 10.d

Finally, the statewide harvest of aspen, spruce, and balsam will not be impacted with the Thunderhawk expansion. 10.e

Given all of the above factors, I support the continued development of the Thunderhawk project. 10.f

Sincerely,



John P. Dimich
Itasca County Commissioner
District 3

JPD/blf

From: "rusty eichorn" <rusty@rustyeichorn.com>
To: <thunderhawk@dnr.state.mn.us>
Date: Wed, Feb 22, 2006 9:15 PM
Subject: draft eis

my comment is, is that it is imperative that blandin move forward with pm7.
this is vital to our area's economy, and for blandin paper as a player in a
global economy. this is a tremendous opportunity for sustained economic
stability in our region.

11.a

thank you.

rusty eichorn
31708 laplant rd
grand rapids, mn 55744



SIERRA
CLUB

FOUNDED 1892

March 6, 2005

Mr. Bill Johnson
Minnesota Department of Natural Resources
Via Fax and email

Dear Mr. Johnson,

Here are the Sierra Club North Star Chapter's comments on the Draft Environmental Impact Statement (EIS) for the UPM/Blandin Thunderhawk expansion project in Grand Rapids. Please make sure it is part of the public record and contact us with any questions on the meaning of our comments.

General Comments

1. The DEIS does not use the best new science to evaluate adverse environmental impacts, but instead relies mostly on the 1994 GEIS methods to assess impacts. The range of natural variation in native plant communities (RNV) analysis is self-referent; it does not need 1990 FIA data to make an assessment of the incremental impact of the proposed mill expansion. The draft environmental impact statement (DEIS) notes many changes in the FIA over the decade that make direct comparisons suspect. Many of the 17 GEIS impacts are really commercial wood supply criteria for estimating input supply and cost for the mills. Use of these criteria diverts attention from the significant impacts indicated by the RNV analysis which is buried in Appendix D. 12.a

The RNV analysis needs to be expanded and actual forest inventories for DNR and counties needs to be incorporated to establish the current and future conditions for the distribution of native plant communities and their vegetative growth stages (years since stand-replacement disturbance, vertical structure, stand species composition, ground and shrub layer composition). The focus of the assessment of impacts must shift to RNV for the FEIS.
2. The DEIS does not use new GIS software tools and databases to examine the spatial impacts of logging on native plant communities and associated wildlife from the incremental logging required for the proposed paper mill expansion. As a result the forecast adverse impacts are under-reported and hidden from the RGU and public. Spatial analysis is needed for the final environmental impacts statement (FEIS). 12.b
3. The GEIS prediction of significant increase in reserved forest land has proved false. 300,000 fewer acres were reserved than assumed in the GEIS and its mitigation policies. p 5-68. Conclusions that significant reserves will be made in the future is unsupported by forest plans and practice since the GEIS was completed. The DEIS also continues the assumption that reserve forestland will be increased and this needs to be changed in the FEIS. Additions to reserved forestland are not a mitigation that is likely to be implemented. What is "table 1.4b" that is referred to on page 5-68? 12.c
4. The GEIS assumed no negative impacts on old-growth if 50,000 acres of it were reserved. Only 44,800 acres have been reserved, a 5,200 or 10% shortage. Appendix I, v. For some tree species old growth is of pulp size and would be impacted by logging driven by the proposed mill expansion. The FEIS needs to address and disclose the impacts to all types of old growth. 12.d
5. 47% of the GEIS predictions for bird populations were wrong by 2001, not a great record. 41 species have population reductions of at least 25%, but the GEIS predicted no significant change. Actual mammal populations were not predicted by the GEIS habitat models. Appendix I, v. As a result of this, the FEIS cannot rely upon the GEIS methodologies to assess wildlife impacts and new studies are needed for the FEIS. 12.e
6. The *GEIS Report Card Study* (August 2005) is deeply flawed and should not be relied upon by the RGU. It gives a biased and misleading view of the effectiveness of the landscape mitigations called for in the GEIS. Respondents to the study (wood buyers, public land managers and the Minnesota Forest Resources Council (MFRC)) all have a 12.f

financial, career or political interest in over-reporting the implementation rates and effectiveness of site and landscape level mitigations. Non-government conservation organizations were intentionally not surveyed. In survey terms this is called, "strategic bias". Effectiveness studies of the site level logging guidelines are still lacking so there is no evidence that they are an effective mitigation. The landscape plans are fuzzy, non-quantified and have no monitoring process. The report card study must not be used in the FEIS as it is a public relations ploy and not independent science. Actual monitoring of guideline implementation and effectiveness estimates must be reported in the FEIS. Appendix I has the executive summary of the report card study. Chapter 5 GEIS impact areas.

12.f
continued

7. **Site-level mitigations:** 35% of forest managements still do not have formal policies governing the use of the voluntary guidelines and 35% do not even reference them in their timber sale contracts. Compliance with road stormwater runoff controls has been as less than 2% (MFRC report to legislature). Improved riparian standards have been postponed another five years. Strategic bias is also a factor in this part of the *GEIS Report Card Survey*. Use of 1994 surveys of forest managers as a baseline has the same strategic bias problems as the 2005 report card. The FEIS must use actual monitoring trends, not opinion surveys. Opinions are not mitigations or evidence of the application of mitigations. Appendix I, viii.

12.g

8. **Landscape Level Mitigations.** 68% of the timberbase is managed by institutions which do not support the MFRC landscape program and 38% of the timberbase by those who admit they have not changed their forest management to implement the landscape mitigations assumed under the GEIS (Appendix I, vii). The "Report Card" study did not even ask directly if the forest managers were implementing landscape mitigations at all or at what pace. Even the results of this biased study do not provide evidence that effective landscape scale mitigations are being implemented on timberlands of Minnesota.

The Superior National Forest plan EIS admits that the plan, "minimally contributes" to the already inadequate NE MN Forest Landscape mitigation plan of the MFRC. The Northern landscape plan does nothing to implement any landscape mitigation and the North-Central plan has no measurable goals.

The landscape plans for the ecological sections of the forested regions of Minnesota range from incomplete to damaging. The MFRC regional landscape plans are fuzzy and non-quantified and some do not even have ecologically based goals that define the mitigation more precisely than the GEIS generic recommendations in 1994. The MFRC still has not found a way to measure and monitor progress for implementing these important mitigations state-wide.

12.h

The landscape plans, the single most important mitigation for the almost tripling of timber harvest in Minnesota since 1975, are still incomplete and inadequate a decade after the GEIS publication in 1994. The landscape programmatic mitigation has been a failure on the ground, in the forest. Years of talk and meetings have been used to stall while the forests were being cut and made into tree farms that now rare native wildlife do not find habitable.

The DEIS has not shown that the landscape mitigations 1) have been defined in operational, measurable ecological terms or that they would be effective, 2) are being implemented, or 3) that they are being implemented before biodiversity loss is permanent. The FEIS must address these problems.

Project Alternatives

1. The RGU is to consider reasonable alternatives to the proposed project according to EQB rules. P. 3-38. The DEIS does not provide sufficient evidence for dropping agricultural crop residue (or closed-loop special purpose agricultural crops as a source of fibers) from analysis. See appendix A of these comments for evidence of the feasibility of these fiber sources. The claim "absent proven technology" for us of such fiber is unsupported in the DEIS. P. 3-34. The FEIS must analyze these fiber sources or provide more evidence they are not feasible.
2. Hybrid popular plantations on marginal farmlands were not evaluated as a fiber source, though the proposer could transfer its incremental demand from the project to this source in as little as 10 years, even if the plantations are started when at the proposed expansion date. This option would have significant environmental benefits and needs to be analyzed in the final EIS.
3. The DEIS does not provide evidence for dropping recycled fiber from detailed analysis in the DEIS. This alternative was requested in the Sierra Club comments on the draft scoping EAW. The addition of a de-inking machine as part of the mill expansion would have significant environmental benefits and economic benefits from the reduction in landfill costs. The rationale provided in the DEIS is arbitrary and unsupported. The FEIS must

12.i

12.j

12.k

include a fully analyzed recycled fiber alternative. General demand for recycled paper with significant recycled fiber content is increasing. P. 3-34.

12.k
continued

4. The impacts of direct purchase of *wood chips* instead of bolts have a potentially significant environmental impact. The proposed project's thermo mechanical pulp mill would use chips instead of logs. Chips may be woody material from smaller trees and limbs that are now left on the logging site where they are necessary for soil and wildlife functions, so their environmental impact is not the same as bolts. The DEIS is inadequate in its assessment of these impacts. P 3-5, and Sierra Club scoping comments.

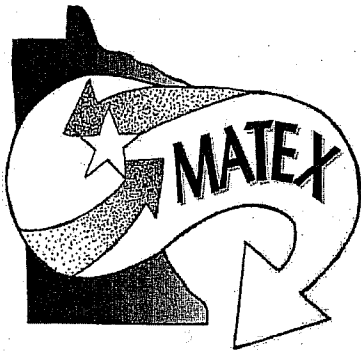
12.l

5. Construction and Demolition Waste as Fiber source alternative: The DEIS did not analyze the use of construction or demolition waste as requested in Sierra Club comments on the scoping EAW. Our research found that there are about 500 wood processing facilities in the United States that derive wood from C&D debris according to the US EPA. (see appendix B for details) U.S. Environmental Protection Agency Municipal and Industrial Solid Waste Division Office of Solid Waste Report No. EPA530-R-98-010. Residential construction and renovation waste is recommended as cleaner in the report. And an estimated 39 million tons are generated annually and about 45% are wood. The American Forest & Paper Association (AF&PA) has located 315 such waste wood facilities in the United States that process C&D debris, as shown in Table A-20 of the Appendix. Contact: mendoza.ramon@epa.gov.

12.m

A quick web search found a source of wood fiber in the proposed project's backyard:

North Central Materials Exchange - MATEX



Cass, Crow Wing, and Hubbard counties have teamed up with the Minnesota Materials Exchange program to offer exciting new opportunities to reduce waste and to reuse materials in northern Minnesota.

Socioeconomic effects

1. pm 4-36.
2. Non-consumptive use and existence values analysis was promised in the final scoping EAW but is missing from the DEIS. If logging economics are to be part of the FEIS then recreational and existence value of values of wild forests must be estimated and reported to the RGU. See the Sierra Club report: *Seeing Forests for Their Green: The Economic Benefits of Forest Protection, Recreation, and Restoration*, August 2000 Report at: <http://www.sierraclub.org/forests/report00/> for data on the economic value of wild and natural forests. Report by ECONorthwest.

12.n

Economic Impact 4.4.2.

3. When is IMPLAN going to be retired? With enough assumptions it always finds a positive economic impact for any proposed project. It totally failed to empirically explain the growth in jobs in the Pacific Northwest at the time when timber volume fell over 80%. Past IMPLAN analysis had indicated the region's economy would collapse. Note that the Cloquet paper mill doubled capacity and reduced employment by 50, so projections of an increase for this project should be viewed suspiciously.

12.o

Environmental Impact Significance Threshold and Baseline Comments

The criteria used in the DEIS to evaluate significance of forest impacts are biased, use incorrect baselines for forest impacts and wood demand for the project, attempt to minimize the impact by comparison to total harvest rather than to remaining total natural forest ecosystem area, and improperly uses significance criteria for the entire Minnesota logging volume to judge the significance of project impacts.

1. The use of the GEIS thresholds for determining significant impacts illogically equates the proposed project and the entire state logging volume (GEIS) p ES-20. A reasonable significant impact threshold for a single project would be 2-5%, not 25% of the state-wide impact (size or composition of state forest base, tree species mix, age class structure, genetic variability, etc.) for the 17 GEIS forest impacts of logging and forest management. Otherwise, no single project of any type (air, water pollution) would ever have a "significant effect" on the human environment. The GEIS significance thresholds are unrealistically high. Apply the 25% threshold for a "significant" impact to paper company profits, layoffs, or your paycheck. A swing either way is a big impact. The high thresholds represent acceptance of very high risk to biodiversity. These are levels of risk the project proposer would not accept if wildlife were a corporate asset. Risk is being shifted to the public resources and the profits privatized. The FEIS must use reasonable project level thresholds for determining what detailed analysis is needed and what mitigations are necessary.
2. The modeling for both dualplan and the RNV studies assumes a random spatial distribution of logging over the entire timberbase of the state, even though in reality trucking costs will concentrate the logging close to the mill. Appendix C, DEIS. For example, the DEIS has a discussion of significant impacts predicted by the model for southern Minnesota oak forests saying they are unlikely to be cut for pulp for a Grand Rapids mill in reality(p. 5-70). Yet the DEIS is silent on the concentration of logging near the mill created by a rational response to wood hauling costs. This concentration of logging magnifies spatial, growth stage and NPC composition and structure impacts of the proposed mill expansion. Therefore the DEIS understates the impacts in northern Minnesota. Actual impacts will be much more concentrated and more impacts will reach the "significant" level. The FEIS needs to reflect this reality. The DEIS hides the impacts of the proposed project. This could be accomplished by new modeling or lowering the significance thresholds. The FEIS would be arbitrary and capricious without this modification.
3. The DEIS (p 3-17) fails to use current wood use from the mill as a baseline. It instead uses historical average from 1994 to 2002 as the baseline for the DEIS. This effectively understates the incremental wood demand created by the proposed project by 25% (2004 wood consumed = 166,000 cords, 1994-2002 average wood used = 203,000 cords). This is misleading and unfair. The incremental volume due to the project must be changed to 400,000 – 166,000 = 234,000 cords per year. The models need to be re-run with the correct baseline and the effects reassessed in the final EIS.

Paper machines PM3 and PM4 were closed in 2003, before this EIS was begun. The past environmental impact of the mill on forest resources is not a property right owned by the mill. The fact that more recent FIA data is not available is irrelevant. EIS rules require the best available data but do not endorse manipulating baselines. The EIS relies on three year old data on total state cut (from 2002) and makes no attempt to estimate the 2004 cut. With public land cuts known, a reasonable estimate of the 2004 cut is doable. There is no evidence in the DEIS that the paper machine permanent shut-downs did or did not reduce logging or imports.

The UPA/Blandin mill's 2004 use could be subtracted from the estimated statewide harvest and imports in the modeling. This would show less impact for the no-build alternative and properly show the added impacts of the proposed project in the build alternative analysis.
4. The DEIS assumes no increase in wood demand from other projects or uses of wood during the study period. The forest impacts are cumulative and the increment of demand created by the proposed project will have greater impact in the future. There is no analysis of the expansion plans of other mills or use of wood as an industrial fuel in the DEIS. This needs to be addressed in the FEIS. P 5-27-28+, p 5-51
5. The FIA data "did not have the spatial resolution to describe the Ecoregion-scale effects" so old GEIS estimates were extrapolated. No wonder there are few "significant" impacts found in the DEIS. (p 5-70 footnote 36). If the resolution cannot describe Ecoregion scale effects, then the sub-section and LTA scale effects are also missed by the analysis. It is at these scales that habitat is created or destroyed. The FEIS must do better.
6. Failure to directly model cover type changes (p 5-71) means habitat impacts of the proposed project have not been assessed with any rigor, even though the data and methodologies were available to the DEIS contractors. What they did not have was an adequate work period. The publication date of the RNV analysis is August 2005, yet the DEIS went out for public review January 30, 2006. The artificially short completion date for this complex DEIS has resulted in significant short-falls in the DEIS and substantial re-work that is needed for it to be "adequate."
7. The DEIS repeatedly uses the total current logging volume as the basis of comparison to minimize the significance of the proposed project's impacts. "Given the small contribution to statewide timber harvest, the Project's impacts are expected to be minor." p. ES-21. This is fallacious. The purpose of the EIS process is to

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assess the incremental impact of the proposed project on the environment. The impact on the remaining fragments of functioning native plant communities is the appropriate comparison standard. Current industrial logging and forest management simplifies forests, makes them unnaturally young and favors merchantable species, per the RNV analysis, and more of it, even in small increments is more significant. The more natural forest that is lost the more valuable what is left is and the greater the impacts to more destructive commercial logging. The appropriate comparisons are needed in the FEIS.

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5.1.2 Forest Impacts

1. "Ecological and non-consumptive human use values are considered" p3.41, where in section 5? 12.x
2. Which is it? Is the GEIS aspen shortage real, or is the sustained high level aspen logging of the DEIS real? P 5-14. The DEIS results are due to assumptions, not the analysis. 12.y
3. How do the DEIS and SNF yield models differ? Would use of the SNF estimates change the outcomes of impact assessment for the DEIS? 12.z
4. The modeling does not reflect forest management plans of the state and counties. These will shape the future forest most directly and the DEIS assessment does not reflect them. Natural succession, NPC conversions and intensification of harvest (shorter rotations, favoring commercial tree species, thinning, genetic engineered trees, pesticides, etc.) that are planned but not modeled are the direct causes of the impacts from the proposed project on forest resources. This needs to be corrected in the final EIS. P 5-16 and 17. 12.aa
5. The dualplan modeling does not reflect cutting of green wood for industrial fuel and the return to residential wood heating with recent and sustained home heating energy prices. The FIS data is unlikely to track such demand yet it is increasing. The impact of the conversion of the Hibbing/Virginia district energy plants from coal to wood also is not assessed in the DEIS. This is a significant oversight. Promises that the Laurentian Energy Center will not burn green wood from natural forests are not mitigations that can be relied upon. The need for a constant supply for the next 20+ years will likely put additional pressure on the state's forests. 12.bb
6. If Dualplan is not predictive, then it cannot be used to assess impacts of the proposed project on the state's forest. Use of Dualplan fails to meet the basic standards for an EIS. P5-18. The best available data must be used to predict the incremental impacts of the proposed project and cumulative impact of harvest demanding operations in the FEIS. 12.cc
7. Failure of use DNR inventory information for 3.7 millions of acres near the proposed mill in the DEIS significantly lowers the quality of the analysis. The artificially fast timetable for the DEIS was used to prevent a full assessment of the forest impacts. The final EIS must use this available information. P 5-18. 12.dd
8. "Substantial uncertainty remains around the potential for harvest on NIPF lands" on P 5-18, is the understatement of the year. Fantasy wood has been used to minimize the additional demand the mill expansion will put on public lands. Though stumpage prices have risen well above the level (\$61 p 5-39) where the GEIS predicted private land timber would be cut (current prices are \$80+ p 5-39). This is strong empirical evidence that private lands will not supply the volume of wood predicted in the GEIS or DEIS. "That anticipated level of decline in aspen use has not happened", p 5-28. Yet, other tree species are not being substituted for aspen as predicted in the GEIS for current stumpage prices. So increased logging on public lands will be pushed by wood buyers via political channels and they are likely to succeed in today's political climate. Increased logging and logging of non-aspen trees changes the forest impact assessment significantly from what is reported in the DEIS, the FEIS should reflect this. NIPF = non-industrial private forestlands. Industrial means owned by a mill or timber company. 12.ee
9. There is solid evidence that private timberlands are being subdivided for recreational use. (Personal conversation, Ted Mershon, Cook County Assessor). At the prices being paid for forested land these landowners are clearly are not making rational timber investments because the return from even the most intensive timber management is too low (see MN State Legislative Auditor's report on school trust lands managed by MN DNR).

The new buyers are making purchases of recreational land for personal use or to profit from the continued appreciation of recreational land. Recreational use implies strongly that scenic quality and wildlife are the primary values of the owners, not timber profit maximization. Logging the land would lower its value as recreational land; certainly clear-cuts would. So the volume of wood predicted from private lands in the DEIS is arbitrary and unsupported by evidence and the FEIS should reflect this. Mandatory mitigations are needed in the 12.gg

FEIS that protect biodiversity on public lands from this wood demand that won't be fulfilled on NIPF lands. P 5-18.

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10. The DEIS states, "Large increases in acres of harvested in the aspen forest cover type cannot be expected from public lands in future years." P 5-46. Yet political pressure from the mills could change this. The DEIS concludes that "relaxing forest regulation constraints on state or county lands does not appear to be a viable solution to concerns over aspen supplies, as results show few acres have gone unharvested over the planning horizon." P 5-48. "...approximately some 70 percent of the (logging volume) increase, is from private landowners." P 5-52-53. So if there is no more volume available from public or private lands, then the proposed project is would not have adequate supplies of wood from Minnesota. If build the proposed project would create pressure for relaxation of landscape and site-level mitigations of the GEIS and increase stumpage prices with impacts on other wood buyers and wild forest related recreation and restoration jobs. 12.hh
11. The DEIS reports that the proposed project will not increase harvest on the project proposer's lands because they are already harvested to the maximum the owner wants. So this pushed even more the incremental logging onto NIPF or public lands. 12.ii
12. Spruce-Fir harvest volume estimates understate incremental harvest of this cover-type. P 5-52. The DEIS no-build alternative assumes harvest volume equal to 2002. This volume was sold without the demand from the proposed project. P 5-31. Yet the analysis assumes this demand will disappear in 2003-2008 and create a surplus which can be "credited" against the incremental demand of the proposed project until the addition is up and running in 2008. This is irrelevant to the purpose of the DEIS. Only the he last three decades of the analysis should be used in the assessment and the four decade average should not be used in assessing the incremental impact of the proposed project. This error affects other parts of the analysis that rely upon the dualplan results and these also much be corrected in the FEIS. The last three decade average spruce-fur cut with the project would be 45,000 cords per year, not 20,000, a significant variance (13% of the 197,000 total increment used (or 234,000 cords per year with the corrected baseline). 12.jj
13. Projected increase in logging by ownership group. P 5.53. The total increase in cut should be 197,000 cords per year, per above. This would show an even greater percentage of the forecast cut on private lands, which is even more unlikely that the DEIS assessment. 12.kk
14. Changes in forest area: The additional area logged because of the proposed project would be 59 square miles for just the first 40 years, according to the DEIS, p 5-53. For comparison, the City of Minneapolis covers 55 square miles. The FEIS must reveal the spatial impacts of the incremental logging to the RGU. 12.ll
15. The "Changes in Age Class Distributions-acres of mature forest" data are misleading. First the ages by species used to define "mature" are commercial rotation ages (age of tree when logged) and are not ecological vegetative growth stages (VGS) which better define mature forest habitat. The mature ages used by species are far too young. It takes much longer for a stand of trees to develop mature forest characteristics needed by wildlife adapted to them. Second the general trend in Minnesota forests is more mature forests because of the bounce back from the dramatic over cutting of the virgin forest in the late 1800s and early 1900s. This secular trend hides the dramatic impacts of the base GEIS logging level and the DEIS build alternative. The FEIS should show the impacts with the secular trend held constant to show the incremental effect of the proposed project. 12.mm
16. Use of term "sustainable" in modeling analysis. Sustained yield is not the same as "sustainable". Please change the language throughout the FEIS and DNR public statements on the FEIS. For example page 5-40. Sustainable must include ecological factors that are not in the harvest model and wood supply analysis. 12.nn
17. White Pine Cover Type: The new DNR Border Lakes Sub-section plan has 1/3 of white pine volume being logged in the next 10 years. See the Orr district stand selection list. This alone will produce significant impacts not addressed in the DEIS. Again, forest plans will affect the forest as much as raw demand for wood, and may make the effects worse than they would be under alternative management values and plans. Uneven aged management can result in three young age classes of white pine and no stands or trees older that 40 years at the end of the DEIS study horizon. Such a scenario is permitted under DNR policy and the new plan provides evidence that this is the direction the agency is headed. The FEIS needs to consider the DNR plans and white pine impacts. 12.oo
18. The DNR Border Lakes Sub-section plan used 150 year rotation for white pine in extended rotation areas, not 200 years as in the DEIS. See 3.11 of the Border lakes plan. This should be corrected in the FEIS analysis. 12.pp
19. The short planning horizon of the modeling hides the true impact on the forest resource. The RNV analysis should be run out 200 years for the final EIS, as is self-referent and needs no baseline. P 5-18. NPCs and 12.qq

growth stages develop over far longer than 40 years. This also means the forest cover type analysis is flawed, which corrupts the forest wildlife modeling of the DEIS. It must be redone for the FEIS. The GEIS forest type analysis was “a major source of error” (Kilgore 2005). P5-25.

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20. Bird species with 1) large home ranges, 2) associated with riparian areas and 3) have low population sizes are badly assessed by the DEIS. P5-20. Expert panels of wildlife experts need to be used to assess the population impacts of the proposed project on such species for the FEIS. These are the types of species most likely to be harmed by the proposed project. This is especially true as the modeling is not spatially explicit, and habitat is spatial. Models are not habitat. Wildlife need real forests with connectivity, structure, patch sizes, moisture, seed sources and related species arranged in nature’s plan. Industrial forests do not use nature’s plan and are much lower quality habitat for many species.

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21. The Bird impacts section needs to be revised to separate forest generalists from habitat specialist birds. The generalists can thrive in some logged landscapes, but specialists that require big blocks of late VGS forest are most harmed. This type of analysis will do more to reveal the impacts of the proposed mill expansion on birds in the FEIS in conjunctions with our other comments in modeling and thresholds.

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22. Forest Wildlife: Modeling is also not spatially explicit and relies on a random location assumption that does not reflect the reality of Minnesota timberland. Logging impacts of the proposed project are not going to be randomly spread across the state. P 5-22. The significance threshold is also an issue with this assessment (see above).

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23. Industrial timberland inventory “privacy” is about avoiding public accountability. P 5-25. This cripples and adds error to the timber analysis. Forecasts of logging volume from timber industry lands are now less accurate.

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24. Habitat Analysis RNV—buried in Appendix D is the most useful analysis of the proposed project on the forest. **More vegetative growth stages that are currently below RNV (less than nature’s plan) will get worse if the mill is expanded** than get better (Appendix D-10, 1.2.4). Also the number of negative effects increases over time. Result, “**project implementation will add to the challenge facing land managers to maintain and/or enhance forest habitat and species diversity**, particularly in Decades 3 and 4 of the study period...” (Appendix D-1- 1.2.4) The proposed project will have significant biodiversity impacts, under the course-filter landscape mitigation model used by the MFRC. Page 5-75 also lists specific native plant communities that will be negatively and significantly impacted by the mill expansion: *Mesic Birch-Aspen-Spruce-Fir* in the Northern Superior Upland ecological section and the *Mesic White Pine and Red Pine* system of the Northern Superior Uplands would also suffer significant negative impacts. Three pine dominated NPCs of the Drift and Lake Plains ecological section would also suffer significant negative impacts: *Dry-mesic Pine Oak Forest*, *Dry-mesic Pine Forest*, and *Dry Pine Forest*.

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Mitigations of these significant impacts would require: significant changes in forest management plans and operations procedures, forest staff education, more forest staff, increase operating budgets, and logger training and funding. The likelihood of these conditions being met is very unlikely. The DEIS minimizes the obstacles to such mitigations. The FEIS should be more candid.

25. “...trend of decreasing conifers in Minnesota continues at an alarming rate. Acres of upland conifer forest decreased by 41 percent in 2000 compared to 1990.” p E-12. This is a stunning change in forest composition in a decade. This dwarfs the July 4th 1999 blowdown. Now the GEIS “more conifer” mitigation will have to dig out of a very deep hole to even get back to 1990, much less the long-term equilibrium. The FEIS needs to address this significant effect of the whole timber harvest as it makes the incremental impact of the proposed project much more significant. Every acre of conifer type lost is much more valuable, ecologically, than in 1990.

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26. Mitigation Measures 3.12.6. Balancing the age class and cover type structure of the state’s forest resource is not part of the purpose and need of the project (3.11) Such agricultural concepts have are not part of building the mill. The mill should not be used an excuse to further intensify and de-naturalize Minnesota’s forests. Such “balancing” is not forest restoration but further degradation. (See RNV analysis). The DEIS has a pro-logging editorial viewpoint (for example, Appendix F or the selling of proposer “commitments”) which must be corrected in the FEIS.

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Significant GEIS Forest Impacts from Proposed Projects

1. Impact 3, *Changes to Minnesota Forests—Tree Species Mix*. The DEIS misinterprets the intent of this assessment. “Tree Species Mix” also means native plant communities and their tree species composition and vertical structure ratios. The significance threshold of tree species extinction is a red-herring (except for white pine). P. ES-21. The RNV for the native plant communities is the appropriate metric for this assessment, and the RNV impacts are significant. This metric should be used in the FEIS. The fact that “all aspen stands available for harvest will likely be harvested regardless of whether the project is implemented or not” shows that native plant communities will be significantly impacted and the project will make this worse. P.. 5-70. 12.yy
2. Impact 4, *Changes to Minnesota Forests--Age Class Structure*. “...project implementation will result in a large departure from the natural distribution of Vegetation Growth Stages for the *birch-aspen-spruce-fir* native plant community in northeastern Minnesota.” p ES-21. “...important changes would also occur within the dry-mesic-pine-oak and mesic white and red pine native plant communities under the Build Alternative,” p. ES-21. Also, the “big cut over” of the 1830-1920’s so reduced the average age of the timberbase so widely and deeply that each year a hundred years latter brings improvement no matter what abuse forest managers dish out in the short term. The DEIS relies on this secular trend to hide incremental impacts of the proposed project: the FEIS must not. P 5-74. 12.zz
3. Impact 5, *Forest Species -- Genetic Variability*: The DEIS repeatedly uses the total current logging volume as the basis of comparison to minimize the significance of the proposed project’s impacts. “Given the small contribution to statewide timber harvest, the Project’s impacts are expected to be minor.” p. ES-21. This is fallacious. The purpose of the EIS process is to assess the incremental impact of the proposed project on the environment. The impact on the remaining fragments of functioning native plant communities is the appropriate comparison standard for assessing genetic impacts and it needs to be used in the FEIS Current industrial logging and forest management simplifies forests, makes them unnaturally young and favors merchantable species, per the RNV analysis, and more of it, even in small increments is more significant. The more natural forest that is lost the more valuable what is left is and the greater the impacts to more destructive commercial logging. This especially impacts genetic resources and the FEIS should reflect this. P 5-80. 12.aaa
4. See also p. 5-77 for list of endangered native plant communities identified in the GEIS. This should have been an area of detailed analysis in the DEIS and needs to be in the FEIS. White and red pine forests, pine and oak savannas, upland white cedar, etc. should have separate analysis in the FEIS as endangered plant communities endangered by human activities including logging and forest management. 12.bbb
5. Impact 8, *Projecting Harvesting Affecting Site Nutrient Capital*: The last outmoded paper machine the project proposer shut down in 2003 had been used almost continuously for about 80 years, so the 40 year horizon of the study is arbitrary. If the project is approved it will lead to 72,000 acres with spent nutrient capital with this paper machine at 80 years. Replace the machine 20 times (40 aspen rotations) and there is no productive timberland left in the state (36,000 acres lost per 40 years x 14.7 million acres of timberland). But in reality the nutrient impacts will be focused on just timberland within economic hauling difference of the proposed mill expansion. Then permanent loss of soil productivity over the impacted region could be as low as 10 rotations. The DEIS accepts this rate of loss, even though it reduces the options for future generations and is therefore, unsustainable. The FEIS needs to reveal this cumulative impact on the wood shed of the mill. Claims by the project proposer that the wood procurement area is a multi-state or global area are unsubstantiated and not economically logical. P 5-87. 12.ccc
6. Impact 9, *Logging impacts on soil structure*. A loss of 170,000-800=169,200 acres over fifty years from logging without the project is a significant permanent impact, with some 330,000 acres impacted totally from compaction and rutting. A full 22% of inspected logging sites had over 5% of their area rutted over 6 inches or deeper, meeting the GEIS criteria for significance. P 5-89. See above comments on the validity of the GEIS report card study results. The conclusions of the impact of the build alternative are not supported in the DEIS. 12.ddd
7. Impact 10, *Accelerated Erosion form Forest Roads*. The DEIS can’t have it both ways. Sometimes the mythic statewide nature of the modeled forest impacts are used to excuses an impact and sometimes the DEIS recognizes that the actual impact will be concentrated in the north. P. ES-26 “...little harvest is in this part of the state.” The loss of 3.1 square miles of soil in the first 40 years is significant and it is likely to be done in a few major watersheds in the northern part of Minnesota creating turbidity impairments, impaired water classification and violations of the Clean Water Act. The FEIS needs to address these concerns. 12.eee

8. Impact 11, 12 *Populations of forest dependent wildlife and Populations of endangered, threatened, or special concern species*. The state-wide significance level for this (see above comments) impact, even though the impacts are going to be more concentrated and a reasonable project level threshold would be much lower than the 25% loss of habitat in any Ecoregion used in the DEIS. This standard represents acceptance of significant risk of loss of the species to the Ecoregion. Natural disturbance or foreign exotic pests (gypsy moth) could quickly destroy the habitat for forest dependent birds, so the margin of safety has to be significant. See the estimates for the 1999 blowdown in the SNF and the data on the arrival of gypsy moth in northern Minnesota. 12.fff
- The impact of current logging levels and forest management practices on bird populations is significant. P 5-93 table 5-16. The red shouldered hawk populations would decline (-5--1=-6% or a 20% increase in loss with the proposed mill expansion. The Boreal Owl would decline (-23--1=-24% or a 4% incremental decline. The tree swallow would decline (-27--9%=-36%, an increase of 33% with the proposed mill expansion even by the state-wide criteria of a 25% drop. The loss of old aspen will remove nesting cavity trees for the Boreal Owl. Recent population surveys of this rare bird show significant population declines at current logging levels (See SNF population data or talk to Bill Lane). The bald eagle, cooper's hawk and boreal owl will be harmed by the loss of the little remaining mature forests. So little such forest (real old VGS and not just the secular aging of the forest rebounding from the big cut) remains that the incremental effect of the proposed project is significant. 12.999
- The bird data should be presented in two parts in the FEIS to separate forest habitat generalists and habitat specialists. Reporting the results together muddles the impact analysis. 12.hhh
- The 5% habitat significance threshold for populations of endangered, threatened, or special concern species is too high and the accuracy of the assessment methods is too coarse to evaluate the impacts of the proposed mill expansion on listed species. 12.iii
9. Impact 15, *Forestry and Recreation: Projected harvesting in the Absence of Visual Management Guidelines on visually sensitive areas*. The voluntary guidelines for logging in Minnesota have never been validated by the human population they are supposed to protect. There has been no effectiveness research. The guidelines boil down to a maximum five acre apparent harvest size as viewed from a road or trail in a flat area. There is no provision for hilly areas where a clear-cut can be seen in the distance from a sensitive corridor. Common sense indicates that the guidelines are not effective and are merely a public relations fig leaf. The GEIS report card study is not an adequate basis to make assumptions on the level of impacts for the build alternative. The assumption of higher uneven-aged logging by the project proposer is not substantiated in the DEIS. If this is to be a mitigation, it must be mandatory, in writing and enforceable by the public with meaningful penalties for non-compliance. 12.jjj
10. Impact 16, *Development of Permanent Roads in Relatively Undeveloped Forest Areas* ((check definitions)...The loss of 4,400 acres every 40 years of the little remaining wild forest outside the BWCAW is a significant and permanent impact of the proposed mill expansion. The Friends of the Boundary Waters potential wilderness study identified only 96,000 acres with this potential the SNF. The primitive non-motorized ROS occurs only in the BWCAW or state wilderness, which are already reserved and won't supply timber to the project. The semi-primitive non-motorized ROS is a political designation, not a physical classification, so it is not the proper criteria for this assessment. The federal roadless area criteria or the FOB criteria need to be used in the FEIS. Spatial analysis of the road and trail system and timberbase are needed for the FEIS. The simple mitigation that needs to be in the FEIS is that the air or water permit(s) require the proposer to not buy timber from the roadless areas identified by the Friends of the Boundary Waters survey (which is on their web site). 12.kkk
11. Impact 17, *Destruction of Unique Cultural and Historic Resources*. Driving heavy machinery over 120,000 acres of Minnesota forests is going to destroy lots of our past. References to site inventories means nothing if the sites have not been surveyed. The proposed mitigations amount to relying on luck. Pre-logging surveys are needed for each cut block to prevent loss of cultural and historic resources. Logger "awareness" is an untested, unreliable mitigation. 12.iii

Programmatic Mitigation

1. Maintaining forest conditions within the RNV for each NPC and VGS is the single most powerful programmatic mitigation of logging for Minnesota. It was not available for the GEIS. It is the answer to the "how much is enough?" question that the landscape program was designed to answer and implement. The DEIS fails to evaluate the impact of major landowner forest (current) plans on future RNV and the incremental impact of the proposed project over the long term (200+ years) when such impacts can be measured and most significant. This must be corrected in the FEIS. 12.mmm

2. See our comments on the GEIS Report Card study through these comments. The effectiveness and scope of implementation of the programmatic mitigations for the build and no-build alternatives are poor, meaning significant mitigations need to be placed on the proposed project. 12.nnn

Project-Specific Mitigation

1. "Commitments" made by a project proposer (throughout the DEIS) are not sufficient guarantees of performance to be considered mitigation under law or common sense. There is no evidence in the DEIS that the project proposer promises and practices won't change with a new CEO, local manager or economic downturn. But once the proposer has been issued the needed permits, there is no leverage to require compliance with "commitments". The issuance of permits for the proposed project are virtually irrevocable, yet there is no penalty to the project proposer for non-honoring the many "commitments" on forest impact mitigation in the DEIS. 12.ooo

Considering the highly visible corporate accounting and finance fraud criminal cases in the newspapers, compliance with voluntary agreement is naive. For example last year state health official investigated nationwide from about 40,000 cases where food safety was threatened and brought about 4,000 criminal complaints. This is for companies in the food business, whom you would think would need a good reputation for food safety to keep customers. Our experience with the timber industry leads us to not trust promises.

2. There is no evidence in the DEIS that the project proposer "commitments" can be independently verified by the public and are transparent and accountable. For example the public has no idea where the proposer is buying wood. 12.ppp
3. The State has the authority to require mitigations per the Boise Mill Supreme Court Decision. "Reasonable" mitigations must be defined as those that actually substantially and reliably mitigate the impact in the FEIS and the FEIS needs to recommend mandatory mitigations to the MPCA. 12.qqq
4. SFI certification is not an acceptable guarantee of mitigation performance because it is not transparent to the public, has low standards, and essentially cannot be appealed if the company does not meet even these low standards. 12.rrr
5. Purchase of 100% FSC certified wood would help mitigate the impacts of the proposed mill expansion. It is the only certification system supported by the Sierra Club. The Club is a voting member of FSC's international governance. The FEIS must assess the mitigation offered by the state permits requiring all wood sourced for the mill to be Forest Stewardship Council certified under the current Great Lakes Standards. 12.sss
6. The negative impact on wildlife such as birds needing big patch, conifer habitat from the total logging program is so large that it dwarfs the incremental impacts of the proposed project. "Forest management activities projected into the future should consider habitat needs of 24 bird species that were projected to decline more than 25 percent from 1990 to 2000 and have populations below their midpoint RNV population..." p E-12. Effective project mitigations are needed in the FEIS to address these impacts on lands impacted by the proposed mill expansion. Wood purchasing stipulations by the project proposer that require post-logging prescriptions that address the NPC state-wide distribution and site-level composition and VGS that are below or above RNV would be powerful mitigations of the negative impacts identified by the RNV analysis and need to be evaluated in the FEIS. 12.ttt

DNR response to Draft Scoping Decision Comments by Sierra Club not addressed above (numbers refer to draft scoping document)

1. 2.4.3 Forest Management: measures to increase crop yields of forests have negative environmental consequences—they only mitigate logging volume impacts, not impacts on ecological and non-consumptive human use values. The environmental impact of such commercialization and industrial manipulation of forests must be evaluated in-depth by the EIS. This has not been done for the DEIS. 12.uuu
2. 2.6.1 Operational Scale of Mill: Sizing the project to fit the forest should be part of the EIS. The proposed exclusion of this analysis does not meet the spirit or law on EIS preparation and use. The RGU would not be fully informed without this information. The type of fiber required by the expansion does not match the forest (aspen shortage). Alternative paper recipes need to be part of the FEIS. 12.vvv
3. EIS issues: Wildlife and listed species and sensitive ecological resources of forestlands impacted by logging in MN and other impacted jurisdictions must be considered by the EIS. This is a key part of the environmental impact of 12.xxx

the proposed project. Eagles, wolf, lynx and interior forest birds are examples of wildlife that needs to be analyzed by the EIS. The analysis of impacts cannot be limited to tree species with commercial value. Lynx impacts are not addressed adequately in the DEIS.

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4. Impact Assessment/scale of analysis: Impacts of the kraft pulp (50% increase) and wood purchases outside of MN is part of the environmental impact of the project and must be assessed and disclosed to the RGU. Impacts outside of MN need to be considered in the FEIS.

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5. Precision of Analysis: Environmental costs of the proposed project must be quantified and a dollar value attached so that the economic benefits of the project can be compared by the RGU and public. This includes the value of wilderness, wild forests, clean water, solitude, wildlife watching, hunting and fishing and the existence value of wild forests. This has not been done in the DEIS.

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6. Meaning of Forest Outputs and Values: The provided list is too short and is biased towards commercial outputs that involve cutting trees down. Wilderness, solitude, wildlife, ecological integrity, future benefits of forest currently unknown, habitat for threatened and endangered species, cultural and historical use by foot travel and paddling, and subsistence and native uses.

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7. Other Factors: Global climate change, impact of gypsy moth reaching MN (Tower), public demand for protection of state and federal wilderness and wild forests and old growth, definition of lowland conifer old growth and its protection, OHV impacts increased by logging roads, threats from genetically engineered trees, range of natural variation concept, native plant communities, and MN County biological survey and natural heritage program are other factors that need to be addresses by the project specific EIS. The gypsy moth and ATV impacts should be addressed in the FEIS.

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I will send these comments by email as MS Word file so you can add it to the planning record and to make it easier to respond to our comments.

Please feel free to call me with any questions on these comments. Responses to our comments in the FEIS should fully address the comment and explain the rationale for action taken in response to the comment. Please put me on the mailing list for any communications on this process—meetings and drafts for review. Thank you for the opportunity to comment.

Sincerely,

Clyde Hanson
Sierra Club North Star Chapter
Forest Committee
4038 Cascade Beach Road
Lutsen, MN 55612
218-387-9081 clyde.hanson@sierraclub.org

Appendix A

Evidence of the Feasibility of Agricultural Fiber in Printing Papermaking

Agripulp - the third papermaking fibre : Alfred Wong, Arbokem Inc., Vancouver, Canada

ABSTRACT. The use of agricultural fibre for the manufacture of paper has been known for centuries. Today, most of the agricultural-fibre pulp production is in India and China. Agricultural fibre is used largely because these countries have no natural forests or have depleted their forest resources. In North America, there is a renewed public interest in the use of ordinary paper made from agricultural-fibre pulp.

During the past 3 years, Arbokem has created a new class of high-performance commercial printing and writing paper and newsprint. This agri-pulp paper embodies agricultural pulp fibres and recycled wastepaper fibres. The agri-pulp paper is priced to be affordable by the public at large. Agricultural fibre paper has finally emerged from the stigma of "high-price boutique paper" business in North America. (AK15858A)

Proc. Financial Times World Pulp and Paper Conference, London, UK,
December 6, 1997.

Experience in the technical and market development of agri-pulp printing papers in North America
Alfred Wong, Arbokem Inc., Vancouver, Canada

ABSTRACT. The renewed public interest of agricultural fibre-based paper is continuing in North America. There are substantial technical and market challenges to overcome in the commercial realization of a mass-use, agri-pulp™ paper project in the Western economy. Successful usage of straw for paper manufacture presents challenges: to reduce destruction of the natural forest, to help create an alternative model for the maintenance of rural economy and to test novel manufacturing technologies which do not pollute. Using classical wood-based pulping technology does not fit into the economic context of a modest-scale farming community based project.

Arbokem Inc. initiated its own agri-pulp mill project in 1989 with the goal of establishing an agri-pulp mill which has zero-effluent discharge. The demonstration-scale agri-pulp mill located in Vulcan, Alberta, Canada was designed and constructed by Arbokem in 1993/94. It was started up in mid-1994. There were major successes and setbacks in the project realization path.

Various grades of mass-use printing papers containing different types of agri-pulp and wastepaper were produced and test-printed. In particular, agri-pulp paper for offset printing, photocopying and inkjet printing has been made and sold in North America since 1996. (AGRI-PULP™ is a registered trademark of Arbokem Canada; AK19167W).

Proc. 4th International Non-Wood Fibre Pulping and Papermaking Conference, CTAPI, Jinan, China,
September 18-21, 2000. pp. 23-32.

Agripulp Unlimited is a development of Arbokem Inc. an independent technology management and development company founded in 1983.

Since 1985, Arbokem Inc. has been developing environmentally-friendly technology for pulping agricultural cropping residues.

In 1994, we built a demonstration agri-pulp mill in Alberta. Our environmentally-friendly technology is benign and the organic wheat straw pulp was used in bread-making (for the fibre content). Then we launched our line of agripulp paper - Arbokem's Downtown Paper No. 3.

http://www.agripulp.com/about_us.html

AGRICULTURALLY BASED PAPERS

“Yes. Quality and performance are factors of the raw material and the manufacturing process. Good and poor qualities of paper can be produced from either wood or agriculturally based papers.” - **Tom Rymza, President, Vision Paper**
<http://www.paperlisteningstudy.org/TreeFree/question47.html>

AGRICULTURAL RESIDUES

**Content note: much of the content in the information below is drawn from a report authored by Meghan Hayes and provided by the Resource Conservation Alliance*

“In North America, there are over 200 million tons of agricultural residue, (wheat, rice, flax, barley and other cereal grain straw) that are produced every year after harvesting. Although some of these residues must be left in the field for soil conservation purposes, the bulk of the residues are available for industrial use.

Using a conservative conversion factor of 50 percent yield of pulp from agricultural residues, the United States could produce between 70 and 175 million tons of pulp per year. The higher value represents far more pulp than is used annually by U.S. industries to produce paper

Heartland Fibers, a Midwest company, has also announced that it intends to produce pulp from cornstalks”
<http://www.greenpressinitiative.org/AgriculturalResidues.htm>

COMMERCIAL PAPER MAKING WITH KENAF

“In general, we make arrangements with existing pulp and paper mills to manufacture product to our specifications. Our specifications are developed with full consideration to the mill's existing manufacturing capabilities. Almost without exception, these mills have no prior experience running kenaf, and in each case a learning curve has been observed. The mills are always cautious when making technical specification guarantees for the first production runs, and after gaining some production experience, product quality improvements follow.

visionpaper.com/PDF_speeches_papers/Amsterdam2.pdf -

Thomas A. Rymza

KP Products Inc. dba Vision Paper

Albuquerque, New Mexico

“Supplying and demanding

GREEN PRESS INITIATIVE

“Raincoast Books prints more than 95 percent of its text-based books on ancient-forest friendly paper. When the large-house Canadian publisher printed almost 1 million copies of the last Harry Potter book on recycled paper, enough trees were saved to more than fill Seward Park and Discovery Park combined. Raincoast has been very pleased with its ability to get the paper it needs, deflating the notion that supply wouldn't match demand if big U.S. publishers went to recycled paper. Many paper industry leaders concede that if larger publishers wanted recycled paper, the supply flow would be there.

“From the Canadian perspective, the decision that we made was not a publicity effort,” explains Jamie Broadhurst, director of marketing at Raincoast. He explains that printing with sustainability in mind is a core principle of the company.

“It is something that Canadian consumers expect,” he says.

Tyson Miller, founder of the Green Press Initiative, hopes other publishers will follow Raincoast's example. “If a publisher has a policy in place and they are communicating that policy, it changes the way that paper is made across the entire supply chain,” explains Miller. He hopes to help publishers eliminate their use of endangered forest paper in three to five years.

The Green Press Initiative is seeking out booksellers too. For instance, it has partnered with Portland-based Powell's Books, which highlights more than 700 books on its Web site that have been green press-certified. The books must be printed on at least 30 percent recycled paper and/or paper certified by the Forest Stewardship Council as having come from sustainable forestland. And the publishers must have adopted a meaningful policy that states their commitment to eliminating their use of endangered forest fiber." http://evergreenmonthly.com/2005/em2110/harry_potter2110.html

RECYLED PAPER DEMAND

"Between 1990 and 1993, there was a glut of old newspapers on the East Coast. People in some communities diligently collected newspapers for recycling, only to have stacks of them grow and grow until they had to pay someone to haul them away—sometimes to a landfill!

In these situations, it may be better to burn the paper in a waste-to-energy plant than to recycle. The heat energy produced from burning the paper can be used to make steam and electricity.

During the last few years, the demand for recycled paper has caught up to the supply. More than 85 new paper mills with recycling capabilities have been built in the United States. Today, many paper companies are eager to get their hands on as much used paper as possible.

Most news print producers were using at least some recycled newsprint by 1995. Now they are worried that there may not be enough old newspapers to meet their demand.

America's forest and paper companies have met their goal to recover 40 percent of all the paper used. They have set a new goal of 50 percent recovery."

<http://www.eia.doe.gov/kids/energyfacts/saving/recycling/solidwaste/paperandglass.html>

"While there are environmental costs in making recycled paper, the process has less of an ecological impact than that of making paper from raw materials. As you make your own paper, you'll observe the water and energy required to reprocess paper fiber. In commercial manufacturing, producing printing grade recycled paper can save as much as half the energy that's needed in making paper from wood pulp, and there's a savings of water as well."

<http://www.exploratorium.edu/exploring/paper/handmade.html>

DE-INKED PULP SUPPLY IS SUFFICIENT TO MEET A SIGNIFICANT SURGE IN DEMAND

"The norm will probably be established at about 50% recycled fiber for most grades of premium papers"

<http://palimpsest.stanford.edu/byorg/abbey/ap/ap03/ap03-1/ap03-109.html> Alkaline Paper Advocate 3/1990."

"Most managers believe that, under current market conditions, recovered paper collection would quickly catch up to an increase in demand, even with continued exports of recovered paper. This Conservatree and Alliance capacity study unequivocally shows that the current deinked pulp supply is sufficient to meet a significant surge in demand from several applications at once." Conservatree and the Alliance for Environmental Innovation (Boston)"

<http://www.paperspecs.com/resources/tips/20031154932.htm>

"Recovered paper accounted for 37.1 percent of the U.S. paper industry's fiber needs in 2004." Paper Industry Association Council. http://stats.paperrecycles.org/index.php?graph=urecovfib&sub=printing_writing&x=37&y=10

MULTIPLE BENEFITS FROM WORKING WITH SECONDARY FIBER

Consistent, reliable source of secondary fiber

Competitive prices for raw materials due to volume purchasing

Grades of secondary fiber can be custom matched to specific capabilities of each plant Secondary Fiber 350 Interlocken Blvd Broomfield, CO 80021-3477

Phone: (303) 991-0915

Appendix B

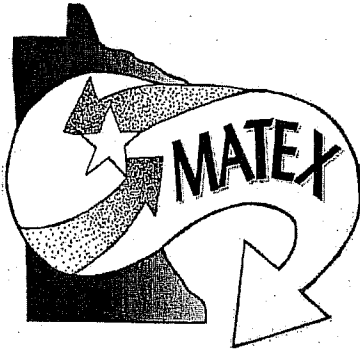
Construction and Demolition Waste as Fiber source alternative:

"We estimate there are about 500 wood processing facilities in the United States that derive wood from C&D debris. The leading states for these wood processing plants are North Carolina, Oregon, and California. **CHARACTERIZATION OF BUILDING-RELATED CONSTRUCTION AND DEMOLITION DEBRIS IN THE UNITED STATES** Prepared for The U.S. Environmental Protection Agency Municipal and Industrial Solid Waste Division Office of Solid Waste Report No. EPA530-R-98-010. Residential construction and renovation waste is recommended as cleaner in the report. And an estimated 39 million tons are generated annually and about 45% are wood. The American Forest & Paper Association (AF&PA) has located 315 wood processing facilities in the United States that process C&D debris, as shown in Table A-20 of the Appendix." mendoza.ramon@epa.gov.

Here is a source of C & D wood in the backyard of the proposed mill expansion.

North Central Materials Exchange - MATEX

Cass, Crow Wing, and Hubbard counties have teamed up with the Minnesota Materials Exchange program to offer exciting new opportunities to reduce waste and to reuse materials in northern Minnesota.



Here is a firm doing construction site wood chipping in the Twin Cities

Jobsite
Solutions

Mailing Address	520-C Industrial Way Atlanta, GA 30040
Service Location	Minneapolis, MN 55401
Areas Served	Minnesota and neighboring states
Contact Name	Bobby Fischer
Title	Partner
Primary Phone	678-449-8789
Alternate Phone	678-455-3001

Here is the cover of a report and photo of construction site waste wood chipping equipment available on the commercial market. There is a trade association and magazine for people in this business. With the high costs of landfills, re-use of wood has an economic driver. Use of the wood chips for paper making would be a higher value use with better environmental benefits than use as landscape mulch.

On-Site Grinding of Residential Construction Debris: The Indiana Grinder Pilot



Prepared by the NAHB Research Center
400 Prince George's Boulevard
Upper Marlboro, MD 20774

February 1999

D. Hanson

Rec. WKT
2/21/06

Douglas G. Hanson
38411 North Sugar Lake Road
Cohasset, MN 55721

February 15, 2006

Mr. Bill Johnson
MN DNR
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

I am writing this letter to provide my comments on the draft environmental impact statement for the "Thunderhawk" project. I appreciate the opportunity to be heard on this matter and feel that it is my responsibility to provide input for your consideration.

I share with many area people a concern for our environment including air and water quality, as well as maintaining healthy forestlands in Minnesota. Although a layperson like me is largely unqualified to decide about things like availability of fiber or affect on forests, it does seem that the timber harvest studies done by the experts are supportive of the project.

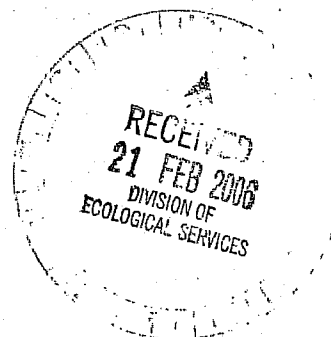
13.a

With respect to other impacts, I offer the following comments:

Traffic: I reside a few miles south of Grand Rapids and work at an office on the west end of Grand Rapids. There is a train track crossing that I must cross twice daily and it is used regularly. I understand that there will be a slightly longer delay than those currently experienced by drivers waiting for those trains. I am one of those drivers and am very willing to wait the additional few minutes for 19 or so more rail cars. An occasional minor inconvenience is not a compelling reason to object to an important economic project such as Thunderhawk.

13.b

The slight delays anticipated at an intersection or two during shift changes are also, in my opinion, very tolerable in the grand scheme of things.



Noise: I am confident that the project being proposed will be designed to remain within noise standards. Blandin has been a good corporate citizen with respect to these issues in the past and will, I trust, comply with all applicable noise standards in the future.

13.c

No doubt, there are those that object to the noise levels that exist in areas adjacent to the mill. The good news for all of us is that there is abundant land in northern Minnesota where people requiring quiet not available within city limits can live. Anyone living in a city where there is a manufacturing facility should be well aware of the existence of noise levels when they purchase or lease a home.

Economic and Social Impacts: The overall economic and social impacts of this proposed project are without question the most significant impact of Thunderhawk. The vast differences of the Build and No-build scenarios can not be taken lightly. As a nearly life-long resident of the Grand Rapids area, I want to be on record as strongly in favor of this project and its important economic and social benefits to all of us here.

13.d

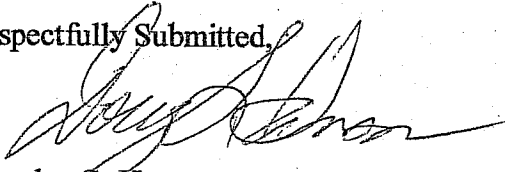
The study is very clear that a No-build scenario would be devastating for economic viability in the long term. I work in a medium sized construction company in Grand Rapids. Although we do almost no work directly for Blandin Paper Company, I am well aware of the importance of maintaining that major economic engine in our local economy.

13.e

I strongly urge you and all the DNR personnel considering this issue to place the appropriate emphasis on the positive social and economic impacts the project would have on our area. You must also seriously consider what would happen here if this expansion is either not allowed or is decided against by UPM in Finland. I further urge you not to issue any requirements for overly stringent mitigations that might make the project infeasible.

13.f

Respectfully Submitted,



Douglas G. Hanson
Cohasset, MN

From: "Chuck Hill" <chillictv@mchsi.com>
To: <thunderhawk@dnr.state.mn.us>
Date: Wed, Feb 22, 2006 2:52 PM
Subject: Project Thunderhawk DEIS

To Whom It May Concern:

Re: Project Thunderhawk DEIS

I am writing in support of the Draft Environmental Impact Statement for Project Thunderhawk in Grand Rapids, MN.

14.a

I believe that an expansion of the UPM/Blandin Paper Company would be very beneficial to the economic health of the Itasca County area. With past layoffs and tough global competition in the paper industry, a potential expansion is good news for our community. I would like to see the paper industry grow in Grand Rapids to offer several new permanent jobs, as well as the many construction jobs, and other spin off jobs that such a project would create.

14.b

I believe that effects such as noise and traffic delays would be very minimal if the paper mill expansion is completed. The benefits of the additional jobs would far outweigh the negatives.

14.c

I believe that local forests do have enough timber to provide the needed raw materials in a sustainable manner. The paper company has a reputation of being a responsible corporate citizen in its timber harvesting practices as well as attention to the health of the environment.

14.d

In conclusion, I believe that Project Thunderhawk is very important to the economic health of the Itasca County area, and I support its construction.

14.e

Charles Hill

41241 County Rd 242

Cohasset, MN 55721

(218) 328-6659

February 21, 2006

Rec with
2/21/06

Houlihan

Good Evening.

My name is Jim Houlihan and I am here representing the Blandin Foundation as its president. The Foundation is not connected to the UPM Blandin Paper Company in a legal or corporate way but we do share a long history and roots to Mr. C.K. Blandin.

The Blandin Foundation's Mission is to strengthen communities in rural Minnesota, especially the Grand Rapids area. Our VISION is that healthy rural communities are grounded in strong economies where the burdens and benefits are widely shared.

Our STRATEGY is our Economic Advantage Strategy – that is – to build on community assets, including leadership.

15.a

We recognize 8 dimensions of a HEALTHY COMMUNITY – that include:

- Economic Viability
- Valuing Diversity
- Safety and security
- Environmental stewardship
- Recreational and cultural opportunities
- Infrastructure, healthcare and human services
- Lifelong learning
- Community leadership

We support the expansion of UPM Blandin Paper Company and retention of jobs because we believe it is consistent with our mission and vision and strategy in that it will help to strengthen the Grand Rapids area by strengthening the local economy.

15.b

Additionally, I would like to say that we are confident that all other Healthy Community dimensions, in addition to the economy, are under careful consideration. We urge their continued careful consideration and balancing.

15.c

Thank you.

3/6/06

Hoyum



March 1, 2006

Mr. Bill Johnson
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

Thank you for your recent efforts supporting the EIS process for the UPM Blandin #7 project in Grand Rapids, MN. I attended your presentation at the recent public meeting to learn more about the project and feel the EIS presents an accurate snapshot of issues surrounding the expansion project.

16.a

As a local business owner and active member of the community, I fully support the expansion of UPM's Blandin Paper operations in Grand Rapids. Our community and county are highly dependent on the economic benefits generated by companies like UPM. The spin-off benefits of an expansion are also significant, increasing the number of jobs and creating opportunities for young people to remain in our community.

16.b

I feel the benefits of this project significantly outweigh the potential risks. With your help, and as a community, we have identified the changes an expansion will bring. With careful management by our elected government and a strong volunteer base, our community will work together to ensure a successful project, resulting in a stronger Grand Rapids, Itasca County, and Minnesota.

16.c

I strongly encourage completion and approval of the EIS in support of the expansion, and am available to assist you, UPM, and our community as required.

16.d

Thank you for your time and continued efforts.

Sincerely,

Roger L. Hoyum

President, JDI Contracts Inc.

OFFICE: 218-328-0040 • CELLULAR: 218-259-1068 • FACSIMILE: 218-328-0044

CONTACT@JDICONTRACTS.COM • WWW.JDICONTRACTS.COM

24662 CEDAR SHORES DR. • COHASSET, MN 55721

UPM/Blandin Paper Thunderhawk Project EIS
Draft EIS Public Meeting

Rec'd
At Public Meeting
WHT

PUBLIC COMMENT FORM

The Department of Natural Resources welcomes comment from the public on the Draft EIS prepared for UPM/Blandin Paper's Thunderhawk Project. Please provide your comments here along with your name and legal mailing address. Also please indicate whether you would like to receive a copy of the Final EIS.

Name: Carol Huffman

Address: 39352 Northwood Road

Nashua, MN 55769

Please copy me on the Final EIS when it becomes available. ☒ Y ☐ N

Comment:

17.a

I would like to see significant contributions to areas outside of the Grand Rapids Blandin location. Agencies, Parks, Projects geared toward youth and the environment. Thank You.

MR BILL JOHNSON
500 LAFAYETTE RD.
ST. PAUL, MN
55155-4025

2/21/06
Iaizzo

MR. JOHNSON,

I HAVE WATCHING THE PAINFULLY SLOW
PROGRESS ON THE ENVIRONMENTAL IMPACT
STATEMENT OF A POTENTIAL EXPANSION OF
THE BLANDIN PAPER COMPANY IN GRAND RAPIDS.

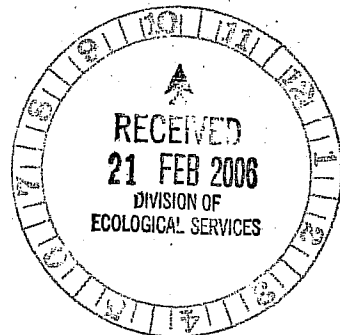
I AM COMPLETELY IN FAVOR OF THE
EXPANSION, I'M SURE IT WILL LEAD TO
HEALTHIER, MORE EFFICIENTLY MANAGED
FOREST. I URGE YOU TO SUPPORT SUCH
EXPANSION.

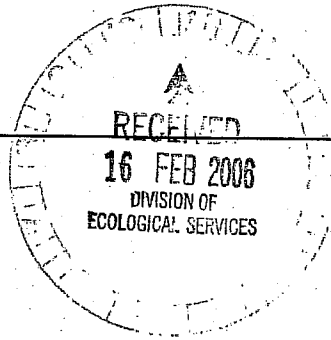
18.a

SINCERELY,

Mike Iaizzo

MIKE IAIZZO
1701 FRASER DR.
GRAND RAPIDS, MN
55744





Ives
Rec'd
2/16/06

February 15, 2006

Bill Johnson, MN DNR
500 Lafayette Road
St. Paul, MN 55155-4025

973 NE 4th Street
Grand Rapids, MN 55744
218-326-6098 office
218-326-5996 fax
mirealty@mchsi.com

Dear Mr. Johnson,

My husband and I are active in the business community of Grand Rapids. We are not experts on forest management issues but we understand the importance of economic vitality to our healthy community. We want to keep the good paying jobs currently provided by our paper making industry.

19.a

As a member of the Forestry Affairs Committee of the Grand Rapids Area Chamber of Commerce, we are confident that the forest lands managed by the State, the County and most private owners are being responsibly managed as a renewable resource.

We have reviewed the executive summary of the recent EIS document for the UPM/Blandin Paper expansion impact on our community: The health of the forest can be maintained while providing sufficient fiber, the noise factor is minimal, and the traffic impact seems manageable. So the socio-economic factor becomes the prominent factor for us.

19.b

This community needs the 700 plus living wage jobs provided by UPM Blandin Paper; but even more than that, we need the logging jobs, the mechanical equipment sales and maintenance, the insurance, health care, and so many other support jobs that depend on a strong industry workforce being employed in our community. The quality of life in our community is very dependent on positive economic development. We think the updating of equipment in the paper mill, which requires these permits is critical to the sustainability of the entire region.

19.c

We urge you to accept this comprehensive EIS Study and support the permit with enthusiasm. The MN Department of Natural Resources should be proud to support a company that is so responsible in their management of forest land, protection of clean waters, and sensitive to the quality of life for the residents of our region. We certainly are proud to have them in our community.

19.d

Sincerely,

Mary F. Ives

Michael J. Ives

221 NW 1st Avenue
Grand Rapids, MN 55744

February 16, 2006

Bill Johnson, DNR
Reference: Project Thunderhawk DEIS
500 LaFayette Road
St. Paul, MN 55155-4025

RECEIVED
17 FEB 2006
DIVISION OF
ECOLOGICAL SERVICES

I am writing in support of the Thunderhawk project.

20.a

After reviewing the DEIS I am fully aware of the potential of small negative impacts that would result from the Thunderhawk project including:

- increase in traffic
- additional delays of rail crossings
- additional demands of aspen harvest

20.b

Based on the DEIS and the States own lumber harvest studies the State can easily handle the additional demands of timber harvest. Based on economic theory if this project does not come to pass some other entity will step in to acquire the additional available supply of forest product.

20.c

The delays caused by increased traffic and rail service are a small price to pay compared to the economic benefits that will impact our local economy if this project becomes a reality.

20.d

I have a direct economic relationship with the employees of Blandin Paper Company and the area business community which relies on the economic impact provided by these employees. The leaders of our community are trying to provide economic development for our area. From my standpoint the most important area of economic development is holding on to and encouraging the expansion of our existing large employers.

As I look into the future I see two visions:

20.e

One vision is a strong, healthy community which has an economy which allows our children to remain in this area, have good jobs and raise their children here.

North Star Consultants, Inc.
Insurance Products and Services

CRI Securities, Inc.
Securities and Investments
Member NASD/SIPC

Marathon Advisors, Inc.
Registered Investment Advisor

2701 University Ave. SE • Minneapolis, MN 55414 (612) 617-6000
Securian Financial Services, Inc.
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Member NASD/SIPC

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and Marathon Advisors, Inc. Affiliated with Securian Financial Network, Inc.
David A. Kellin Financial Services is independently owned and operated

221 NW 1st Avenue
Grand Rapids, MN 55744

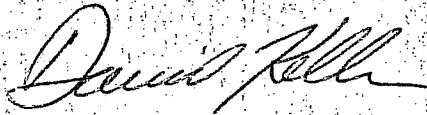
The other vision I have is a dying community where all the young people have left the area looking for employment, vacant buildings, decreased property values, closed schools and increased taxes.

20.e
continued

The expansion of the Thunderhawk project will help the first vision to become reality. I am afraid the failure to allow the Thunderhawk project to move forward will directly cause the second vision to come to pass.

Please give this matter careful consideration.

Sincerely,



David Kellin, ChFC

North Star Consultants, Inc.
Insurance Products and Services

CRI Securities, Inc.
Securities and Investments
Member NASD/SIPC
2701 University Ave. SE • Minneapolis, MN 55414 (612) 617-6000
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Variable Products and Securities
Member NASD/SIPC

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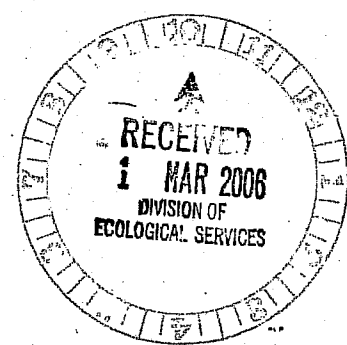
Lee

Rec'd W&S
3/1/06

February 27, 2006

Dr. Bruce D. Lee
34724 Wilderness Ln.
Deer River, MN 56636

Mr. Bill Johnson
DNR
500 Lafayette Road
St. Paul, MN 55155-4025



Dear Mr. Johnson:

I am writing this letter to comment on the UPM/Blandin Thunderhawk project. I am strongly opposed to this expansion of the facility and near doubling of the wood consumption this project would accommodate. The increase in statewide harvest of Aspen/Spruce/Balsam Fir approaching 5% is unacceptable, especially when considerations are given to the negative impacts on age-class structure and genetic variability. Along with the problems with age-class and genetic variability come the associated biosymbiotic problems with genetic diversity of the fauna. Further, the loss in site nutrients from multi-generational tree harvesting is unsustainable to the detriment of forest health for future generations. The "mitigation procedures" suggested for the negative impacts, are in some cases, entirely inadequate. As a case in point, in addressing the problems created in plant genetic variability, supporting a county survey does little to actually directly address the known problems (the genetic diversity problems with the forestry harvest practices in Minnesota are well known). The other two "mitigation" strategies for the genetic variability negative impact were equally inadequate. Mitigation strategies for Project Specific Impacts 5, 8, 10, 15, 16 and 17 are largely insufficient and often times would only reveal problems after the damage had already occurred.

21.a

21.b

21.c

The environmental impact statement is wanting in its assessment of the damage the exasperated over-harvesting of Minnesota's forests on eco-tourism. As the report points out, up to 17% of the additional harvest will be on visually sensitive lands but where VMGs are not applied. The mitigation strategies are inadequate and ample evidence that VMG guidelines are often not followed is way too frequently apparent in the Grand Rapids region (and northern Minnesota, in general).

21.d

These are just a few of the problems in this industry-friendly EIS. As a Minnesota taxpayer and resident of the forested areas affected by this proposal, I strongly urge the rejection of the Thunderhawk Project.

21.e

Thank you for considering my position.

Respectfully,


Bruce D. Lee

Dr. Bruce D. Lee



Rec'd WTS
3/7/06
Lemonds

March 3, 2006

A Touchstone Energy® Cooperative 

Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Re: UPM/Blandin Paper Thunderhawk Project
Draft Environmental Impact Statement (Draft EIS)

Dear Mr. Johnson:

On behalf of Lake Country Power, a 42,000-member electric cooperative serving eight counties in northern Minnesota, I am writing to commend the work completed on the draft Environmental Impact Statement (EIS) for the UPM/Blandin Thunderhawk project. Given the thorough nature of the review and the many benefits the project will have for our region, the cooperative, through our Board of Directors, is pleased to support the initiative.

22.a

As outlined in the draft EIS, we too believe the socioeconomic effects of the project are impressive and will have a substantive impact throughout Itasca County and the surrounding region. In addition to mill employees and the community of Grand Rapids, area loggers, small business owners and parts and materials suppliers will all benefit from increased production at the mill. More importantly, the significance of the UPM venture also means a long-term investment in the region and the state of Minnesota.

22.b

We are pleased the draft EIS also points out that timber harvesting levels will still fall below the estimated maximum sustainable harvest level in the state. UPM/Blandin's progressive light-on-the-land forestry emphasis, its certification program and its long-standing commitment to stewardship in the state underscores the importance of managing vibrant, healthy forests in Minnesota for the long-term, an approach that will benefit our quality of life for generations to come.

22.c

As the draft EIS demonstrates, the project will provide many direct and indirect benefits to northern Minnesota and it also outlines important environmental investments as prescribed in the Final Scoping Decision. Given those facts, we support the project and the findings outlined in the draft EIS and are hopeful the venture will proceed in a timely and efficient manner as the process to permit the project unfolds.

22.d

Sincerely,



Richard Lemonds
General Manager

Libbey

From: "Rich Libbey" <rdlibbey@mchsi.com>
To: <thunderhawk@dnr.state.mn.us>, <rdlibbey@mchsi.com>
Date: Tue, Mar 7, 2006 4:06 PM
Subject: Thunderhawk Public Comment

Dear Mr. Bill Johnson,

I am writing concerning mitigation for the increased timber harvesting that will occur if the Thunderhawk project moves forward. I feel MFRC's timber harvesting and forest management guidelines including the best management practices should be mandatory and enforced rather than voluntary as recommended in the DEIS.

23.a

The DEIS shows only a 50% compliance rate for "leave tree" and snag trees in clearcuts[See table 4.23 An Assessment of the First Ten Years] under the current voluntary guidelines. It also shows only a 52% compliance rate in the RMZ[riparian zone] as far as the basal of trees retained.

23.b

The majority of the harvesting will be clearcutting aspen so following the BMPs is extremely important. The northern landscape areas are the land of 10,000 lakes and we must protect them.

23.c

The DEIS showed a drop in some cavity nesting birds for which "leave trees" and snags are very important.

23.d

The DEIS is based on statewide figures but the majority of the timber harvesting will be in the three Northern Landscapes so the impacts to these areas will be much more than the DEIS leads us to believe. At a minimum the BMPs should be mandatory and enforced in these Northern Landscapes.

23.e

I feel the impacts on these Northern Landscapes should be further evaluated rather than dilluting the figures by using a statewide timber harvest as the benchmark.

23.f

I question weather there will be an adequate timber supply at a reasonable price for this expansion. The DEIS projects future increased supplies will come from the small private land owner but there are no guarentees the small woodlot owners timber will be available.

23.g

I feel the effects of late spring and early summer timber harvesting on nesting birds and wildlife should be evaluated. 50% of the harvest is during the snowfree months. The effects on nesting birds and denning mammals should be estimated. How many nests with eggs and young are lost in a 40 acre clearcut?

23.h

Sincerely, Richard Libbey 18603 Hale Lake Drive, Grand Rapids Minnesota 55744

McCormick
Rec with
3/3/06

February 28, 2006

Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
Minnesota Department of Natural Resources
500 LaFayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

I am writing to you to support the findings and conclusions contained in the draft environmental impact statement related to the UPM/Blandin Paper Thunderhawk Project. I am the Chief Executive Officer of Grand Itasca Clinic and Hospital in Grand Rapids, Minnesota. We recently completed a \$63 million dollar total hospital and clinic replacement project. A predicate of our financial feasibility was stabilization and growth of the local and regional economy. The UPM/Blandin Paper Thunderhawk project would produce a substantial impact on the local economy. It would create in excess of 800 jobs during construction, and more importantly, enable the retention of our current Blandin work force. I am sure you appreciate how projects like this are inextricably linked to other economic engines in the community including health care and education. Creating a local and regional economy that has vitality and is sustainable requires community leaders to look at projects of this magnitude in the context of overall economic development.

24.a

24.b

I would like to voice my support of this project based upon the overall impact it will have on our local and regional economy.

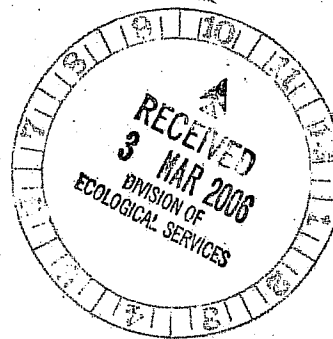
24.c

Sincerely,

Daniel J. McCormick

Daniel J. McCormick
President and Chief Executive Officer
Grand Itasca Clinic and Hospital

cc: Peter McDermott
IDC Jobs 2020



IDC Jobs 2020

helping create quality jobs

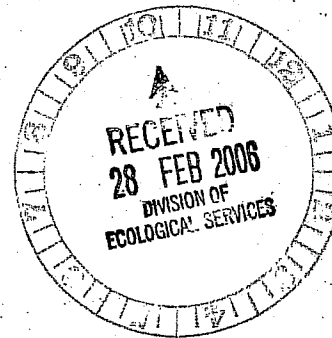
Received
3/1/06

Itasca Development Corporation
12 Northwest Third Street
Grand Rapids, MN 55744

218.326.9411
1.888.890.JOBS
fax: 218.327.2242
www.itascadv.org

February 27, 2006

Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025



Re: UPM/Blandin Paper Thunderhawk Project
Draft Environmental Impact Statement (Draft EIS)

Dear Mr. Johnson:

It was a pleasure seeing you again at the public meeting on February 21 in Grand Rapids. Your review of the project, the process in preparing the Draft EIS, the findings and the upcoming steps was very clear and well done. Thank you.

Based on my review of the Draft EIS and your presentation I believe the Draft EIS adequately and completely discloses information about the project's significant impacts and adequately and completely describes mitigation as prescribed in the Final Scoping Decision.

25.a

As pointed out in the Draft EIS the socioeconomic effects of the projects are very substantial. The estimated construction expenditures used in the EIS were \$654 million (in 2005 dollars) over the construction period of which approximately \$96 million are estimated to be locally based. The local economic impact of the proposed project is very considerable for Itasca County as it is expected to generate up to 823 FTE jobs during construction. The on-going operations related impacts compared to existing operations are also significant. If warehousing is done in Grand Rapids there would be an additional 27 direct jobs plus 145 indirect and induced jobs for a total of 173 additional jobs. The annual output is estimated at an additional \$77 million. If warehousing is done in Duluth there will be 20 less jobs and \$7 million less output in Grand Rapids. These projections include shutting down PM 5.

25.b

The most important impact of the project is job retention since it is assumed that PM 5 will be eventually shut down in a no-build alternative. Relative to the base case, the no-build alternative represents a significant reduction of 250 direct jobs at the mill or a swing of 277 direct jobs plus 449 indirect and induced jobs for a total loss of 726 jobs without the project.

25.c

Further, Itasca County's economy is directly tied to the UPM Blandin Mill. In the early 1980s Blandin Paper Company employed over 1150 versus just over 500 today. These are high paying, high benefit jobs especially when compared to other jobs in Itasca County. Today Itasca County workers earn nearly \$10,000 less in annual average wages paid per job than all Minnesota workers.

25.d

The disparity has been steadily rising since 1980 when Itasca County's annual average wage was consistent with the state average. Itasca County can not afford to lose any more jobs at UPM Blandin.

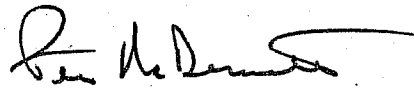
25.d
continued

As you and I briefly discussed on February 21, I do have one question with regard to the economic impacts of the project. Included in the work performed to date, can you tell me how the project's economic impacts relate to total economy of Grand Rapids and/or Itasca County?

25.e

Again, thank you for your thoroughness and professional approach.

Sincerely,



Peter McDermott
President

cc: Itasca Economic Development Council
Itasca Development Corporation/Jobs 2020 Board of Directors

UPM/Blandin Paper Thunderhawk Project EIS /
Draft EIS Public Meeting

Rec'd WHT
2/21/06

PUBLIC COMMENT FORM

The Department of Natural Resources welcomes comment from the public on the Draft EIS prepared for UPM/Blandin Paper's Thunderhawk Project. Please provide your comments here along with your name and legal mailing address. Also please indicate whether you would like to receive a copy of the Final EIS.

Name: Catherine McLynn

Address: 931 N Polegama Ave
Grand Rapids, MN 55744

Please copy me on the Final EIS when it becomes available. Y N

Comment:

The Itasca County Board of Commissioners has passed a resolution
in support of the Thunderhawk Project. After ^{hearing} tonight's presentation,
I feel I can confidently speak on behalf of the fellow board
members: ~~that they~~ ^{we} re-affirm ~~their~~ ^{our} support for the project especially
now that the impacts have been studied & mitigation measures
offered. Timber, Noise, Traffic & Socioeconomic issues are ^{impressively} ~~adequately~~
addressed. Thank you for your thoroughness in this review process.

26.a

Rec'd
3/7/06

McMillan



David J. McMillan, Executive Vice President

Fax 218-720-2508 / Cell 218-590-4287 / E-mail dnmcmillan@allte.com

March 7, 2006

Mr. Bill Johnson
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

RE: Project Thunderhawk Draft Environmental Impact Statement (DEIS)

Dear Mr. Johnson:

Minnesota Power (MP) has reviewed the Project Thunderhawk DEIS and submits the following comments on it.

First, MP commends the Minnesota Department of Natural Resources (MNDNR) for its careful and comprehensive assessment of this major natural resource project. In our view, Minnesota's public planning process, as evidenced by the analysis, public communication and input associated with the Project Thunderhawk review, have significantly and appropriately advanced the environmental assessment process for the Project to the benefit of all Minnesotans.

27.a

The DEIS provides detailed analysis and conclusions related to Noise, Rail and Traffic Effects. Minnesota Power supports the DEIS conclusions that the modest impacts, if any, can be fully mitigated to minimize the impact on the Grand Rapids community.

27.b

The Company believes the DEIS accurately reflects the positive socioeconomic effects of the Thunderhawk Project on the region's economy. In addition, the DEIS also details the results of the 'No Build' option. The shutdown and removal of Blandin's Paper Machine #5 is a serious possibility if the expansion does not occur, for whatever reasons. MP believes the DEIS correctly identifies the significant negative effects of the 'No Build' option.

27.c

The DNR's efforts to assess the Cumulative Timber Harvesting Effects are impressive. The Company is pleased to see the continuing evolution of forest management modeling capability. We support the DEIS analysis and conclusion that the fiber resources are available and that the modest ecological impacts identified can be mitigated using the sustainable forest management techniques to which both the state and federal governments, and Blandin are committed.

27.d

In closing, the Company fully supports the conclusions of the DEIS and commends the MNDNR for their careful assessment of Project Thunderhawk.

27.e

Sincerely,

David McMillan

Rec'd
3/3/06

Millis

Bill Johnson
MN DNR
500 Lafayette Road
ST. PAUL MN 55155-4025

3/1/2006

Re.- PROJECT THUNDERHAWK

Dear Bill,

I am writing to express my support for Project Thunderhawk, the expansion of the Blandin paper mill. After reviewing the key points in the EIS I believe very strongly that this project should go forward and the DNR should grant the necessary permits for this project. Issues of concern that were raised, including extra traffic in Grand Rapids, additional noise, soil erosion and over harvesting are all addressed in your study and estimated to be within guidelines or to have minamimual impact that can be adjusted for.

28.a

28.b

The economic impact on north central Minnesota from this project will be huge with the construction jobs and the addition of 15-30 full time jobs at the mill plus the related jobs generated from the increased commercial activity. The no-build alternative is not really an alternative; it would be the end of the Blandin paper company in Grand Rapids. The current no. 5 paper machine at Blandin will almost certainly be shut down in the next few years with those jobs lost. This would be devasting to the region without the addition of Project Thunderhawk. Project Thunderhawk would insure an operating paper company in Grand Rapids for the next 25 years and allow the DNR, Federal Forest and County Forests resources to be used efficiently and the forests managed in a healthy and efficient manner. In addition to the paper mill jobs and the construction jobs there will be many more jobs generated in the industries that support the paper mill that will also greatly benefit our region.

28.c

28.d

28.e

Bill, this is the right project for our region and the right time for the project to move forward and I am in complete support of the project.

28.f

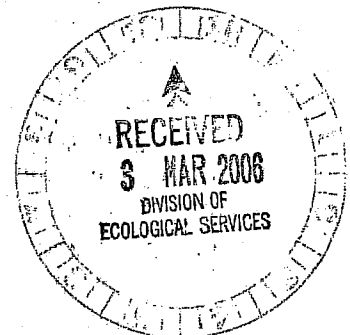
Regards

J. P. Millis

James P. Millis

Chairman

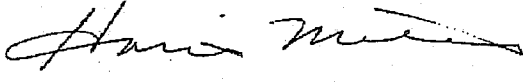
Grand rapids chamber of commerce board of directors



Mills

829 NW 1st Ave
Grand Rapids MN 55744
March 7, 2006

To: Mr. Bill Johnson, Natural Resources Program Consultant, Fax (651) 297-1500

From: Harris Mills (218) 326-4081 

Re: Thunderhawk Project, Draft Environmental Impact Statement (EIS)

Dating the project site from 1901, without mentioning the properties purchased for expansion in recent years is misleading in identifying the full socio/economic impact. Compared to just a few years ago, the mill site has grown into a large, expanding industrial complex. Blocks of homes are gone and a good number of downtown businesses have either closed or moved. Further, the open question of additional expansion into business and residential areas has had the effect of suppressing economic development in those neighborhoods for the last several decades. 29.a

A related concern is the limited focus on the cumulative effect of various impacts that in the statement are presented as either within acceptable parameters or somehow otherwise manageable. Increases in truck traffic, air pollution, noise, structural visual impacts, sun light loss in winter from vapor clouds, collectively, will substantially impact the quality of life in the vicinity of the mill. 29.b

Whereas the city and region may certainly benefit from this project, residents living in nearby neighborhoods stand to lose in three ways: 1) quality of life issues, 2) comparative property values, and 3) the loss of neighborhood businesses and services. This inequity should to be addressed and stated. Unless acknowledged, neither the city nor the mill is likely to offer incentives to live and do business in the impact area. Without some incentives, nearby neighborhoods will most certainly continue to decline. 29.c

Also, given the magnitude of the demolition area, it's proximity to the business district, the Mississippi River, and nearby residential areas, and, the historical nature of buildings in the block between NW 3rd Street and NW 2nd Street, it doesn't seem appropriate that demolition should be excluded from the environmental impact statement simply because it is covered by a permitting process. Demolition and its impacts are a major component of this project and will certainly affect adjoining property owners and the natural resources. 29.d

The impact statement needs to consider in greater detail issues of noise: how noise levels vary with the speed the paper machines, what types of building construction best absorb sound, how venting systems and fans can be constructed and placed to reduce external noise, and how wind and humidity can carry and amplify noise from the mill. 29.e

It is my sense that the overall tone of this statement, particularly with regard to socio/economic impacts, suggests maximizing potential benefits and minimizing potential problems. My hope is that you can address the impacts in ways that create more balance between those who stand to benefit and those who stand to lose. Lastly, I don't think its unreasonable to ask for an estimate of how many more homes in northwest Grand Rapids are going to be without sunshine on the coldest days of winter because of new clusters of vapor plumes, or, how many more are going to hear the steady roar of what sounds like a jet plane warming up. Thank you. 29.f
29.g
29.h

Rec'd
3/6/06

W. E. (AL) MITTON
4432 BUXTON RD. NW.
HACKENSACK, MN 56452-4432
218 682 2671

3/2/06

Mitton

Bill Johnson

DNR

500 Lafayette Road

St. Paul MN 55155-4025

COMMENT ON GRAND RAPIDS PAPER MILL EXPANSION

30.a

I am concerned about the shortage of pulp timber caused by the over harvesting promoted by the timber pulp industry during the last several years. This shortage will have a large impact on the labor market in the timber industry in Minnesota. The harvest of timber should be monitored so that the annual harvest can be monitored and rationed as much as possible.

30.b

I am enclosing a copy of the paper that I have prepared outlining a procedure for monitoring and rationing the timber as well as copies of correspondence that I have prepared on the subject.

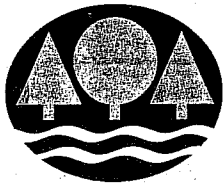
AL Mitton

AL Mitton

copies to: David Eppanly, Brad Mooney, Jon Nelson,

Bob Tamlinson

Enclosed in all enclosures.



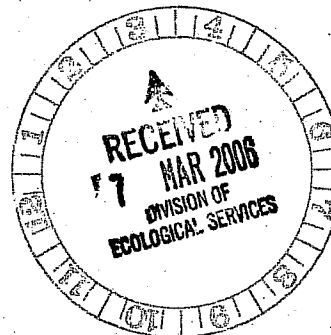
Minnesota Pollution Control Agency

Rec'd
3/7/06

Moynihan

March 7, 2006

Mr. Bill Johnson
Natural Resources Program Consultant
Environmental Policy and Review Unit
Division of Ecological Services
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155



RE: Draft Environmental Impact Statement – UPM/Blandin Paper Thunderhawk Project

Dear Mr. Johnson:

Thank you for the opportunity to comment on the draft Environmental Impact Statement (EIS) for the UPM/Blandin Paper Thunderhawk Project (Project). UPM/Blandin Paper proposes to expand and modify its paper mill located in Grand Rapids, Minnesota. Minnesota Pollution Control Agency (MPCA) staff has reviewed the draft EIS for matters of concern for which we have regulatory authority. MPCA offers the following comments for your consideration and response in preparing the final EIS on the Project.

As a result of the proposed Project, modifications will need to be done to the Grand Rapids Wastewater Treatment Facility (WWTF) to handle the increased flow and pollutant loadings. During the scoping process, the Minnesota Department of Natural Resources (MDNR) decided to include the required modifications of the Grand Rapids WWTF as a connected action. The scope stated that the EIS would incorporate the findings of a Wastewater Treatment Facility Modifications Study (Modifications Study) conducted by the WWTF's Operator, Grand Rapids Public Utilities, in conjunction with UPM/Blandin Paper. The scope also stated that the Modifications Study would address six major issues identified by MPCA staff during the scoping process and coordinate with MPCA staff to insure that all relevant issues were accurately presented in the EIS.

The focus of MPCA staff's concerns center around the results and supporting documentation presented in the January 2006 Modifications Study, which is used as the basis for conclusions made in the EIS. It does not appear that the temperature concerns forwarded by MPCA staff in December 2005 were addressed/included in the modeling, analysis, and support documentation sections of the January 2006 Modifications Study. This data gap does not allow the Modifications Study to definitively show that the technology proposed will be able to treat flows and loadings from expanded mill operations and comply with existing effluent limits for the Grand Rapids WWTF. In addition, the Modifications Study does not address MPCA's concerns about the disposal of the combined primary/secondary dewatered solids.

31.a

Moynihan 2

The MPCA staff's four major areas of concern are provided in greater detail below:

Activated Sludge Aerobic Selector and Aeration Basins

Results of the Talati & Stenstrom temperature modeling predicted in Table 6-21 of the draft EIS show influent temperatures to the aerobic selector basin in the range of 105° Fahrenheit to 109° Fahrenheit; and influent temperatures to the second stage aeration basin in the range of 100° Fahrenheit to 104° Fahrenheit, during normal operation. The January 2006 Modification Study does not provide an analysis showing that secondary plant biology (in the selector or aeration basin) will not be stressed within these temperature ranges [Technical literature (Eckenfelder, W.W. and J. L. Musterman, 1995)]. "Activated Sludge Treatment of Industrial Wastewater" (Technomic Publishing Company Inc., Lancaster, Pennsylvania) on pulp and paper mills suggests that operation of activated sludge systems in this temperature range results in deterioration and dispersion of biological flocs, poor settleability, and high effluent total suspended solids and turbidity concentrations. Reaction rates have the potential to steadily decline as temperature increases within this temperature range. The draft EIS states the conclusion that this technology is suitable in this situation; however, MPCA staff is concerned that the Modifications Study does not provide sufficient documentation to support this conclusion.

31.b

Clarification

The January 2006 Modifications Study does not present an analysis showing that adequate solids capture would occur in the final clarifiers at the elevated temperatures predicted by the Talati & Stenstrom modeling. This includes whether adequate sludge underflow concentrations will be achieved at elevated operating temperatures. Undesirable underflow concentrations have the potential to negatively impact sludge dewatering systems and clarifier overflow performance. Staff is concerned that the conclusion stated in the EIS - that adequate solids capture is possible under these conditions - is not supported by the documentation presented in the Modifications Study.

31.c

WWTP Effluent Temperature

While projected mill effluent temperatures are expected to decrease WWTF influent temperatures between 8-16 percent (16 to 21 degrees Fahrenheit), flows to the WWTF are projected to increase by 52 percent (3.4 million gallons per day) on an annual average basis. Maximum day flows after flow equalization are projected to be 15.5 million gallons per day. Since one existing aeration basin will be removed from normal operations, overall hydraulic detention time in the WWTF (including the B and C pond cells) will decrease. WWTF effluent temperature estimates were not provided in the January 2006 Modification Study, based on expanded mill discharges and reduced overall WWTF detention times. Therefore, the Modifications Study does not provide data that supports the draft EIS statements that thermal loading from the WWTF will decrease and/or thermal impacts to the Mississippi River have been eliminated. MPCA staff also believes that the EIS must include a discussion about the potential for permit modifications required pursuant to potential WWTF effluent temperatures.

31.d

Moynihan 3

Sludge Handling

The dewatered secondary solids (dewatered waste activated sludge) will be undigested and biologically reactive. Current experience at the landfill indicates that this material is degrading after delivery. This sludge degradation is/has caused stability issues, which hampers landfill operations. The January 2006 Modification Study does not explain how this existing problem will be addressed after the paper mill and WWTF expansions. Adequate facilities for mixing and/or co-mingling of dewatered primary and secondary solids, including stabilization prior to final disposal, must be provided to prevent adverse impacts resulting from increased generation of WWTF sludges. Since the Modifications Study still does not address these concerns, MPCA staff believe that the conclusion in section 6.5.1.3 of the draft EIS stating that "no mitigation is required regarding the generation of solid wastes" is not supported by the information provided in the January 2006 Modifications Study.

31.e

In addition to the comments above, MPCA staff wishes to point out that the remaining landfill capacity is inaccurately reported in the section under subheading "Current GRPUC Landfill Capacity" in Chapter 6 of the draft EIS. The remaining landfill capacity was determined by the difference between the ultimate design capacity and the permitted design capacity in the existing solid waste permit. This ultimate capacity includes disposal areas at the landfill that are closed. Based on the Landfill's 2005 Annual Report and a topographic survey conducted on November 18, 2005, there is a remaining capacity of 110,282 cubic yards (cy) in Kettle D and Phases 1-4. Kettle D and Phases 1-4 are currently open and operating disposal areas. Phases 5-8, which are permitted, will provide an additional 1,350,722 cy of disposal capacity when constructed. The remaining capacity would, therefore, be 1,461,044 cy. This is the remaining capacity that should be used to determine the operating life of the landfill at the current and projected disposal rates.

31.f

MPCA staff has no further comment to make on other sections of the draft EIS and greatly appreciates the opportunities provided by MDNR for early input during development of the draft EIS. As required by Minn. R. 4410.2600, subp. 10, we look forward to receiving responses to our comments on the draft EIS. If you have any questions concerning our review of this document, please contact me at (651) 296-8420.

Sincerely,

Debra Moynihan

Debra Moynihan

Project Manager

Environmental Review and Operations Section

Regional Division

DM:mbo

cc: Scott Knowles, MPCA, Duluth
Julie Henderson, MPCA, St. Paul
Paula Connell, MPCA, St. Paul

JAMES L. OBERSTAR

8TH DISTRICT, MINNESOTA

2365 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2308

(202) 225-6211

FAX: (202) 225-0699

www.house.gov/oberstar

RANKING DEMOCRAT:

**COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE**

Congress of the United States

House of Representatives

Washington, DC 20515-2308

February 21, 2006

DISTRICT OFFICES:

BRainerd City Hall
501 LAUREL STREET
BRainerd, MN 56401
(218) 828-4400

CHISHOLM City Hall
316 LAKE STREET
CHISHOLM, MN 55719
(218) 254-5761

231 FEDERAL BUILDING
DULUTH, MN 55802
(218) 727-7474

38625 14TH AVENUE
SUITE 300B
NORTH BRANCH, MN 55056
(651) 277-1234

Mr. Bill Johnson
NR Program Consultant
Division of Ecological Services
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155-4025

Dear Mr. Johnson:

I am writing to offer my support for the proposed expansion of the Blandin paper mill in Grand Rapids, Minnesota.

32.a

I have reviewed the draft of the Environment Impact Statement and I commend you and your staff on this excellent document.

32.b

I am pleased that the study concludes that the proposed project would inject \$96 million into the local economy during construction and then \$77 million per year thereafter; and this economic activity, including the creation of 27 jobs and the preservation of another 250 jobs in Grand Rapids, can be accomplished without damaging our environment. This information is not a surprise to me since Blandin has been both the economic cornerstone of Grand Rapids and Itasca County for over a century and a responsible steward of our state's precious forest, air and water resources.

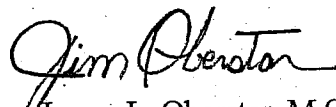
32.c

I strongly support this expansion project and I look forward to Commissioner Merriam's positive determination and a speedy issuance of the necessary permits to UPM-Kymmene's Blandin paper mill.

32.d

With best wishes.

Sincerely,


James L. Oberstar, M.C.

JLO/pdm

Computer Enterprises

Rec'd
WHS
T. Osborn

t. 218 326.1897
t. 800 336.1897
f. 218 326.1593
w. www.compent.com
223 NW 1st Avenue
Grand Rapids, MN 55744

2/17/95

Bill Johnson,
MN DNR- "Thunderhawk"
500 Lafayette Road
ST. PAUL MN 55155-4025

RE: "Thunderhawk" DEIS Comments

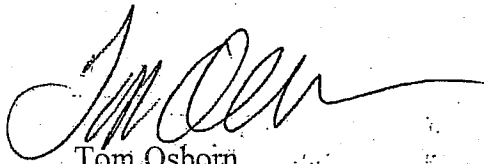
Dear Mr. Johnson,

As a tenant in the block of buildings that Blandin is in the process of purchasing for one of their 3 warehouse sites, I would like to comment positively on the DEIS for Blandin Paper Company's project Thunderhawk. Blandin closed on the property we are in on 2/15 and Blandin is a good corporate citizen and has given consideration in our new lease to the problems the businesses located in this block would have should the project proceed. This voluntary effort will enable us to retain our employees and relocate our business in a planned and orderly process. For obvious reasons the public is not aware of this and probably never will be made aware of this.

33.a

In summary, the DEIS clearly states that the "build option" will have minor social impact on the community and minor environmental impact and there is sufficient fiber to supply the new paper machine. The economic impact on the city will be very positive in many ways. Blandin Paper is a good corporate citizen and I support the acceptance of the DEIS.

33.b



Tom Osborn
Owner

Tom and Connie Osborn
29638 Underwood Road
Grand Rapids, MN 55744
218-326-5839

2/23/06
Rec WAT

2/17/95

Bill Johnson,
MN DNR- "Thunderhawk"
500 Lafayette Road
ST. PAUL MN 55155-4025

RE: "Thunderhawk" DEIS Comments

Dear Mr. Johnson,

We have reviewed the DEIS for Blandin Paper Company's project Thunderhawk and would comment that in terms of local impact to traffic, noise, etc. we find the negative impacts of the project on the community to be minimal, especially in comparison to the positive economic impact.

34.a

We would expect more negative impacts than this from a Super-Walmart Development.



Tom and Connie Osborn
29638 Underwood Road
Grand Rapids, MN 55744

O'Toole

From: "Dennis O'Toole" <Dennis@lanolaw.com>
To: <thunderhawk@dnr.state.mn.us>
Date: Mon, Feb 20, 2006 4:28 PM
Subject: Comment: Project Thunderhawk Draft EIS

Minnesota Statutes Section 116D.04, Subd. 6, which is the crux of the Minnesota Environmental Policy Act, essentially prohibits state action significantly affecting the quality of the environment. The Draft EIS for Project Thunderhawk identifies five potentially significant issues, consisting of Noise, Traffic, Rail, Socioeconomics and Cumulative Timber Harvest. A perusal of the document verifies common sense evaluations of each of those issues.

The discussion in the draft document underscores that which is obvious to any rational observer of the natural, social and economic environment of the Grand Rapids area. It would be truly disingenuous and intellectually dishonest to advance an argument under which any "build" alternative would significantly affect the quality of the the environment in a negative way.

35.a

Also clear from the draft document and from any pragmatic observation of the economic structure of this area is that the "no-build" alternative would have negative and devastating effects upon the socioeconomic environment of this part of Minnesota and upon the State at large.

The Grand Rapids area cannot afford to accept, in the name of environmental policy, a governmental taking of our community's ability to upgrade, improve and maintain our business, economic and social well-being. Denial of the permits requested by the applicant would unquestionably constitute state action significantly affecting the quality of the environment, and certainly in a highly negative manner.

Dennis O'Toole

515 NE Second Avenue

Grand Rapids, MN 55744

Tel: (218) 326-9603

Fax: (218) 326-1565

dennisotoole@lanolaw.com

CC: <joe.maher@upm-kymmene.com>

From: "Pete Petersen" <plpetersen@mchsi.com>
To: <Bill.johnson@dnr.state.mn.us>
Date: Tue, Feb 21, 2006 9:24 AM
Subject: Project Thunderhawk DEIS

Mr. Johnson,

I firmly support this project and hope you take the following into consideration.

1. This project is not expected to cause excessive delays to drivers operating along the existing road network in Grand Rapids. The project is expected to increase traffic by 2 to 5 percent. Delays can be addressed by adjusting signal timing at key intersections or by adjusting travel routes.

36.a

2. Project implementation will result in approximately five minutes of additional delay at Grand Rapids rail crossings. A train services the mill twice a day and the number of railcars will increase from an average of 18 to 37 cars per trip.

36.b

3. Future noise levels with the project are projected to be within state noise standards. Annual noise monitoring will be a condition of the MPCA air permit.

36.c

4. Local construction expenditures are projected to be approximately \$96 Million. Installation of the new paper machine will add 27 full-time jobs to the mill from current operations. The total economic impact of building the project upon the local economy is \$77 Million per year.

36.d

5. The proposed expansion would increase statewide demand for aspen, spruce and balsam fir by 5 percent over current conditions. The draft environmental impact statement reports that although statewide aspen harvest levels are approaching the estimated maximum sustainable harvest level for all ownership's, modeling shows that this expansion is sustainable under current conditions.

36.e

6. While some mills are expanding, others have closed and the overall cutting of trees in Minnesota has actually declined from 4 Million cords in 1995 to about 3.65 Million cords in 2002 which is the most recent year for which data is available.

36.f

7. The project could generate up to 823 Full Time Equivalent jobs during construction.

36.g

8. A "NO-BUILD" alternative assumes that paper machine number five will eventually be shut down some time in the future anyway and without the expansion, a reduction of 250 jobs would occur at that time. Taking into account the non-addition of the 27 jobs that would be created if the expansion were to be built, that is a 277 job swing.

36.h

9. Estimates are that another 449 indirect jobs could be lost without the project.

36.i

This is the future of our community.

Thank You.

Peter L. Petersen
215 15th St SW
Grand Rapids, MN 55744
218-326-0624
plpetersen@mchsi.com

UPM/Blandin Paper Thunderhawk Project EIS
Draft EIS Public Meeting

Rec. W45
3/1/06

PUBLIC COMMENT FORM

The Department of Natural Resources welcomes comment from the public on the Draft EIS prepared for UPM/Blandin Paper's Thunderhawk Project. Please provide your comments here along with your name and legal mailing address. Also please indicate whether you would like to receive a copy of the Final EIS.

Name: Lowell A. P. Hack, Judith M. P. Hack

Address: 744 Co. Rd. 440
Bovey, MN. 55709

Please copy me on the Final EIS when it becomes available. ☒ Y ☐ N

Comment:

After reviewing the draft EIS and attending the public meeting
2/21/06, we offer our commensurate appreciation for the very complete
and detailed review as well as support for the Thunderhawk
project.

37.a

As a retired logger and owner of a family owned
logging company and a member of the IDC Jobs 2020
Blandin Expansion Committee, I am acutely aware of the
role that the Blandin Company plays - a very important
socio-economic stabilizer in our community.

37.b

After logging for 25 years, it is gratifying to hear
that continued harvest is sustainable to meet the needs of
this expansion with mitigation of only 6 potential adverse
adverse effect. Our years of experience with Blandin UPM makes
me confident that their commitment to sustainable forestry can
be relied on.

37.c

37.e

I am anxious for this process to be completed and the
permitting completed. I look forward to a stable market
for my son and his business as well as the potential for
growth in our community if this project is realized.

37.d

DNR will accept written comments on the Draft EIS through 4:30 PM on Tuesday, March 7, 2006. Comments should be sent to: Bill Johnson; Division of Ecological Services, Box 25; MN Department of Natural Resources; 500 Lafayette Road, St. Paul, MN 55155. Fax: 651-297-1500. E-mail comments may be sent to: thunderhawk@dnr.state.mn.us; e-mails must include a name and legal mailing address to be considered.

Rec'd with
3/16/06

Prochazka1

Rapids



**RENTAL & SUPPLY
MOVING & STORAGE**

115 SE 11th Street, Grand Rapids, MN 55744
Phone (218) 326-0397 Fax (218) 326-0398

March 6, 2006

Bill Johnson
MN DNR
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Bill,

Thank you for taking the time to consider my input on the Thunderhawk project. I have studied the report on the project, not the whole 800 pages, but the summary and the impacts.

The biggest possible negative impact that I saw with the project was the timber harvest. The impact on the forest does not seem to be an unmitigable negative. My understanding with the additional 197,000 cords of wood that will be harvested the total harvest will still be under 4 million cords. I believe that I read that a study was done about ten years ago that stated that the state could sustain a 4 million cord harvest per year.

38.a

The EIS talked about the impact on the traffic. It sounds like the impact would little or none. Personally I live in GR and I laugh when people talk about traffic problems in town. I tell them to check out the Twin Cities for traffic. I would also welcome the additional traffic, because the alternative is less business traffic.

38.b

Noise was brought up as an impact. I believe that the process actually found a problem and UPM took care of it as soon as it was brought to their attention. I feel that they would do the same in the future.

38.c

We own a small construction and homeowner equipment rental business in Grand Rapids. I do very little business with UPM now. In fact they have done less than \$500 of business with us in the 3 years that we have been in business. If the project does move forward we will probably benefit like all other businesses in the Grand Rapids Area. Please believe me that is not why I am writing. The reason for my

38.d

letter is because if the Thunderhawk project does not go through the Grand Rapids area will suffer a great economic blow. I have four children and like numerous parents I would like my children to be able to live in Grand Rapids someday if they would like to. If there are too many or costly mitigations put on the permit UPM probably will not choose Grand Rapids to expand. If UPM does not build our town will suffer. If GR is not economically healthy my children will not have the ability to live in GR. Even if I could provide them with a decent living, if there is not a healthy GR, my kids would not want to live in an economically depressed area.

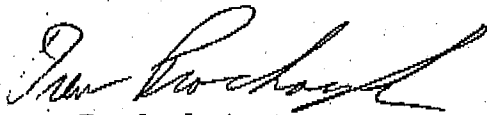
38.d
continued

Overall, I believe you have to weight the positives and negatives. In this case, from the report, I see some possible negative impacts on the soil, diversity, cultural, ect., but I feel that these impacts will be minimal. With UPM being a good corporate citizen, they just won an award for this, I feel they will be good stewards. On the positive side the Grand Rapids area would benefit greatly with the construction jobs. With the new project the jobs on that machine would probably be here for quite a while. Not only will the jobs on the machine be saved, but all of the jobs of the additional loggers and truckers will be created. All these jobs spin off other jobs to support and service them. This would dramatically help the long term economic health of our community.

38.e

Bill I know you are supposed to be looking mainly at the facts in the case. The fact is that my quality of life and the quality of life for my kids depends not only on the environmental health of this community, but the economic health as well. Please help me live in an economically healthy community.

Sincerely,



Drew Prochazka

Rima

From: "Mert Rima" <mrima@mchsi.com>
To: <thunderhawk@dnr.state.mn.us>
Date: Mon, Mar 6, 2006 10:05 AM
Subject: Blandin #7

To; Mr. Bill Johnson

I live on the South side of the Mississippi River Reservoir approximately 40 blocks West of Pokegama Avenue. (parcel code 91-020-4112) I see the Blandin and Minnesota power facilities when ever I look out my living room window. I am aware of some noise from the Power facility, but I am not aware of any noise from the paper making facility.

39.a

After reviewing the EIS for this project I can honestly say I see little or nothing that would have a negative effect on my property or quality of life. In all probability the skyline changes will be an improvement.

39.b

I believe this project will have a very positive affect on Grand Rapids and Northern Minnesota.

39.c

I am in favor of this project.

39.d

Merton Rima
413 Woodland Lane (SW)
Grand Rapids, MN 55744-3534
PH. 218-327-3007

Rec'd
3/1/06

Ritter 1



February 17, 2006

Bill Johnson, DNR
500 Lafayette Road
St. Paul, MN 5515-4025

RE: Project Thunderhawk DEIS

Dear Mr. Johnson;

I want to let you know that I support the proposed Blandin Mill expansion (Project Thunderhawk).

40.a

I moved to the Grand Rapids area a little over 25 years ago. In those 25 years I have become a homeowner, a business owner and a parent. I value what most people value, a stable and safe community, good jobs and working conditions and a viable future for our children. The Blandin expansion is a necessary part of that continuum of a stable and self sustaining community. Without this expansion, there is the potential that over 700 good paying -self supporting jobs will be lost to this community, state and nation. With a poverty rate of Itasca County of one of the highest in the state, loss of this level in our community would be devastating.

40.b

Beyond the job loss I would like to address what will happen to our community and surrounding area if this facility is built.

Traffic is expected to increase by 2 to 5 percent. This is a negligible amount at best. I've certainly seen far more increases in traffic in the 25 years of living in this community just from the retail sector alone. Along with vehicle traffic, rail crossing times could increase by another 5 minutes. In my opinion, we don't have anywhere near the number of trains that other communities deal with on a daily basis. This is a non issue in my book.

40.c

Noise levels are projected to be within state guidelines. As long as this stays within compliance, this is good enough for me. After all, I have chosen to live in an industrial community, bought a house within a half mile of the railroad track and a commercial building right on Highway 2.

40.d

Fiber demand will increase by five percent over current needs. This is too appears to be sustainable using present practice methods so if nothing changes, the increased harvest is still within tolerances. However, this is perhaps an opportunity to look at instituting and supporting world class best practices for the growing and harvesting of timber on all public and institutionally owned lands. This could increase the timber harvest potential exponentially, negate any effects of increased use by this project, and

40.e

give potential to other future projects. Timber is a resource that is so precious and is often wasted though lack of time, manpower or common direction.

40.e
continued

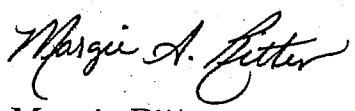
Overall, my impression of the DEIS is that it is very complete and exacting. All possible issues with this expansion have been addressed and any issues noted have remedies attached to them. It will be a change for the community but I feel it is a necessary change.

40.f

The first time I drove through Grand Rapids on the way to a job interview, my first thought was "why on earth would you put a paper mill right in the middle of a town like this?" After a few months of living here, I came to realize that the town grew around and because of the mill...not the other way around. This town and area have prospered in good measure because of the presence of a large employer that creates wealth from a renewable natural resource, provides a steady source of income for thousands of direct and indirect workers and is integral to the community as a whole. I believe that Blandin Paper and its parent organization need to be given the chance to proceed with their proposal to build a new paper machine in Grand Rapids. Thank you for your consideration,

40.g

Sincerely,



Margie Ritter
1825 Fraser Street
Grand Rapids, MN 55744

*Member of the board of directors of the Grand Rapids Area Chamber of Commerce
Executive board of the Work Force Development Committee, GRACC
Employee of Minnesota Power
Homeowner, Business Owner and Parent*

Ainsworth

Ainsworth Group of Companies

Suite 3194 Bentall 4
1055 Dunsmuir Street
Vancouver, BC
Canada V7X 1L3
604 667 6200 Telephone
604 661 3201 Fax
info@ainsworth.ca
www.ainsworth.ca

March 6, 2006

Mr. Bill Johnson
EIS Project Manager
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155-4025

Fax: (651) 297 1500

Comments submitted to: thunderhawk@dnr.state.mn.us

Re: UPM/Blandin Paper - Thunderhawk Project

Dear Mr. Johnson

Ainsworth Engineered USA LLP appreciates the opportunity to comment on the UPM/Blandin Paper "Thunderhawk Project". We have reviewed the Draft Environmental Impact Statements (DEIS) and applaud the efforts of UPM/Blandin Paper to modernize the Grand Rapids pulp and paper complex. Our communities depend on these investments to maintain their industrial facilities' competitiveness and infrastructure.

41.a

If the Project proceeds, a serious risk is posed to Ainsworth by the Thunderhawk Project if the timber harvest from Minnesota's forests is not available as identified in Generic Environmental Impact Statement (GEIS). If the Project proceeds and the timber supply from Minnesota's forests is available, the UPM/Blandin facility will achieve improved competitive and environmental performance; as well, there will be sufficient timber supply to support other existing manufacturing facilities such as Ainsworth. If the Project does not proceed, the results for UPM/Blandin are not clear as no other alternatives are included in the DEIS.

41.b

41.c

Ainsworth has the following specific Thunderhawk Project comments:

1) Projected Cumulative Impacts:

The Project has analyzed potential significant cumulative impacts as identified under the GEIS. The GEIS also identified an increased timber harvest potential in Minnesota along with the mitigations necessary to maintain forest health. Over the past decade, the forest industry has worked to implement the mitigations recommended in the GEIS. Based on the GEIS, at the current and future levels of projected annual timber harvest volumes, Ainsworth supports the environmental quality assessments of the Minnesota forests as described in the DEIS for the Project.

41.d



2) Potential Timber Supply:

While the potential for increased timber harvest in Minnesota has been modeled and described in detail, the reality is that the annual harvest from Minnesota's Federal, State, County and Private lands are not supplying the Minnesota based industrial and domestic need. This is clearly stated in the DEIS recognizing the current levels of imported timber volumes to Minnesota from Wisconsin, Michigan and Canada. According to the December 2005 DNR Minnesota Forest Resources report, the volume of imported wood is 624,000 cords annually.

41.e

The biological timber inventory in the Minnesota is sufficient to meet the State's demands while the market availability of timber supply is not.

3) DEIS Timber Supply Model:

The timber supply is calculated using growth models showing sufficient long term sustainability to meet the needs of the present and the Project. The DEIS recognizes the annual timber programs by many of the public land management agencies are calculated on an annual acre control basis by cover type. This difference is significant.

41.f

We support the growth model calculations but recognize that unless the public agencies in Minnesota adopt this approach to calculating annual timber harvests, the additional volumes needed to support the entire forest industry in the region will not be available, much less the Thunderhawk Project.

4) Minnesota State and County Timber Management:

Long term timber harvest sustainability assumptions in the DEIS include that 95% of the State and County timberlands will be available for timber management. We do not believe they are currently operating at this level today nor plan to amend management prescriptions to achieve these levels in the immediate future.

41.g

We support increasing State of Minnesota DNR-Forestry and County land departments' sustainable timber management levels as described in the Thunderhawk DEIS and assume that the agencies' support for the Thunderhawk project signals their support at the described levels.

41.h

5) Aspen and Alternate Species:

The project DEIS reviews the shift in State's total timber demand to include the increased use of alternate species. The shift to additional volumes of alternate species has not met the projections in the GEIS during the 1990s. Thunderhawk projects the use of alternative species to increase. UPM/Blandin expects that the increased use of alternative species by competitors will result in a corresponding reduction in aspen use by those competitors. This assumption provides the aspen volume to meet Thunderhawk's increased demand. However, the increased use of alternative species by competitors is limited due to economics, fibre characteristics, and finished product limitations.

41.i

Aspen fiber is the preferred species for several of Minnesota's pulp, engineered board plants and lumber mills, and a consistent percentage of aspen is required to maintain product quality. The DEIS did not model the alternative long-term sustainability of all the alternate



Ryan 3

species nor does UPM/Blandin review its own ability to utilize alternative species beyond small amounts of red pine, basswood, cottonwood and hybrid poplar.

41.i
continued

6) Project Timber Usage Understated:

The projections for the increased use of timber for the Project are understated. The DEIS uses UPM/Blandin average mill consumption figures from a ten year period including back to 1994. The average use of 203,000 cords does not accurately describe the current timber utilization of the mill which is approximately 166,000 cords.

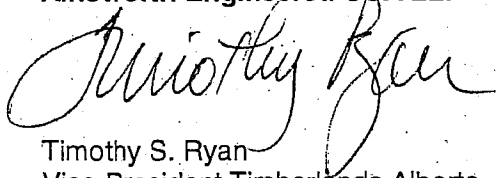
41.j

The increased volume needed by the Thunderhawk Project to reach the mills' projected annual capacity of 400,000 cords will be 234,000 cords, not the 197,000 cords as described. The volume released into the market from the shutdown of UPM/Blandin paper machines numbers 3 and 4 in 2001 has been fully absorbed. As a result, for UPM/Blandin to recover this volume, it will come at the expense of other forest companies currently utilizing it, or there must be an increase in the available timber supply from Minnesota forest lands.

In summary, Ainsworth is pleased to be a part of the Minnesota forest industry. Ainsworth believes a key factor in maintaining the stability of the Minnesota forest industry and the Thunderhawk Project is the availability of sufficient, affordable timber supply. Minnesota's forest lands could provide the additional timber supply to support Thunderhawk and existing forest industry facilities. However, the current reality is that the timber supply is not being made available, which is causing severe timber pricing pressure. This issue must be resolved.

41.k

Yours truly,
Ainsworth Engineered USA LLP



Timothy S. Ryan
Vice President Timberlands Alberta, Ontario, Minnesota





Sanderson

**Itasca County
Housing & Redevelopment Authority**

102 NE Third Street, Suite 160 • Grand Rapids, MN 55744 • Phone/TDD 218-326-7978 • Fax 218-326-8031

*Rec'd.
2/24/06*

February 23, 2006

Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson,

By formal action at its February 23, 2006 regular meeting, the Itasca County Housing & Redevelopment Authority (HRA) Board of Commissioners forward the following comments on the UPM/Blandin Thunderhawk project.

The Itasca County HRA enthusiastically endorses the UPM/Blandin Thunderhawk project. The potential benefits of this project will enable our community and our organization to more successfully meet the housing needs of Itasca County. While recognizing that short term housing needs during the construction phase of the project are substantial, this is a unique opportunity to improve and expand the existing housing stock, which overrides the short term threat of scarcity. The ramifications of a "No-Build option" include a detrimental impact on housing conditions in Itasca County.

42.a

42.b

Sincerely,

Barb Sanderson

Barb Sanderson
Vice-Chair
Itasca County HRA Board of Commissioners

Rec 2/23/06
WHT
Seaberg

February 17, 2006

Mr. Bill Johnson
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

I am writing in support of the proposed expansion of the Blandin Paper Company in Grand Rapids, Minnesota. I am very interested in the future of the company since I have children and grandchildren who live in the Grand Rapids area, and wish to see a bright future for them here. I have many friends and relatives employed at the Grand Rapids mill.

43.a

I feel that the proposed expansion will have minimum impact on the conditions in the vicinity of the paper mill, and that the adjustments can be addressed and standards met.

43.b

The additional 27 full time jobs is a definite positive as is the 800+ jobs during the construction process that will affect many other businesses and individuals in the community.

43.c

Grand Rapids people will contribute their utmost to comply with any and all adjustments necessary.

43.d

The expansion of Blandin Paper Company is of utmost importance to the mill and economic stability of our area.

43.e

Thank you for your consideration.

Sincerely,

Maybel K. Seaberg

Maybel K. Seaberg
2300 McKinney Lake Road
Grand Rapids, MN 55744

Loren A. Solberg

State Representative

District 3B

Aitkin and Itasca Counties



**Minnesota
House of
Representatives**

**COMMITTEES: WAYS AND MEANS - DFL LEAD
CAPITAL INVESTMENT
STATE GOVERNMENT FINANCE
IRRRB (IRON RANGE RESOURCES & REHABILITATION BOARD)**

February 16, 2005

Bill Johnson, DNR
500 Lafayette Road
St. Paul, MN 55155

Dear Mr. Johnson:

This letter is intended to state my support for the draft Environmental Impact Statement for the proposed Thunderhawk Project for the Blandin Paper Company in Grand Rapids, Minnesota.

44.a

This project is of the utmost importance to our community. Twenty Seven new jobs will be created, however, 250 will not be lost in the future if this project proceeds to fruition, with expansion to 823 full time jobs during construction.

44.b

Implementation of the Thunderhawk Project will secure and enhance economic growth in our region. Blandin Paper Company has been instrumental in not only creating this community, but has provided economic wealth to many in our area. This project is extremely important to those who now live in Grand Rapids, but even more so for the future of our children.

The Thunderhawk Project is environmentally responsible, economically responsible and resource responsible. The effects on noise and traffic will be minimal in comparison to its long time benefits.

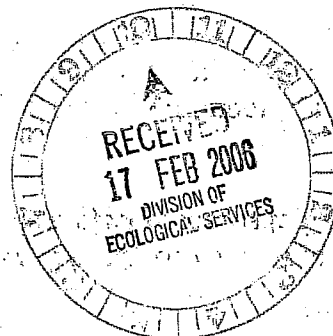
44.c

I encourage you to support the EIS, and if you have any further questions or concerns please feel free to contact me.

44.d

Sincerely,

A handwritten signature of Loren Solberg in black ink.
Loren Solberg
State Representative





"Advocate for a business environment in which our members can prosper."

Stone
Rec with
2/21/06

February 16, 2006

Mr. Bill Johnson
MN DNR
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

The Grand Rapids Area Chamber of Commerce fully supports the completion of what is commonly known as "Project Thunderhawk" here in Grand Rapids, MN. This expansion by UPM/Blandin is extremely important to our community. The economic impact of the construction phase and the added jobs that will be permanent after its completion will have a positive impact on our community for many years to come. We have been making paper here in Grand Rapids for about 100 years and with a new paper machine we could be making paper for another 100 years.

45.a

If UPM/Blandin does not expand its facility here in Grand Rapids, global competition will force them to expand elsewhere. A paper machine in China that produces the same paper that we do here would almost certainly have a devastating effect on our community. A "no build" result must not be an option.

45.b

We would appreciate it if you would take into consideration the fact that this letter is a policy statement of the Board of Directors of the Chamber and that the Board represents the Chambers 600 members. Please find a copy of the Chambers resolution regarding this project enclosed with this letter. In reviewing the Draft EIS, we have found no significant negatives that should prevent this project from moving forward in a timely manner.

45.c

Thank you for the opportunity to comment on this extremely important project.

Best Regards,

Bud Stone

Bud Stone, President
Grand Rapids Area Chamber of Commerce
One North West Third Street
Grand Rapids, MN 55744
218-326-6619
bud@grandmn.com



taylor

Rec'd with
2/23/06

2-21-06

Mr Bill Johnson DNR
500 LaFayette Rd
St. Paul, MN 55155-4025

Dear Mr Johnson,

Just a short note in reference to
support of the "Thimblehook" project expansion
of Bhandin Paper Co Machine #7.

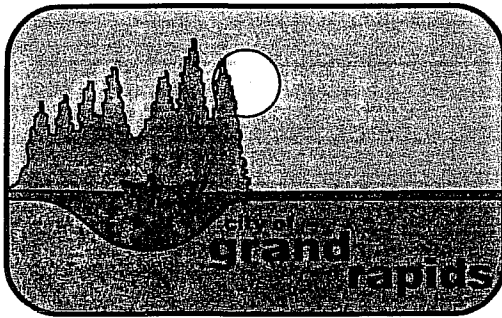
I am totally in favor of this expansion
I believe it is not only environmentally
sound but certainly economically sound.

It is a large part of the future for
Grand Rapids, Itasca County, logging and all
supporting players.

I firmly believe we need to go forward
with this project.

Sincerely

Aug Taylor



Rec'd with
3/6/06 Treska I

420 North Pokegama Avenue
Grand Rapids, Minnesota 55744-2662

February 28, 2006

Mr. Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
MN Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

The Grand Rapids City Council has been made aware of and did initiate an organizational review of the Draft Environmental Impact Statement (DEIS) that documents the analysis of potential impacts associated with developing or not developing the expansion of the UPM/Blandin Paper Mill, referred to as the Thunderhawk Project. Based upon this organizational review, primarily conducted within the City's Engineering and Community Development Departments, and the information some of the Council received during the MN Department of Natural Resource's public informational meeting the Council is satisfied that the DEIS is sufficient in its scope and detail to address; the significant environmental effects, proposed alternatives if needed, ways of reducing adverse impacts and providing project information to all stakeholders for input.

47.a

While the exact configuration of the components of this project are not known at this time, i.e. location of the paper warehouse; the City is confident that issues, over which the City has direct control or oversight and that were identified in the DEIS can be addressed within the parameters of our current ordinance and policies.

47.b

More specifically the City's Community Development Department in conjunction with the Grand Rapids Economic Development Authority and the City's Engineer have made the following observations.

- The transportation segment of the DEIS is accurate as it relates to highway and rail transportation impacts and the proposed development will have minimal impact to the local and regional transportation system.
- The proposed building layouts indicate a green space buffer will be created by the development between the Mississippi River and the proposed plant expansion.

47.c

47.d

From the Engineering Department's perspective this will result in a positive environmental impact relative to storm water run-off prior to discharge to the Mississippi River.

47.d
continued

- The DEIS reference to the Downtown Redevelopment Master Plan (Section 4.4.3) illustrates the sensitivity of this document to; local concerns related to traffic congestion and safety and opportunities to enhance business growth in the Central Business District as a result of the plant expansion.
- The Grand Rapids Economic Development Authority has reviewed the DEIS and concluded that, "either of the build alternatives in particular those involving Warehouse Option 2 and 4, would have very positive direct, indirect, and induced effects upon the City's economy both during construction and for decades into the future".

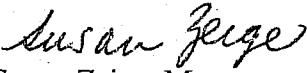
47.e

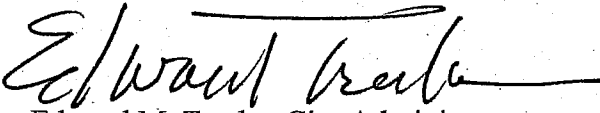
47.f

In conclusion, the Grand Rapids City Council appreciates the opportunity to comment on the DEIS and supports the Build option identified in this document. Also please find Council resolution No. 06-17, which further outlines the Council's support of this project.

47.g

Sincerely,


Susan Zeige, Mayor,
City of Grand Rapids


Edward M. Treska, City Administrator,
City of Grand Rapids

Rec'd WHT
2/21/06 Walker

Mr. Bill Johnson
MN Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

February 15, 2006

Dear Mr. Johnson:

I have read with interest the summary of the Environmental Impact Study for the proposed addition to the UPM-Kymmene plant in Grand Rapids. The document, and the research behind it, appear to have been rigorously and thoroughly prepared. I also attended a presentation and discussion on this topic led by senior UPM managers.

48.a

I am satisfied that any potential negative impacts are minimal and can be satisfactorily mitigated. Further, I believe that the positive impacts to our community and region are significant; indeed, this project is critical to the future of Grand Rapids.

48.b

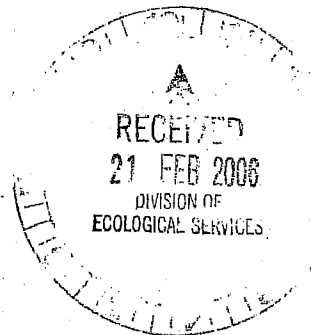
I urge you to support this project and grant the requested permit.

48.c

Very truly yours,

Peggy Walker

Peggy Walker





Wallingford 1
Norbord

March 6, 2006

Mr. Bill Johnson
Division of Ecological Services, Box 25
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155-4025

Dear Mr. Johnson:

Norbord Inc respectfully submits the following comments regarding the Draft Environmental Impact Statement (DEIS) issued January, 2006 for the proposed UPM/Blandin Thunderhawk Project in Grand Rapids, MN.

We would like to preface our comments by clearly stating that we have no opposition to the healthy expansion of the forest industry in Minnesota. In fact we have, and continue to support a strong and viable forest industry as a cornerstone of the Northern Minnesota economy and the continued success of our own operation in Northern Minnesota. However, the stark reality is that the existing forest resource of Minnesota is not meeting existing levels of demand.

49.a

Norbord Inc has operated an OSB mill at Solway, MN since 1980. The Solway mill employs 140 people and creates a market for 300,000 cords of pulpwood annually, primarily aspen species. This has been a very successful mill for Norbord, but the future viability of the mill has been threatened by the rising delivered wood costs over the past 5-6 years and, most recently, a 20 percent increase in wood costs within the past year. Norbord operates similar OSB mills in the US South and Eastern Canada. The fact is that the competitive position of the Solway mill has significantly eroded versus our other mills due to the rapid and unparalleled escalation of Minnesota pulpwood costs (Attachment 1). We see this as indicative of the deteriorating competitive position of all forest products manufacturing operations in Northern Minnesota.

49.b

Our primary concern with the DEIS as prepared by the Minnesota Department of Natural Resources relates to the Forest/Timber Harvesting analysis and the reliance on the 12 year old theoretical model, the 1994 Generic Environmental Impact Statement (GEIS) as a basis for the forest resource review. The DEIS states itself in the Executive Summary that "The Minnesota Environmental Quality Board (EQB) determined that the GEIS did not remain adequate for use in accordance with Minnesota Rules part 4410.3800, subpart 8, in project specific review" (Page ES-1).

49.c

We believe the GEIS, as supplemented by the most recent MN DNR Statewide forest Inventory data (2002), incorporated a good deal of wishful thinking that has not materialized as projected. For instance, the GEIS projected an industry shift to other hardwood species in the face of rising wood costs resulting in a 25 percent reduction in aspen consumption. Wood costs have certainly increased, but the shift to other hardwoods did not happen, as aspen remains the preferred species technically for processes such as OSB that were originally sited in Minnesota because of the aspen resource.

49.d

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The reality of the wood supply situation in Minnesota is substantively at odds with the GEIS theory. It is reality that the existing Minnesota forest products industry must deal with. Specifically our concern is that the DEIS overlooks recent and dramatic impacts of:

- rapidly increasing stumpage costs,
- escalating transportation costs resulting from rising fuel costs,
- increasing reliance on long distance/out of region log imports,
- rising cost of log imports due to the strong Canadian Dollar (at 14-year highs),
- Canadian provinces moving to mitigate log exports by developing local forest industry, specifically Manitoba's OSB mill RFP (Request for Proposal) in 2005 in an attempt to "repatriate" the wood leaving the province.

49.e

Given the up to date information that is available on these developments, we are disappointed that no attempt was made in the DEIS to assess these real time trends based on data available within the State and the industry.

The rapidly rising volume of wood imported from Canada is evidence that the Minnesota wood supply is inadequate. It is estimated that Minnesota currently imports 500,000 cords of roundwood annually. While it has been suggested in the DEIS that it is the high cost of Minnesota stumpage that is causing consumers to import roundwood from the Canadian provinces, such is not the case. The forest industry is importing wood because Minnesota's resource is not meeting current demand even at the elevated wood prices of the past year. To assert that Canadian sources are a less expensive alternative to the high cost of Minnesota roundwood is incorrect: Canadian roundwood represents the highest cost, marginal wood supply for most Minnesota mills - a fact only compounded by the strengthening Canadian dollar over the past year. The only reason for increasing the volume of Canadian wood is an attempt to sustain operations. We know this ourselves from experience.

49.f

The DEIS also misrepresents the actual increase in additional volume of pulpwood needed by 37,000 cords by using a nine year average instead of last year's usage. This further distorts that the GEIS and average harvest levels allow for support of the project, when in fact this is not true: The actual demand increase is 234,000 cords from last year's numbers.

49.g

The DEIS contains a large measure of rather optimistic outlooks and possibilities that we all hope might come true but is also littered with statements of concern and caution regarding an aspen harvest that is close to the maximum allowable harvest level. Page ES-14 the DEIS states that "the fact that statewide harvest is nearing the maximum sustainable level of aspen harvest is a source of concern". The irrefutable reality is that wood costs have soared to all-time highs in recent years because of one fundamental fact: the demand for aspen in northern Minnesota is already greater than the available supply and will remain so for the foreseeable future.

49.h

Minnesota forest products operations are losing their competitive footing in North American and international markets, as highlighted in the Governor's Task Force Report published in July of 2003:

"Significantly higher timber prices, particularly for aspen and spruce/fir, are contributing to the erosion of competitiveness in Minnesota's forest industry.

49.i



Wallingford 3
Norbord

"Significant expansion of aspen demand by the firms producing OSB and paper ensued. However, rapid demand growth with increasingly restricted supply has driven stumpage cost (defined as the value of standing timber) to the point where Minnesota has the highest U.S. wood costs for such grades."

49.i
continued

"The tight fiber supply and relatively high wood costs lessen Minnesota's competitiveness as a manufacturing location. Companies are reluctant to invest in areas where the fiber supply cannot readily sustain increased consumption. The outcome of this is a progressive decline in the quality of assets in Minnesota, further eroding overall competitiveness."

In closing we would again reinforce that our interest is not to oppose any particular project. The Minnesota forest industry is struggling in the real world where long-term sustainable harvest levels on state and federal lands are not being achieved and fiber availability is very limited, where prices continue to spiral upwards with no increase in supply, where high cost imports are required just to sustain operations, and where the long-term viability of existing manufacturing elements are now in serious doubt. Our interest is in supporting the continued health of the Minnesota Forest Industry by bringing focus to the real and current threats. We do not know how support for the UPM/Blandin Paper Mill Thunderhawk Project can be contemplated without addressing these fundamental issues.

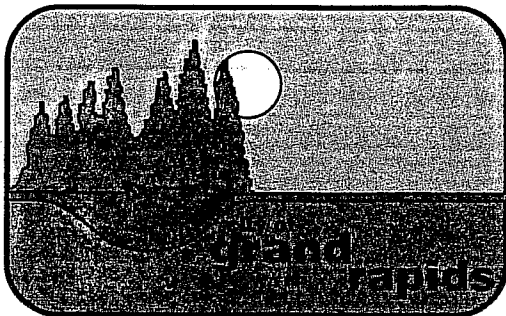
49.j

We would appreciate any opportunity to discuss our views with you personally.

Yours Truly,

Jack Wallingford
Mill Manager

CC Jeff Johnson, VP Eastern Operations
Jim Haffner, Woodlands Manager of Norbord Minnesota
Al Lewis, Director Operations Development



Rec'd WBS
3/2/06
Zabinski

420 North Pokegama Avenue
Grand Rapids, Minnesota 55744-2662

February 23, 2006

In regards to: Blandin Thunderhawk Project Draft EIS

Mr. Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson,

The Grand Rapids Economic Development Authority (GREDA) has reviewed the Blandin Thunderhawk Project Draft Environmental Impact Statement (DEIS), and has authorized the submittal of this letter in response to the Minnesota DNR's invitation for public comment.

Let me begin by underscoring the GREDA's overall view that the DEIS more than adequately accomplishes the required task of examining the potential environmental impacts of the various project alternatives, including a no-build alternative, in all areas identified under the preceding Scoping EAW.

50.a

Although minor in proportion to the proposed project's benefits, the GREDA has considered and concurs with the level of mitigation effort suggested by the DEIS particularly in but not limited to those areas most germane to the GREDA's jurisdictional role, those being: rail, transportation and traffic, and socio-economic impacts. The DEIS reference, under Section 4.4.3 (mitigation of socio-economic impacts), to the recently completed *Downtown Redevelopment Master Plan* is very appropriate, in that this community driven plan, commissioned by the GREDA, incorporates the development of the Thunderhawk Project's Warehouse Option 2 into an established, shared, vision of an enhanced future downtown commercial district. Furthermore, the GREDA considers the development of Warehouse Option 2 as more than an impact to be mitigated; rather, it is our view that the development of a warehouse in this location, especially that which potentially incorporates Blandin office uses, can serve as a positive catalyst in the plan's objectives to redevelop and revitalize several key downtown locations.

50.b

The GREDA, as the economic development agent of the City of Grand Rapids, also, paid particular attention to the comparison of economic impacts associated with both the build and no-build project alternatives described within the DEIS. As we had anticipated, the DEIS reports that the no-build alternative, which includes the decommissioning of the No. 5 Paper Machine, would have a very serious negative economic consequence for the Grand Rapids area. Conversely, either of the build alternatives, in particular those involving Warehouse Options 2 and 4, would have very positive direct, indirect, and induced effects upon our economy both during construction and for decades into the future.

50.c

In closing, the GREDA would like to declare their full support of the proposed Thunderhawk Project and communicate their encouragement to the Commissioner of the Department of Natural Resources to accept this DEIS, and enable the commencement of the permitting phase of this project.

50.d

Sincerely,

Edward M. Zabinski
GREDA President

cc: Mayor Zeige and City Council Members

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Rec with 3/7/06 Zumeta 1

Date: March 7, 2006

To: Bill Johnson, Natural Resources Program Consultant, DNR Ecological Services
From: Dave Zumeta, Executive Director, Minnesota Forest Resources Council
Re: Comments on UPM/Blandin Paper Thunderhawk Project Draft EIS

Thanks for the opportunity to comment on the UPM/Blandin Paper Thunderhawk Project Draft EIS. Comments of the Minnesota Forest Resources Council (MFRC) focus on direct references to the Council or Council programs. Proposed additional text is underlined, and text proposed for deletion is indicated by ~~strikethroughs~~.

Substantive Comments

p. ES-28, Impact 8, final phrase final sentence: "the University of Minnesota, with assistance from the DNR and the MFRC, ~~is are~~ conducting such a study that may result in improved practices." [This \$201,572 study is entitled "Research Assessment for the Development of Principles for the Removal of Woody Biomass from Forests and Brushland"]. 51.a

p. 5-72, first full paragraph, first sentence: It is technically correct that the MFRC Northern Landscape Committee has not yet made recommendations for balancing forest age classes and cover types within that region. It should be noted, however, that the February 23, 2006 draft minutes of the MFRC Northern Landscape Committee indicate that the Committee and the MFRC have engaged Dr. George Host, Natural Resources Research Institute, University of Minnesota, Duluth, to conduct an ecological classification and assessment of the Northern region that could provide the basis for such recommendations. 51.b

p. 5-75, first full paragraph, final phrase of first sentence: "...including applications of the appropriate voluntary Site-Level Forest Management Guidelines 42 and implementation of MFRC landscape planning recommendations." 51.c

p. 5-104, final paragraph, final sentence: "...published by the MFRC in 1998, revised, and republished by the MFRC in 2005." 51.d

p. 5-109, first partial paragraph, first three lines: The inference that "approximately 3,000 acres each year would be harvested without prior knowledge of the presence of cultural or historic resources" is very likely an overestimate, given that it is "based on the Guideline Implementation Monitoring findings for 2000-2002." The findings for 2000-2002 were based on three years of monitoring sites harvested or contracted for prior to the publication of the integrated guidelines, when no cultural resource guidelines were in place for most forest ownerships. Most foresters, almost all loggers, and many land managers/landowners have now been trained in the use of the integrated guidelines, which include recommendations for protecting cultural and historic resources. It is therefore reasonable to assume that additional forester, logger, and landowner awareness to conduct pre-harvest cultural/historic inventory checks and implement other 51.e

recommended practices will result in considerably fewer than 3,000 acres each year being harvested without prior knowledge of the presence of cultural or historic resources.

51.e
continued

p. 5-110, 5.2.3.6, **Impact 17**, entire paragraph: The same comment made immediately above (on p. 5-109, first partial paragraph, first three lines) applies here.

51.f

p. 5-111, **Origin and Current Status of the Voluntary Guidelines**: An additional paragraph should be added at the end of this section, as follows: Guideline development is an iterative process, where guidelines are modified as new information on the effectiveness of specific guidelines becomes available. Since publication of the original guidelines in February 1999, the MFRC has sponsored three peer reviews and two public reviews of the guidelines. Based on these reviews, various MFRC committees and the full MFRC agreed on numerous guideline revisions, and a revised set of guidelines was published in June 2005. Logger and land manager training sessions on use of the revised guidelines are being planned.

51.g

p. 5-114, **Impact 8**, final line: The University of Minnesota, with assistance from the MFRC and DNR, is ~~will be~~ conducting a review of the logging residue and coarse woody debris literature,...” [This study is entitled “Research Assessment for the Development of Principles for the Removal of Woody Biomass from Forests and Brushland”].

51.h

Minor Editorial Comments

p. ES-30, **Impact 10**, line 2: Latter part of line should read, “see the Guidelines, Forest Roads, pages 1-497...”

51.i

p. ES-31, **Impact 17**, line 3: First part of line should read, “see the Guidelines, Cultural Resources, pages 1-25.” (not 24).

51.j

p. 5-124, **Impact 10**, line 2: Latter part of line should read, “see the Guidelines, Forest Roads, pages 1-497...”

51.k

p. 5-127, **Impact 17**, line 3: First part of line should read, “see the Guidelines, Cultural Resources, pages 1-25.” (not 24).

51.l

p. 5-132, **Habitat Typing Approach**, first paragraph: The first two sentences of the paragraph should be deleted, as they are redundant with identical language on p. 5-131, 5.4.5, first paragraph, first two sentences. The remaining text should be moved in whole or in part to section 5.4.5 on p. 5-131.

51.m

Dr. David Zumeta

Executive Director

MN Forest Resources Council

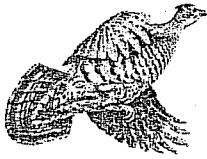
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The Ruffed Grouse Society

DEDICATED TO IMPROVING THE ENVIRONMENT
FOR RUFFED GROUSE, WOODCOCK,
AND OTHER FOREST WILDLIFE



3/8/06

RICK HORTON
Forest Wildlife Biologist, CWB

March 2, 2006

Bill Johnson
MDNR - Env. Policy and Review Unit
500 Lafayette Road
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P. O. Box 657
Grand Rapids, MN 55744
218-327-2525
218-244-5207 (c)
rgshort@uslink.net

Re: Thunderhawk Project EIS

Dear Mr. Johnson,

The Ruffed Grouse Society appreciates the opportunity to provide input on the proposed expansion of the UPM-Kymmene Blandin Paper Company facility. We congratulate you and your team on the excellent job you all did in preparing the Environmental Impact Statement. We found it very thorough, yet easily read and understood.

We support the project and cannot detect any significant adverse ecological effects between the No Build and Build Alternatives.

However, the analysis did reveal some alarming trends, regardless of which Alternative is selected. Perhaps the most concerning is that the aspen harvest level is very near the maximum sustainable amount. This suggests that conversion of aspen to other forest types is not in the best interest of the people of Minnesota. It is also telling that most old aspen forests contain only 65% aspen by volume. That is a clear indication that aspen stands increase in diversity as they age, and are not as single-species as some might profess.

The EIS should more clearly demonstrate that this analysis is based on maximum timber use. There are several factors that will reduce the actual timber impacts from the analyzed amounts, including:

- Timber imports
- Increased production from national forests in the future
- Fiber from hybrid poplar
- Changes in timber species mix
- Use of smaller tops
- Use of multiple lengths
- Use of increasing amounts of Kraft pulp

In terms of conventional physics, the grouse represents only a millionth of either the mass or energy of an acre. Yet subtract the grouse and the whole thing is dead.—Aldo Leopold

NATIONAL HEADQUARTERS

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52.a

52.b

The wildlife effects of the project are minimal. However, it is disturbing that Table E-3 suggests that 42% of early successional birds are currently demonstrating decreasing population trends, and the number will greatly increase in the near future. Projections are that 75% of early successional birds will be decreasing in the third and fourth decades. No other bird guild shows this trend.

52.c

We did not see an analysis of the current and projected rates of conversion of aspen forests to other forest types, either through benign neglect or intentional conversion to later successional stages. Given the importance of aspen to the state's timber industry, and its role in providing young forests for early successional species, we feel that the EIS should document the amount of conversion and point out that conversions can contribute to the current and future timber supply.

52.d

Again, the Society supports this action and urges the Department of Natural Resources to find No Significant Impacts. We further urge the issuance of permits necessary for the project to move forward.

Sincerely,



Rick Horton
Regional Wildlife Biologist

cc: Dan Dessecker

March 9, 2006

VIA E-MAIL AND FACSIMILE

Bill Johnson
Minnesota Department of Natural Resources
Environmental Policy & Review
500 Lafayette Road
St. Paul, MN 55155-4025
(651) 259-5157 / 297-1500 (fax)
bill.johnson@dnr.state.mn.us

Re: MCEA Comments on the UPM/Blandin Paper Draft EIS

Dear Mr. Johnson:

Thank you for the opportunity to comment on the UPM/Blandin Paper Thunderhawk Project (Project) Draft Environmental Impact Statement (Draft EIS or DEIS). I am the forestry and wildlife advocate and a staff attorney for the Minnesota Center for Environmental Advocacy (MCEA). MCEA is the legal and scientific voice protecting and defending Minnesota's environment, wildlife, and public health. MCEA works with communities and conservation groups in the courts, at the legislature, and with state agencies, using science and policy to develop, communicate, and achieve positive environmental change. MCEA has a long history of involvement on major forestry issues and in commenting on major projects like the Project. MCEA is glad to have the opportunity to comment on the DEIS. MCEA looks forward to seeing its concerns with the DEIS addressed in the Final EIS (FEIS).

MCEA makes the following comments on the DEIS:

1. The DEIS refers to the Minnesota Forest Resources Council (MFRC) Landscape Program, to the Landscape Region Reports (Landscape Reports), and to the desired future forest conditions (DFFCs) that those Landscape Reports contain. Along with the other 16 interests represented on the MFRC, the DNR participated in drafting, revising, finalizing, and approving these Landscape Reports, including their DFFCs. The Landscape Reports and DFFCs for the Northeast, the North Central, and the East Central Landscape Committees were finalized and approved by the MFRC in 2003, 2004, and 2005. Together these forestry regional landscapes comprise much of the area likely to supply a substantial proportion of the additional Minnesota-originated wood fiber to feed the expanded mill, and each one has a DFFC keyed to the historic Range of Natural Variability (RNV). In short, the settled DFFCs for

north-central, east central, and northeastern Minnesota, corresponding to the Northern Superior Uplands (NSU) and Drift & Lake Plains (DLP) Ecological Sections, specify a return over the next 100 years to conditions that tend toward and approximate the RNV for those Sections. The DFFCs should be reproduced in the FEIS. Analysis should be presented as to how the Project will advance or impede progress toward the DFFCs. Discussion of mitigation should include a strong focus on how the DNR can use its sub-section forest resource management planning (SFRMP) process to ensure that state harvest practices are congruent with reaching DFFCs.

53.a
continued

2. The RNV analysis conducted as part of the DEIS makes plain that even without considering other landscape level ecological effects, the Project is expected - at a minimum - to dramatically reduce the ability of Minnesota's forested landscapes to make proportionate progress toward the 100-year DFFC (approximating RNV) over the 40-year span analyzed in the DEIS. For example, without the Project (the baseline condition) the forest landscapes in the Northern Superior Uplands (NSU) and Drift and Lake Plains (DLP) would experience an improving condition with respect to RNV in that through the simple process of aging, the existing vegetative growth stage imbalance would be reduced and the forest landscapes would make predictable progress toward RNV. For many native plant communities (NPCs) and vegetative growth stages (VGSs), the Project and the additional associated harvest would prevent much of the natural improvement that would otherwise occur in the presently age- and VGS-imbalanced forested landscape. Analyses should be done in the Final EIS to quantify these effects and identify what might be done to prevent and minimize them.

53.b

3. Generally speaking, the DEIS should have but does not specify sufficient and appropriate mitigation measures to address areas of avoidable damage to Minnesota's environment that would be caused by the Project. The DEIS should contain permit conditions that require Blandin to achieve mitigation targets. The DEIS declines to give consideration to inclusion of binding permit conditions addressing wood procurement. The DEIS instead states, without analysis, that, "[s]uch a mechanism is appropriate and available for UPM/Blandin Paper Mill to implement under the state's voluntary approach to mitigating the significant cumulative environmental effects of statewide timber harvest." DEIS, p. 3-42. The Attorney General representing Minnesota in litigation over the Boise plant expansion argued before the Minnesota Supreme Court that the state, through the MPCA, had the authority and could impose timber harvest-related permit conditions on a permit applicant in order to address timber harvest related negative environmental effects. That assertion is relevant here and the DNR cannot avoid analysis and consideration of mitigations that are not simply speculative or voluntary. Given the marked discrepancies between predicted and achieved mitigation levels at both site-level and landscape scales (*see* Comment 6, below), DNR must consider and compare alternatives that include mitigation-conditioned permits in the FEIS.

53.c

4. The DEIS (see p. 5-111-113) glosses over the more discouraging details of the MFRC's compliance monitoring for the Voluntary Site-Level Forest Management Guidelines (voluntary guidelines), which show substantial areas of non-compliance with the voluntary guidelines. Moreover, the DEIS should have mentioned that compliance levels on non-industrial private forest (NIPF) lands is widely believed to be significantly lower than on public lands, and that because the set of private lands reviewed for compliance with the voluntary guidelines is self-selecting, even those assessments may inflate the level of compliance on NIPF lands.

53.d

5. The model assumptions regarding manner of harvest that will produce additional aspen volume should be explicitly written into permit conditions for the Project. The DEIS notes, "[m]odel results ... suggest that most all acres available for harvest in the aspen forest cover type will be harvested with or without the Project." Current aspen harvest levels are and have been substantially above the levels predicted in the GEIS largely because expected species substitutions have not occurred to the degree predicted. Aspen supply is tight under both the

53.e

Build and No-Build alternatives; “aspen harvest on public lands is near allowable cut levels” and “harvest area cannot increase much if at all on public lands in the aspen forest cover type.” “[A]spen harvest levels under the Build Alternative appear to be close to the maximum sustainable level over the study period.” See DEIS at pp. ES-19 & 20. The additional aspen volume expected to feed the mill expansion, even that portion that is expected actually to come from within Minnesota, will be difficult to obtain. Posited strategies for increasing aspen extraction from the same (already fully accounted-for) aspen acres appear to involve entry into other forest types to selectively harvest the smaller percentage aspen component on those lands. In order for these aspen-producing entries to produce the aspen volume predicted without re-setting stand age to zero in a much larger area than is presumed in the modeling, selection harvest is presumed to occur on a far larger proportion of the acres modeled for harvest than is presently occurring in Minnesota. According to the MFRC baseline monitoring data, no more than 8% of harvest sites are managed by selective thinning or group selection. It appears to MCEA that this small proportion of selection harvest is presumed to increase substantially under the Build scenarios modeled, perhaps to the point of being quadrupled or quintupled. If such a massive change in harvesting techniques is to happen, it should not be left to aspiration or chance, but included as a possible permit condition, with the exact mechanism to be negotiated with the Project proposer.

53.e
continued

6. The GEIS in the early 1990s presumed, in reaching its conclusions about sustainable levels of timber harvest in Minnesota, that mitigations it called for would be put into place within a year or two. Without rapid, complete, and effective adoption of those mitigations, the GEIS predicted that even the baseline timber harvest then occurring each year in Minnesota would have significant negative environmental effects. Now, the state-sanctioned 10-year review of performance has detailed important failings; GEIS assumptions regarding the speed with which mitigations would be executed, the scale of mitigation efforts, and the effectiveness of mitigations have not been met. Rather than being implemented within one to three years of the GEIS’ completion, many mitigation efforts have only recently been completed, though perhaps “completed” is not the best word, since the scale of mitigations actually accomplished has fallen short of the amounts assumed in the GEIS. In the case of old forest retention, for example, the GEIS allowed more forest to be harvested without predicted negative effects because it over-predicted how much old forest would be created on the landscape through the passage of time. Even without such systematic errors, and without predicting stochastic events like the two 1990s July 4th straight-line wind blowdown events, insufficient progress has been made, and made too slowly, to reach the old forest acreage assumptions in the GEIS. Old growth forest reservation has also not occurred to the minimum 50,000-acre extent assumed in the GEIS, as federal lands have not followed the DNR’s example of identifying and reserving old growth forest areas outside of the BWCAW, despite the fact that much of the federal old growth forest inside the BWCAW was leveled by the 1990s July 4th wind events. Though it did a better job than the U.S. Forest Service, the Minnesota DNR has not identified sufficient old growth and potential future old growth to make the goal, either. Much of what DNR did identify was already protected and so came at no cost to timberland base, since fully half of the old growth and potential future old growth acres identified were already reserved in state parks. The result is that the assumed mitigation amounts have not been met. See Minnesota’s Timber Harvesting GEIS: an Assessment of the First 10 Years (GEIS Report Card Study), pp. 35-36. MFRC monitoring shows additional significant areas of inadequate mitigation performance: 51% compliance with riparian guidelines for the width of filter strips and basal area retention (harvest operations are found to send sediment through filter strips and into water bodies 21% of the time); 6% compliance with guidelines for water diversion practices on road and skid trail approaches to water bodies; 14% compliance with guidelines for erosion control or water

53.f

- diversion practices on of road segments (59% of road segments had visible erosion occurring and 12% sent sediment into a wetland or water body). The point of reiterating these figures, all of which are found in the MFRC 2003 Annual Report to the Governor and Legislature, is that many of the GEIS' important presumed pre-conditions for concluding that the base level timber harvest would be sustainable have never been met.
7. One or more of the renewable permits that must be issued to UPM/Blandin in order for the Project to proceed must contain permit conditions designed to ensure mitigations and other forest management assumptions are achieved. Overly optimistic or unrealistic assumptions that are used in analyses that let a proposed project proceed are potentially very damaging to Minnesota's environment. *See* Comment 6, above. Permit conditions are the indispensable element in a strategy for ensuring that all assumptions used to conclude this Project can go forward are in fact incorporated into the forest practices that the Project will prompt. Today, UPM/Blandin-owned lands supply only a fraction of the current wood consumed by the UPM/Blandin mill. If the Project is built, that fraction will be further diluted. Accordingly, if they are to be relevant and effective, permit conditions designed to enforce all the presumed mitigations must be made applicable UPM/Blandin's entire wood supply stream – i.e., not just to UPM/Blandin's own operations, but also those of its suppliers. UPM/Blandin must be required to obtain enforceable assurances that the additional wood supplied to the expanded mill is harvested in a manner that meets currently unmet site-level guidelines and advances landscape-level desired future forest conditions in an amount proportionate to the length of the study period. This will require UPM/Blandin to become more involved farther "upstream" in its wood supply planning, rather than just inspecting and accepting wood from other suppliers at the gate. It would help UPM/Blandin to meet such conditions if the DNR and other public land managers were able to assure buyers that their overall timber management programs (applied for example through the sub-section forest resource management plans (SFRMPs)), are designed to achieve the MFRC and other landscape-level forest composition and spatial goals called for in the GEIS. Pursuing the same goals on NIPF lands will be much more difficult to achieve, but elegant solutions may yet be possible, and some effort should be continued to achieve better forest management coordination or at least analysis across public and private ownerships.
8. Project-specific mitigation should be proposed for Impact 16. DEIS p. 5-127. There is no reason offered as to why doing so would be impossible or without value.
9. The RNV analysis clearly shows that the Project has an effect on Minnesota's forests in Impact 4. For example, "... analysis suggests that Project implementation will result in a large departure from the natural distribution of Vegetative Growth Stages (VGS) for the birch-aspen-spruce-fir Native Plant Community (NPC) in northeastern Minnesota." *See* DEIS ES-21, and Appendix D. Project-specific mitigation must be proposed for Impact 4. Increased timber harvest that makes it more difficult or impossible to meet the MFRC's landscape goals enunciated in the DFFCs for the Northeast, North-Central, and East-Central Landscape is a significant impact. It is hard to see how an EIS that fails to recognize such a significant set of effects can be considered adequate.
10. The 40-year analysis window is too short and fails to reveal the longer-term negative environmental effects that are both caused and made more likely by increasing timber harvest in the next 40 years.
11. The DEIS and DUALPLAN model assume that future harvest levels for aspen group timber will remain at the 2002 harvest levels, but neither the model nor the DEIS internalize known factors that will be affecting the Minnesota forests for the next 40 years, the effects of which have significant implications for the timber supply assumptions in the DEIS. One such factor is the degree to which the Project may increase the effects of native insect pests and animal herbivores. Notably, the palatability of a forested landscape to forest tent caterpillar (FTC) rises as aspen acreage increases and composition increases. The DEIS should have

53.f
continued

53.g

53.h

53.i

53.j

53.k

- included analysis of Build and No-Build Alternatives with respect to their effect on likelihood, severity, and duration of FTC outbreaks, and the differential effect of future outbreak scenarios on the availability of a sufficient and stable supply of wood volume. Such analysis should be done to benefit decision-making prior to writing the FEIS.
12. In the case of animal herbivores, none is more significant than deer. The DEIS discussion of deer browsing, and its effects on the amount and distribution of native forest types and natural regeneration, is insufficient. There is essentially no discussion of deer browse from Minnesota's enormous deer herd and its effects either alone or in conjunction with non-native invasive species, on the health of Minnesota's forests. There is no discussion of the role that a heavily edge-dominated and fragmented forest landscape plays on increasing habitat suitability for deer. If such discussion were included, it would be helpful also to include discussion of the kinds of mitigation that could be used to address the problem, such as better spatial arrangement of timber harvest, the desirability at least with respect to reducing edge of selective management and, where regeneration harvests are prescribed, larger harvests with natural edges, which reduce the patchiness of the forest landscape. Mitigations should include not just a heavier emphasis on deferring harvest (ERF, for example) but also harvesting before the culmination of mean annual increment in patchy landscapes, so as to amalgamate many smaller young forest patches into larger young forest patches. Another mitigation is the setting aside of existing large forest patches and those with substantial older interior forest, because these are rare and their continued presence in an unharvested state helps bring down the overall level of fragmentation and edge density on the forested landscape. Harvesting in such areas, on the other hand, increases fragmentation and edge density and increases the suitability for deer.
13. But native species are not the biggest known factor not internalized in the DEIS and modeling. The DEIS discussion of non-native invasive species, though containing true information and some reasonable speculation, is not useful. It does not make the necessary connection between the issue (non-native invasive species effects on forests) and the Project. When non-native invasive species cause disruption and deterioration of Minnesota's forests, reducing the forests' ability to supply anticipated wood volumes, the pressure will grow to continue feeding the Project mill from other sources, regardless of the modeling. Once built, it will be very hard to deny the Project the wood volumes it anticipates, regardless of where that wood originates. The effects of non-native invasive species on Minnesota forests won't end with the direct effects on particular species or suites of species. As certain species decline and certain regions are more heavily hit with various non-native invasive species, the secondary effects will take the form of shifting timber harvest pressures. The DEIS hasn't taken these predictable secondary effects into account - the secondary environmental effects of the Project in the presence of non-native invasive species effects. The FEIS should make the analytical connection between non-native invasive species' primary effects on the landscape and their predictable secondary consequences exhibited through the Project in the form of shifting wood species consumption.
14. Forest fragmentation through "parcel-ization" is another concern. The DEIS makes very optimistic projections for the amount of aspen that will be harvested from NIPF lands, which have never supplied the amount of timber that they were expected to, since the GEIS first made such projections. The break-up of large industrial forest ownerships to NIPFs who may use it for further parcelization and residential or vacation development will make it more difficult to obtain the modeled aspen and other wood volume, likely further reducing the portion coming from private lands.

53.k
continued

53.l

53.m

53.n

This completes MCEA's comments on the Project DEIS. Thank you for the opportunity to comment. I look forward to hearing from you regarding these comments.

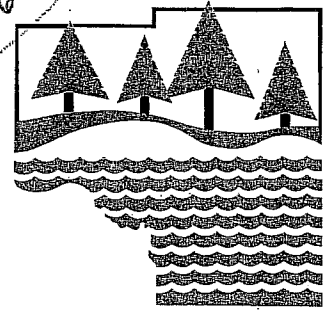
Sincerely,

Matt Norton

ITASCA COUNTY

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Rec'd
3/8/06



February 28, 2006

Mr. Bill Johnson, EIS Project Manager
Division of Ecological Services, Box 25
MN-DNR
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson,

Thank you for the opportunity to review and comment on the Draft Environmental Impact Statement (DEIS) for the UPM-Blandin Paper Mill Thunderhawk Project. The Itasca County Land Commissioner and Director of Transportation, Surveying and Environmental Services have also reviewed the document and concur with the following:

Itasca County supports the DEIS in that it substantially documents the analysis of potential impacts associated with developing the Thunderhawk Project by providing the necessary information to the public needed to evaluate the potential for significant environmental effects and to explore methods for reducing any adverse effects and to adequately consider alternatives.

54.a

The Itasca County Board of Commissioners also commends you on doing a great job in facilitating the public information meeting held on February 21, 2006. It is greatly appreciated that opportunities are made easily available to stakeholders and the general public to review and provide comments on such an important project to our area. Thank you.

Sincerely,

Rusty Eichorn, Chairman
Itasca County Board of Commissioners

Rec'd
3/8/06



March 1, 2006

Mr. Bill Johnson
Minnesota DNR
500 Lafayette Road
St. Paul, MN 55155-4025

Dear Mr. Johnson:

The South Central Itasca County Intergovernmental Planning Board is a representative group of communities that work to make the Itasca area a better place to live. Our mission is to enhance cooperation among member governmental units through the exchange of information, joint planning activities and leverage of common resources.

In response to the Draft EIS presented at public meeting in Grand Rapids on February 21st, the South Central Itasca County Intergovernmental Planning Board supports the findings of the study and the positive impact the UPM/Blandin Paper Thunder Hawk Project will bring to our communities. This project is vital to our economic well being and a no build option would mean the loss of 727 direct, indirect and induced jobs to our communities.

55.a

The South Central Itasca County Intergovernmental Planning Board fully supports the Draft EIS documentation and moving the UPM/Blandin Paper Thunderhawk Project permitting process to completion.

Sincerely,

Carter Pettersen, Chairman
South Central Itasca County Intergovernmental Planning Board

Members:	Itasca County	Independent School District 318
	City of Grand Rapids	City of Cohasset
	City of LaPrairie	Arbo Township
	Harris Township	Trout Lake Township

March 7, 2006

Mr. Bill Johnson
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155-4025

RE: Project Thunderhawk Draft Environmental Impact Statement (DEIS)

Dear Mr. Johnson:

Minnesota Power (MP) has reviewed the Project Thunderhawk DEIS and submits the following comments on it.

First, MP commends the Minnesota Department of Natural Resources (MNDNR) for its careful and comprehensive assessment of this major natural resource project. In our view, Minnesota's public planning process, as evidenced by the analysis, public communication and input associated with the Project Thunderhawk review, have significantly and appropriately advanced the environmental assessment process for the Project to the benefit of all Minnesotans.

56.a

The DEIS provides detailed analysis and conclusions related to Noise, Rail and Traffic Effects. Minnesota Power supports the DEIS conclusions that the modest impacts, if any, can be fully mitigated to minimize the impact on the Grand Rapids community.

The Company believes the DEIS accurately reflects the positive socioeconomic effects of the Thunderhawk Project on the region's economy. In addition, the DEIS also details the results of the 'No Build' option. The shutdown and removal of Blandin's Paper Machine #5 is a serious possibility if the expansion does not occur, for whatever reasons. MP believes the DEIS correctly identifies the significant negative effects of the 'No Build' option.

56.b

The DNR's efforts to assess the Cumulative Timber Harvesting Effects are impressive. The Company is pleased to see the continuing evolution of forest management modeling capability. We support the DEIS analysis and conclusion that the fiber resources are available and that the modest ecological impacts identified can be mitigated using the sustainable forest management techniques to which both the state and federal governments, and Blandin are committed.

56.c

In closing, the Company fully supports the conclusions of the DEIS and commends the MNDNR for their careful assessment of Project Thunderhawk.

Sincerely,



David McMillan