

August 5, 2009

Chair

Clean Environment Commission

RE: LP request to amend Environment License

Dear Chair of the CEC and Commissioners

I was not able to attend the recent meetings held in Swan River as I was busy elsewhere, but thought that I should at least provide my perspective and some food for thought prior to the deadline. I am one of the few people here who has been around this since the start, and frankly I have no skin in the game here.

My name is Barry Waito, and I used to work for LP Canada Ltd in a variety of positions in Swan River and across Canada. With the recent economic crisis facing the housing industry, my position was eliminated as of last November. At present I run my own consulting business based out of Minitonas (3 miles from the mill), and have clients across Canada. I have been employed in the forest industry for 33 years, and have worked in operations across Canada both at the mill level as well as the forestry side.

I have not only worked for LP since 1994, but I was the first employee in Manitoba for the company and was involved in all aspects of the forestry operations and licensing, advised both the company and government on pertinent issues with the mill and forest management, assisted in locating the plant and participated in the original hearings. Having been here for that length of time, I have a somewhat unique experience as to what not only transpired during the original licensing, but also have been part of the significant changes that have happened within the company.

LP has always been an aggressive company, and has for the most part left the management of the local operations to the local people. That is not to say that they don't have to follow corporate direction and guidance, but rather the local people are trusted to make the right decisions for the operation they manage, as well as to have the authority to work with citizens, public groups, governments and others with little interference from the corporate office.

While this works well most of the time, the incident that caused all the furor back in 1994, was in an LP mill located in Colorado, and was a decision by a single mill manager that had significant and lasting repercussions on the company since that time. No company that was going into hearings at the time that LP did, would have been able to keep from having that information influence a local decision such as was done in the original CEC hearings. I was there, and there was nothing at that time that LP could have done to prevent the Commission from recommending RTO's – nor was the government of the day going to ignore that advice and do otherwise. That is just the way things are. The evidence did not support the need for the RTOs then, and certainly does not support keeping them in place now. It should be noted that at the time of the charges at the Colorado plant, LP had 18 other OSB plants

running in both the US and Canada (as well as sawmills, plywood mills and pulp mills), and no other OSB plant had any permit issues or fines. LP had over 10,000 employees working in numerous sites, with no issues, fines or penalties. This was a single incident by a single individual – who was found guilty while the company management was absolved. The EPA set a huge fine and a requirement to develop technology on the company, because regardless of whether management did anything or not, the employee worked for the company. In fact the very EPA who levied the fines on LP at that time, now holds LP up as a company others should strive to be like in regards to attention to the environment and safety of its employees.

A case in point is the mill at Dawson Creek, British Columbia. This was the first OSB plant in Canada and was built in 1983. This mill has operated without issue since that time, even though a CBC documentary was done that quoted a local doctor as saying all the ills in the area were caused by the plant. If there was evidence of that, the BC government would have made LP put RTO's there as well, and especially would have made them put them in the joint-venture mill (with Canfor) located in Fort St. John that was just recently completed. I have no doubt there are air quality issues in Dawson Creek just like in the Swan Valley, but these are significantly impacted by field burnings, chemical use, pesticides and other agriculture residues that are trapped in the Swan Valley area just like they are in the Dawson Creek area. Nobody talks about those though, and they are not monitored in the manner the emissions from the LP plant have been.

The LP employees in this area are often from multiple generation families that settled here 100 years ago. They have worked here their whole lives at various jobs and are a proud group of people, who are very protective of their area and land. These employees have made the Swan Valley operation an example of corporate sustainability and environmental care. I have had the fortune to travel extensively and see other facilities and forestry operations and this one stands equal to or above many of them. Employees here will not sacrifice the environment, safety or health of themselves, their families or neighbours for company benefit. As I said before, local management teams manage local facilities. Many of the upgrades on this facility have been at the request of the employees, who take pride in not only what they do, but how it gets done.

There will always be naysayers out there, and the same group that stood up and opposed this facility in the first hearings, are back again – talking the same talk, showing the same videos and looking for another 10 minutes of fame. If they have nothing new to report and need to rehash what was already said before, than that provides pretty clear evidence that what is being proposed is truly the best step forward.

The request to shut down the RTO's and amend the license has not been done lightly. It has taken years of planning and capital requests by local employees, to develop and install the necessary equipment that would allow for the RTO's to be shutdown without adverse impacts. This is the only OSB mill in Canada that has an RTO installed, with the significant cost of operating it with natural gas. If no other province has seen fit to require this type of technology, it is time that Manitoba recognized that while it may have been prudent at the time, and gave an extra measure of safety during the years, that the facts no longer support keeping it running. While economics are part of the picture here, it is not all of the

picture, but what is an economic fact is that the one OSB plant running in Manitoba is running equipment under a license requirement, that adds significant cost to a mill that is struggling to survive. It could in fact be a deciding factor in the future.

Now that LP has some history in the province, and now that people understand the OSB process, it is time to review the evidence and proceed to amend the license to allow the RTO's to be shut down and the mill to keep operating.

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'B. Waito', written in a cursive style.

Barry Waito

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