

**BEFORE THE ARKANSAS POLLUTION CONTROL
AND ECOLOGY COMMISSION**

IN RE: REQUEST BY DOMTAR A.W. LLC)
INC. TO INITIATE RULEMAKING FOR) DOCKET NO. 14-008-R
A TECHNICAL ADJUSTMENT TO)
REGULATION NO. 2)

DOMTAR A.W. LLC'S
RESPONSE TO COMMENTS

Domtar A.W. LLC (“Domtar”) for its Response to Comments states:

1. On December 5, 2014, the Arkansas Pollution Control and Ecology Commission (“APCEC”) granted Domtar’s Petition to Initiate Third-Party Rulemaking for a Technical Adjustment to APCEC Regulation No. 2, Regulation Establishing Water Quality Standards for Surface Waters of the State of Arkansas. A public hearing was held on January 26, 2015 in Ashdown, Arkansas. The public comment period ended on March 2, 2015. One written public comment was submitted. Two comments were submitted at the public hearing.

2. The written public comment was submitted by the Arkansas Red River Commission and the two oral public comments were submitted by the chairman and one member of the Arkansas Red River Commission. Domtar’s Response to the comments follows:

Comment 1: One member of the Arkansas Red River Commission expressed concern that the limits of Total Dissolved Solids (“TDS”) would increase in the Red River and that Domtar was requesting removal of the domestic drinking water use designation.

Response 1: The proposed amendment to Regulation No. 2 would increase the water quality criterion for TDS on the segment of the Red River from the Arkansas/Oklahoma state line to the mouth of the Little River, but the quantity and concentration of TDS in the Red River will not change. The proposed amendment would increase the criterion to correspond to historic TDS levels observed in prior decades of monitoring.

Domtar is not requesting removal of the domestic drinking water use designation for the Red River, but a related rulemaking petition by SWEPCO does propose removal of the drinking water designation for the segment of the Red River from the mouth of the Little River to the Louisiana Line; and Domtar's proposal is expressly conditioned on approval of the SWEPCO rulemaking. Removal of drinking water designation from this segment of the Red River is appropriate because the Red River has naturally occurring mineral concentrations that regularly exceed secondary drinking water standards. The domestic drinking water use designation was removed from the segment of the Red River from the Arkansas/Oklahoma state line to the mouth of the Little River in 1994.

Comment 2: Another member of the Arkansas Red River Commission expressed concern that: (a) according to a newspaper article, the rulemaking would add more contaminants to the Red River; (b) the public notice only stated "minerals" rather than which minerals were the subject of the rulemaking; and (c) the rulemaking would interfere with the Arkansas Red River Commission's long term plans to sell water from the Red River.

Response 2: (a) The rulemaking will increase the water quality criteria for TDS and sulfate listed in Regulation No. 2, but there will be no change in the water quality of the Red River due to this proposal which only attempts to set the criteria to match current conditions in the river. There was a statement in one newspaper article indicating that the rulemaking would lead to more contaminants being added to the Red River, but that article was mistaken. The article appeared to confuse the proposed change in criteria with an actual change in the water quality observed in the river.

(b) The public notice did identify the specific minerals changes proposed for Regulation No. 2. The notice stated, among other things:

Domtar is requesting the following amendments to Regulation 2:

- Technical adjustment of the TDS and sulfate water quality criteria for the Red River from the Arkansas/Oklahoma state line to mouth of the Little River as follows: TDS from 850 mg/L to 940 mg/L; Sulfate from 200 mg/L to 250 mg/L;
- Technical adjustment of the sulfate water quality criterion for the Red River from the mouth of the Little River to the Arkansas/Louisiana state line as follows: Sulfate from 200 mg/L to 225 mg/L.

(c) The rulemaking should have no impact on the Arkansas Red River Commission's long term plans because it results in no changes to current water quality conditions of the river.

Comment 3: The Arkansas Red River Commission submitted four (4) questions: (1) Will the proposed rulemaking change the water quality and total TDS levels currently existing in the Red River? (2) The rulemaking will change the designation in the Little River to the Louisiana state line from domestic water supply to non-domestic water supply. Is there another designation that can be used? If so, what is the process to get such designation approved and accepted by ADEQ? (3) Does the removal of the domestic water supply use designation on the Red River prevent or interfere with any future project to use, sell or transfer Red River water to in-state or out-of-state

users? (4) Why is there such an inconsistent and conflicting set of mineral water quality standards for the Red River in Arkansas?

Response 3: (1) No, the proposed rulemaking will not change the water quality of the river or the total TDS levels currently existing in the Red River.

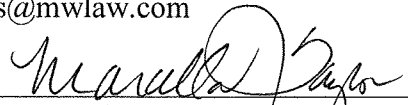
(2) Domtar is not requesting removal of the domestic drinking water use designation in either the Little River or the Red River, but a related rulemaking petition by SWEPCO does propose removal of the drinking water designation for the segment of the Red River from the mouth of the Little River to the Arkansas/Louisiana Line; and Domtar's proposal is expressly conditioned on approval of the SWEPCO rulemaking. Removal of drinking water designation from this segment of the Red River is appropriate because the Red River has naturally occurring mineral concentrations that regularly exceed secondary drinking water standards. The domestic drinking water use designation in the Red River from the Arkansas/Oklahoma state line to the Little River was removed more than two decades ago. Removal of the drinking water designation does not prevent the addition of other use designations. The procedure for adding a use designation is by rulemaking to amend Regulation No. 2.

(3) No, Domtar is not aware of any reason why removal of the domestic drinking water use designation would prevent or interfere with any future project to use, sell or transfer Red River water to in-state or out-of-state users.

(4) The inconsistencies in mineral standards in different reaches of the Red River in Arkansas are largely due to historical changes in how water quality standards were established and administered. The changes to Regulation No. 2 proposed by Domtar in this rulemaking and by SWEPCO in its related rulemaking will result in minerals criteria in Arkansas that are consistent with the minerals levels historically observed in the Red River. The fact that Texas and Oklahoma have much higher minerals criteria for the portions of the Red River upstream of the Arkansas state line is attributable to actions by those states that are beyond the control of Arkansas.

Respectfully submitted,

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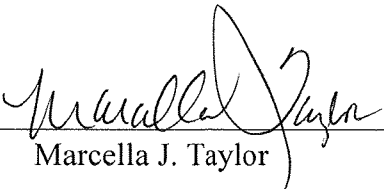
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CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of May, 2015, I served a copy of the foregoing Response to Comments on the following by electronic delivery:

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