

EXHIBIT E

ECONOMIC IMPACT/ ENVIRONMENTAL BENEFIT ANALYSIS

**ARKANSAS POLLUTION CONTROL & ECOLOGY COMMISSION
ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT ANALYSIS**

Rule Number & Title: APCEC Regulation No. 2; Regulation Establishing Water Quality Standards for Surface Water of the State of Arkansas

Petitioner: Domtar A.W. LLC

Contact/Phone/Electronic mail: Marcella Taylor, (501) 688-8851, mtaylor@mwlaw.com

Analysis Prepared by: Marcella Taylor, counsel for Domtar A.W. LLC

Date Analysis Prepared: November 17, 2014

2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule? State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

Only Domtar A.W. LLC is affected by this proposed rule. The effect on the facility is positive.

2. What are the economic effects of the proposed rule? State: The estimated increased or decreased cost for an average facility to implement the proposed rule; and 2) the estimated total cost to implement the rule.

There are no economic effects of the proposed rule. Adoption of proposed rule will allow the facility to operate as designed in compliance with its NPDES Permit through the site-specific technical adjustment of the total dissolved solids and sulfate criteria for the affected segments of the Red River to levels that reflect current and historic water quality conditions, naturally occurring conditions and are appropriate for the operation of the facility.

3. List any fee changes imposed by this proposal and justification for each.

None

4. What is the probable cost to ADEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule.

None

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency's rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency's rule? Identify the state agency and/or rule.

There is no known impact to another state agency nor is there another state agency's rule that could address the proposed change to APC&EC Regulation No. 2. This rulemaking is not in conflict with, nor does it have a nexus to, any other relevant state agency's rule.

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

No

2B. ENVIRONMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

There are currently no known technologically and economically feasible treatments capable of reducing the total dissolved solids and sulfate concentration to levels that meet the current water quality criteria. This rule will eliminate the spatial inconsistency in the TDS and sulfate criterion for the Arkansas segment of the Red River.

2. How does this proposed rule protect, enhance, or restore the natural environment for the well being of all Arkansas?

Domtar A.W. LLC's requested site-specific technical adjustments will be protective of the designated uses of the affected stream.

Sources and Assumptions: *Southwestern Electric Power Company Use Attainability Analysis for Dissolved Minerals in Little and Red Rivers Hempstead & Little River Counties, Arkansas* as Exhibit F to SWEPCO's Petition to Initiate Third-Party Rulemaking, and the Summary Rationale, spike toxicity testing of the Red River and the Buchannan *et al.* Study (2003) attached as Exhibit F to Domtar's Petition to Initiate Third-Party Rulemaking for a Technical Adjustment to Regulation No. 2

3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

All other available treatment technologies for the removal of minerals are economically infeasible and provide no significantly increased environmental protection.

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

The risks addressed by this proposal are the risk of continued inconsistent and conflicting TDS and sulfate water quality criteria in the Red River in Oklahoma, Texas, Louisiana and Arkansas. Additionally, the current criteria in Arkansas makes no sense and has no rational connection to the longstanding historical reality in the River. Under this proposal the risks are substantially eliminated.