



## PATRICK TESTIN

STATE SENATOR

DATE: August 24<sup>th</sup>, 2021  
RE: **Testimony on Senate Bill 466**  
TO: The Senate Committee on Labor and Regulatory Reform  
FROM: Senator Patrick Testin

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I would like to thank Chairman Nass and members of the committee for accepting my testimony on Senate Bill 466 (SB 466).

I have drafted this bill at the request of the Wisconsin Paper Council. The paper products industry is important to Wisconsin, and plants across the state utilize and rely on chemical recovery boilers for their operation. These boilers are inspected by the Department of Safety and Professional Services every 12 months, with the possibility of a six month extension. SB 466 would instead require inspection every 24 months.

To internally inspect the chemical recovery boilers, they must completely shut down all operations. This results in the loss of millions of dollars. In addition to a fiscal cost, there is an environmental cost as well. Shutting down and starting up operations results in higher emissions than consistent operation.

This bill is not about letting old, rusting boilers skip inspections. Under the bill, the boilers would need a top rating from their insurers to allow for the 24 month inspection schedule. This would help Wisconsin companies and regulators while bringing our standards in line with those of other states.

When Rep. VanderMeer and I introduced this bill last session, it earned widespread support. It passed the Assembly on a voice vote and passed out of this committee unanimously. The pandemic unfortunately prevented passage in the Senate. This bill is supported by ownership, management, and labor.

Thank you for your time. I hope that you will join us in supporting SB 466.



# NANCY VANDERMEER

STATE REPRESENTATIVE • 70<sup>TH</sup> ASSEMBLY DISTRICT

TO: Honorable Members of the Senate Committee on Labor and Regulatory Reform

FROM: State Representative Nancy VanderMeer

DATE: August 24, 2021

SUBJECT: Testimony in Support of Senate Bill 466

Thank you Chairman Nass and members of the Senate Committee on Labor and Regulatory Reform for holding a hearing on SB 466 today. This proposal, which was voted out of this committee unanimously last session and calendared for the Senate's final planned floor session of 2020, addresses an issue brought forward by large employers in and around my district and the Wisconsin Paper Council. Last session, this bill was passed via voice vote in February of 2020 in the Assembly as well. I'd like to note that the only material change with this session's proposal versus last session's proposal is that after consultation with industry personnel and stakeholders, we essentially opened up the criteria that businesses can utilize to attempt to obtain permission for a two-year inspection window provided under the bill. It was done for specific reasons pertaining to insurance industry requirements. I will be happy to provide more detail, but there are stakeholders here that can probably most effectively speak to that.

Currently, chemical recovery boilers are required to be inspected by the Department of Safety and Professional Services (DSPS) on a one year inspection window. However, a number of chemical recovery boilers have the technical capability to be inspected on a two year inspection window if proper enhancements and adjustments are made, and there are experts here today that can speak directly to that process. According to communication we received from DSPS themselves during preparation for last session's hearing, they were not aware of why chemical recovery boilers weren't already excluded from an exemption option that exists currently in agency rules. If they're here today, I hope you'll have the chance to hear from them on that as well.

As you'll hear about today and have probably already seen in written comments from business personnel and organizational leaders on the management and labor side of things, in order for DSPS to properly complete an inspection, a plant must be taken out of production for up to, but not limited to, two weeks. This puts a strain on production and wages for the time period that a production plant needs to be effectively shut down in order for an inspection to be properly completed. What Senator Testin and I are trying to accomplish with this proposal is creating an efficiency within an existing structure in order for there to continue to be proper safety oversight as well as reasonable, predictable expectations placed on job creators and employers that also have substantial vested interests in the safety of their employees.

I also think it's important to point out that there is precedent for this inspection structure in other states, including neighboring and other Midwestern states. In addition, as I previously mentioned, there are very specific industry standards and technological specifications that can be quantified to prove that chemical recovery boilers like those we're referring to today have the capability to be inspected on a two, rather than one year inspection cycle. Thank you for the opportunity to be here today and the opportunity for a public hearing on this legislation, and I respectfully ask for your support to again move this proposal forward.



TO: Members, Senate Committee on Labor & Regulatory Reform

FROM: Craig Summerfield, Director of Environmental & Energy Policy

DATE: August 24, 2021

RE: Support for Senate Bill 466, chemical recovery boiler reform legislation

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Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to submit written testimony in support of Senate Bill 466. We especially thank Senator Testin and Representative VanderMeer for authoring this legislation, which will both reduce compliance costs for businesses and have a positive impact on our environment.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes supporting legislation that removes unnecessary red tape that creates extra costs for Wisconsin businesses.

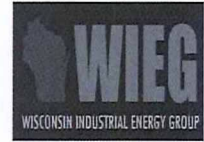
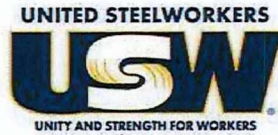
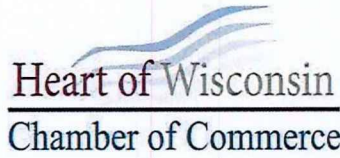
According to WMC's most recent *Wisconsin Employer Survey* conducted in June of this year, the biggest challenge facing Wisconsin employers is the workforce shortage, with 72% of respondents indicating this to be the top public policy issue facing Wisconsin. It is unsurprising then that many employers are raising wages. In fact, more than a quarter of survey respondents indicated plans to raise hourly wages by more than 4% in 2021.

With rising wages and a tight labor market, it is critically important that businesses be able to cut unnecessary costs. Thus, WMC is happy to once again join the Wisconsin Paper Council and a broad coalition of associations representing both business and labor in supporting legislation that will reduce regulatory costs for a vital sector of the Wisconsin economy. Senate Bill 466 reduces the frequency of costly state inspections of chemical boilers used in the papermaking industry, and better aligns Wisconsin law with other states like Michigan.

In addition, SB 466 will actually reduce, not increase, emissions. Chemical boiler inspections require paper mills to partially or fully shut down operations, and result in higher overall emissions than if the mill was permitted to operate normally. Thus, fewer inspections means fewer emissions spikes, and fewer emissions overall.

In summary, this proposal is a win-win for employers, workers, and the environment.

WMC urges Members of the Senate Committee on Labor and Regulatory Reform to vote in favor of protecting 30,000+ jobs in the papermaking industry in Wisconsin. Please support SB 466.



**To:** Honorable Members of the Senate Labor and Regulatory Reform Committee

**From:** Wisconsin Paper Council, Ahlstrom-Munksjö, Construction Business Group, Centergy, UA 400 Pipe Trades, Domtar, Heart of WI Chamber of Commerce, International Association of Machinists and Aerospace Workers, Office and Professional Employees International Union -Local 39, Packaging Corporation of America, United Association of Journeymen and Apprentices of the Plumbing, Pipefitting and Sprinkler Fitting Industry of the United States and Canada, United Steelworkers, GLTPA, Verso Corporation, Wisconsin Manufacturers & Commerce and the Wisconsin Industrial Energy Group.

**RE:** Request for Support of SB 466: Chemical Recovery Boiler Legislation

**Date:** August 24, 2021

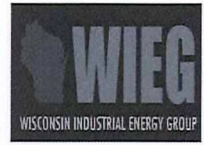
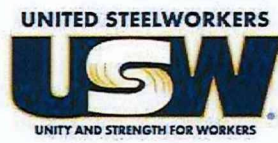
On behalf of our coalition of industry leaders, economic development associations and numerous labor organizations, we would like to respectfully urge your support for **Senate Bill 466**, which is scheduled for a public hearing before your esteemed committee today.

As you may know, a chemical recovery boiler is an essential part of the pulp production process as it recovers and regenerates cooking liquors. These boilers not only recover chemicals and generate power much more efficiently, but they do so by utilizing a safe, reliable and environmentally sound process.

Currently internal inspections of chemical recovery boilers are required every 12 months, with the possibility of a 6-month extension. Unfortunately, these manufacturing facilities do not know whether such an extension is granted until approximately one month before the 12-month deadline. It is important to note that pre-planning for a facility shutdown and inspection is not only extremely time consuming and costly but the currently notification period is sometimes not conducive for these complex preparations.

Allowing a full 24 months between inspections in cases where the facility has an agreement and is in good standing with the insurer will provide manufacturers and their employees with regulatory certainty so that these facilities can better plan for such inspections and more efficiently manage the resources necessary to accomplish this task. A similar approach is currently taken in states such as Michigan and Maine.

SB 466 is a common-sense measure which will reform the timeline of the inspections of these technologically advanced boilers. As you can see, this legislation has strong support from industry, labor and the economic development community.



**Protecting Good-Paying Jobs/Maintaining Global Economic Competitiveness**

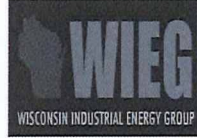
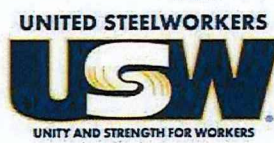
- As you know, papermaking is an increasingly complex and extremely competitive global manufacturing market. Passage of SB 466 will help papermaking companies remain globally competitive and viable by placing these inspections more in line with other states such as Michigan and Maine.
- Such internal inspections of chemical recovery boilers require facilities to partially or completely shut down their operations, costing time and productivity. This legislation will help companies with chemical recovery boilers better plan and manage the incredible amount of people power and resources necessary to complete such inspections.
- The dollars saved by this common-sense change in the inspection timeline will allow companies like Ahlstrom-Munksjö, Domtar, PCA and Verso to reinvest those monies into critical research and development as well as back into the communities where they are based.

**SB 466 Is Better for Wisconsin's Environment**

- Shutting down and starting up operations results in higher emissions than consistent operation of this equipment. Thus, more frequent inspections result in higher overall emissions which is not environmentally advantageous.
- Temperature fluctuation, caused by cooling the boiler for inspection, stresses and weakens welds and other stress concentration points thus reducing the integrity of the boiler and shortening the life of the boiler.

Our diverse coalition represents over 30,000 hard-working men and women who believe in enhancing Wisconsin's economy while at the same time protecting our precious environment. SB 466 will protect jobs, maintain competitiveness for this important industry and reduce emissions which is good for our environment.

**We respectfully ask that this committee take executive action on SB 466 in an expeditious manner. Thank you for your time and consideration of this important legislative initiative.**



## About Our Coalition:

**WPC:** The Wisconsin Paper Council (WPC) advocates for and represents the state's pulp and papermaking industry. Wisconsin is the #1 papermaking state in the United States and its members provide family supporting jobs for over 30,000 employees throughout Wisconsin.

**Ahlstrom-Munksjö:** Ahlstrom-Munksjö is one of the world's leading manufacturers in sustainable and innovative fiber solutions with about 1,850 employees in its four mills in Kaukauna, De Pere, Mosinee and Rhinelander.

**CBG:** Our purpose, as a Joint Labor-Management company, is to enhance business opportunities and a quality of life by ensuring fairness, equity and standards of excellence in the construction industry of Wisconsin.

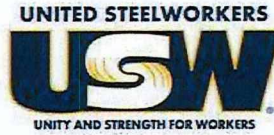
**Centergy:** Centergy, Inc. is a nonprofit regional marketing and economic development organization. Our purpose is to foster collaboration among private and public-sector leaders throughout the five counties of central Wisconsin that make up the Centergy Region: Adams, Lincoln, Marathon, Portage, and Wood Counties.

**UA 400 Pipe Trades:** UA 400 is comprised of approximately 2,300 members serving eighteen counties in Northeast Wisconsin. Their main purpose is to provide training for their members and qualified manpower to their 105 signatory contractors for all aspects of the plumbing, pipe fitting, HVACR service, and pipe fabrication industries.

**Domtar:** Domtar is a leading provider of a wide variety of fiber-based products including communication, specialty and packaging papers, market pulp and absorbent hygiene products. With approximately 10,000 employees serving more than 50 countries around the world, Domtar is driven by a commitment to turn sustainable wood fiber into useful products that people rely on every day. Domtar operates paper mills in Nekoosa and Rothschild.

**Heart of Wisconsin Chamber of Commerce:** The Heart of Wisconsin Chamber of Commerce is a dynamic membership organization comprised of non-profit, educational, government, and small and large businesses.

**IAMAW:** With nearly 600,000 active and retired members, IAMAW is one of the most diverse labor unions in North America. From Lockheed Martin to Domtar and Harley-Davidson, you will find IAMAW members across all walks of life.



**PCA:** Packaging Corporation of America is one of the largest producers of containerboard and corrugated packaging in the United States and the third largest producer of uncoated freesheet in North America, based on production capacity. We have approximately 15,000 employees, with operations primarily in the United States.

**UA:** The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States, Canada (UA), affiliated with the national building trades, represents approximately 355,000 plumbers, pipefitters, sprinkler fitters, service technicians and welders in local unions across North America.

**OPEIU-Local 39:** Office and Professional Employees International Union was chartered in 1945 and with more than 104,000 members (representing 110,000 employees) strong, we're one of the larger unions of the AFL-CIO. OPEIU represents employees and independent contractors in a wide variety of businesses and associations.

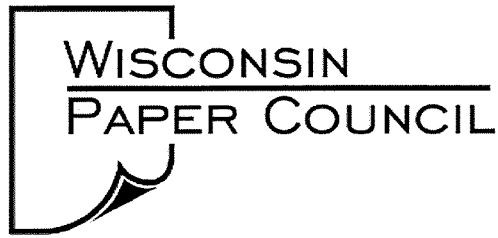
**USW:** The United Steelworkers represent workers in a diverse range of industries, including primary and fabricated metals, paper, chemicals, glass, rubber, heavy-duty conveyor belting, tires, transportation, utilities, container industries, pharmaceuticals, call centers and health care.

**GLTPA:** The Great Lakes Timber Professionals Association (GLTPA) has provided proven leadership in the Lake States Forest products industry for over 70 years. GLTPA is a non-profit organization proud to represent members in Michigan and Wisconsin and is committed to leading Forest Products Industry in sustainable forest management.

**Verso:** Verso Corporation is a leading North American producer of specialty and graphic papers, packaging and pulp.

**WMC:** Wisconsin Manufacturers & Commerce (WMC) is the largest and most influential business association in the state, working to make Wisconsin the best place in the nation to do business.

**WIEG -** The Wisconsin Industrial Energy Group (WIEG) is a nonprofit consumer advocacy trade association that advocates for affordable and reliable energy.



Wisconsin Paper Council Testimony  
Before the Senate Committee on Labor and Regulatory Reform  
Re: Public Hearing on Senate Bill 466

August 24, 2021

Steve Lyons  
Representing the Wisconsin Paper Council

Thank you, Chairman Nass and Honorable Committee Members, for the opportunity to testify on Senate Bill (SB) 466 today.

My name is Steve Lyons and I have the privilege of representing the Wisconsin Paper Council.

The Wisconsin Paper Council (WPC) is the statewide trade association which represents the paper and pulp industry here in Wisconsin. We are an industry focused on sustainability and strong environmental stewardship. WPC works in a bipartisan manner to advocate for positive public policy outcomes that balance a healthy environment with a healthy economy.

The Wisconsin Paper Council would like to thank the primary authors of this bill, Senator Testin and Representative VanderMeer, for recognizing the need for this inspection timeline change for our Wisconsin companies. We appreciate their bipartisan efforts to bring together a diverse array of stakeholders to support this important legislation.

We have included in your materials a memo from our diverse coalition that has come together to support this legislation which includes numerous unions and trades, industry leaders, economic development organizations and allied trade associations.





SB 466 is a common-sense measure which will reform the timeline of the inspections of chemical recovery boilers. A chemical recovery boiler is an essential part of the pulp production process as it recovers and generates cooking liquors. These boilers not only recover chemicals and generate power much more efficiently, but they do so by using a safe, reliable, and environmentally sound process.

Following my testimony, you will hear from industry experts who can further explain the complicated chemical recovery boiler process in detail. Mark Kjorlie, Head of Investments and Engineering with Ahlstrom-Munksjo, Heath Hoffman, Environmental Manager with Ahlstrom Munksjo, and Christopher Millner, Reliability Engineer with Domtar will share their expertise in the chemical recovery boiler arena by further explaining this important component of the papermaking process and answer any technical questions you may have.

SB 466 will help protect hundreds of good-paying jobs throughout our great state and help our member companies maintain their global economic competitiveness. This legislation will bring Wisconsin in line with other papermaking states like Michigan and Maine. The millions of dollars saved by making this change will allow companies like Ahlstrom-Munksjo, Domtar, Packaging Corporation of America, and Verso to reinvest those monies into critical research and development as well as back into the communities where they are based and, even more importantly, protect these family supporting jobs.

SB 466 is also good for our environment. Less frequent inspections will result in lower overall emissions as well as prolong the overall life of the boiler. Thousands of gallons of water will also be saved by making this common-sense change as well.

As you can see, Mr. Chairman and Honorable Committee Members, there is a very diverse coalition supporting this legislation. We have brought together industry, labor, and economic development organizations – all of whom believe that this measure will protect jobs, maintain economic competitiveness, and help our environment throughout our great state.

On behalf of the 30,000 working men and women who we proudly represent, we want to thank you for listening to our concerns today. We look forward to working with each of you on this bipartisan legislation going forward.

Thank you again for your time and consideration.

## SB 466 Public Hearing Input – August 24, 2021

Statewide, the forest industry in Wisconsin provides more than 64,000 jobs and has an output of \$24.7 billion.<sup>1</sup> Sustainability in papermaking is the future of Wisconsin's renewable wood and water resources.

The paper industry is the most significant contributor to sustainable forestry programs in the State of Wisconsin. As an example, the Sustainable Forestry Initiative (SFI®) provides about \$200,000 in educational and research grants to forestry-focused organizations annually.<sup>1</sup>

Pursuing continuous improvement is part of each stage of our work. We seek to ensure the fibers, chemicals, and other inputs we use are ethically and responsibly sourced. Several parts of the pulping process, from parts of the tree to chemicals, can be reclaimed several times.

Following the removal of bark, pulp wood used for papermaking contains two major components:

- Fiber (35%-50%) used for papermaking and
- Lignin (50%-65%), a form of wood sugar

*The chemical pulping process dissolves the lignin so that it can be washed out of the fiber.*

Chemical recovery boilers are an essential component of the pulping process that enhance the sustainable nature of Wisconsin's pulp mills. The dissolved lignin is burned to produce high pressure steam, and in the process recover/recycle the chemical for reuse in the pulping process.

High pressure steam produced by chemical recovery boilers is first piped to turbines to generate renewable electrical power. The low pressure exhaust steam from the turbines is then piped to paper machines and used to dry the paper in a highly efficient combined heat and power (CHP) energy system.

When electricity and thermal energy are provided separately, overall energy efficiency ranges from 45-55%. A properly designed CHP system will typically operate with an overall efficiency of 65-85%.<sup>2</sup>

Wisconsin's chemical recovery boilers are prime examples of sustainable high efficiency CHP energy systems that utilize renewable fuel, sourced from Wisconsin's forest lands and the Fox and Wisconsin rivers.

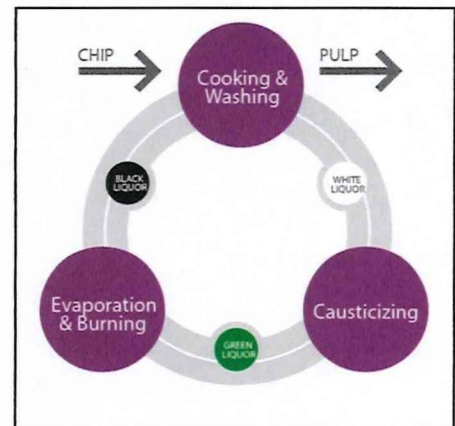
The merit of this legislation lies in three major areas:

- 1) The improvement to a 24 month periodic inspection frequency is expected to improve the overall safety and reliability of chemical recovery boilers by providing the flexibility to align the periodic inspections with the overall condition of the boiler.
- 2) The improvement from 12 month to 24 month periodic inspection frequencies can reduce the thermal stress placed on boilers by the shut down and restart of the boilers.
- 3) Chemical recovery boiler shut down, inspection and restart process can often exceed one week, causing paper production to source higher cost non-renewable power and thermal energy.

We have several Wisconsin pulp mills represented today who can expand on these and other merits of the legislation.

Respectfully submitted by:

Mark Kjorlie, P.E,  
Head of Investments/Engineering - Ahlstrom-Munksjö  
600 Thilmany Rd. | Kaukauna, WI 54130



1: <https://www.wipaper.org/forestry-1> 2: [https://www.energy.gov/sites/prod/files/2017/12/f46/CHP%20Overview-120817\\_compliant\\_0.pdf](https://www.energy.gov/sites/prod/files/2017/12/f46/CHP%20Overview-120817_compliant_0.pdf)



## SB 466 Public Hearing Input – August 24<sup>th</sup>, 2021

Ahlstrom Munksjo – Thilmany Mill operates 2 chemical recovery boilers. In 2010, Ahlstrom Munksjo stated working with the State of Wisconsin to get extensions for one of our chemical recovery boilers to operate on a 24 month cycle, and the other chemical recovery boiler to operate on an 18 month cycle.

During the past 11 years, Ahlstrom Munksjo has not seen a negative effect on safety or reliability on either chemical recovery boiler from this outage frequency.

I have been directly involved with the operations and maintenance of the Ahlstrom Munksjo's chemical recovery boilers for the past 21 years. In that time my roles have included: Maintenance Operations Coordinator, Recovery Area Manager, Facility Maintenance Manager, Operations Manager – Pulp and Power, and recently Environmental Manager.

Respectfully submitted by:

Heath Hoffmann  
Environmental Manager – Ahlstrom-Munksjo Thilmany  
600 Thilmany Rd.  
Kaukauna, WI 54130



Domtar  
Nekoosa Mill  
301 Point Basse Avenue  
Nekoosa, WI 54457  
Tel.: (715) 886-7111

## **SB 466 Public Hearing Testimony – August 24, 2021**

### **Wisconsin Senate Committee on Labor and Regulatory Reform**

Thank you for the opportunity to present Domtar's support of Senate Bill 466, relating to the inspection requirements for recovery boilers. The pulp, paper, and forest-related industry in Wisconsin is a significant employer. In particular in the Central Wisconsin area, Domtar Paper has two mills employing nearly 800 employees with high paying jobs.

Domtar is a leading provider of a wide variety of sustainable, fiber-based products including communication, specialty, packaging, absorbent hygiene product and market pulp sold internationally. The Domtar Nekoosa Mill, with its 125-year history, has the newest chemical recovery boiler in the state of Wisconsin. Chemical recovery boilers are critical to the operation as they are used in the pulping process that turn wood chips into pulp, the main resource used in paper production. Recovery boilers burn dissolved wood lignin from the pulping process to recover and reuse pulping chemicals and to produce steam that is used in our processes and to generate electric power. Recovery boilers are an excellent example of the paper industry's focus on sustainability and utilizing renewable resources.

SB 466 modifies the inspection frequency for Wisconsin's chemical recovery boilers from 12 to 24-month intervals providing significant positive impacts:

- Reduced environmental impacts as recovery boiler maintenance results in higher emissions.
- With safety as a core value, reduced recovery boiler maintenance frequency reduces risk to employees and contractors.
- Improved chemical recovery boiler reliability as starting up and shutting down boilers creates significant thermal stress that reduces boiler life expectancy.
- Flexibility to inspect chemical recovery boilers will increase revenue through reduced maintenance cost and increased production capability.
- The opportunity to be more competitive with mills in other states that allow for less frequent inspections.

In a very competitive, and dynamic international paper market, producing cost effective pulp and paper in Wisconsin is more critical than ever. There is extremely strong support from labor unions, Chambers of Commerce and Wisconsin's paper industry for this legislation and your support for SB 466 is appreciated.

Christopher E. Millner  
Reliability Engineer

Domtar Nekoosa Mill

2013-2014



On behalf of OPEIU LOCAL 39, I would like to respectfully urge your support for **Senate Bill 466**, which is scheduled for a public hearing before your esteemed committee today. As you may know, a chemical recovery boiler is an essential part of the pulp production process as it recovers and regenerates cooking liquors. These boilers not only recover chemicals and generate power much more efficiently, but they do so by utilizing a safe, reliable, and environmentally sound process.

Currently internal inspections of chemical recovery boilers are required every 12 months, with the possibility of a 6-month extension. Unfortunately, these manufacturing facilities do not know whether such an extension is granted until approximately one month before the 12-month deadline. It is important to note that pre-planning for a facility shutdown and inspection is not only extremely time consuming and costly but the currently notification period is sometimes not conducive for these complex preparations.

Allowing a full 24 months between inspections in cases where the facility has an agreement and is in good standing with the insurer will provide manufacturers and their employees with regulatory certainty so that these facilities can better plan for such inspections and more efficiently manage the resources necessary to accomplish this task. A similar approach is currently taken in states such as Michigan and Maine.

#### **Protecting Good-Paying Jobs/Maintaining Global Economic Competitiveness**

- As you know, papermaking is an increasingly complex and extremely competitive global manufacturing market. Passage of SB 466 will help papermaking companies remain globally competitive and viable by placing these inspections more in line with other states such as Michigan and Maine.
- Such internal inspections of chemical recovery boilers require facilities to shut down their operations partially or completely, costing time and productivity. This legislation will help companies with chemical recovery boilers better plan and manage the incredible amount of people power and resources necessary to complete such inspections.
- The dollars saved by this common-sense change in the inspection timeline will allow companies like Ahlstrom-Munksjö, Domtar, PCA and Verso to reinvest those monies into critical research and development as well as back into the communities where they are based.

OPEIU represents hard-working men and women who believe in enhancing Wisconsin's economy while at the same time protecting our precious environment. SB 466 will protect jobs, maintain competitiveness for this important industry and reduce emissions which is good for our environment.

We respectfully ask that this committee take executive action on SB 466 in an expeditious manner. Thank you for your time and consideration of this important legislative initiative.

Sincerely,

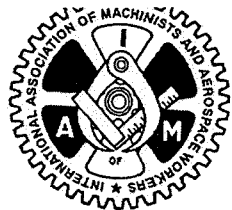
**Kathryn Bartlett-Mulvihill**  
Business Manager/President  
OPEIU Local 39  
[president@opeiu39.org](mailto:president@opeiu39.org)  
608-443-7304cl  
608-257-4734wk

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OPEIU Local 39

701 Watson Avenue #102 Madison, WI 53713

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# **INTERNATIONAL ASSOCIATION of MACHINISTS and AEROSPACE WORKERS**

NEKOOSA, WISCONSIN

LODGE 1543

On behalf of IAMAW Local Lodge 1543, I would like to respectfully urge your support for **Senate Bill 466**, which is scheduled for a public hearing before your esteemed committee today. As you may know, a chemical recovery boiler is an essential part of the pulp production process as it recovers and regenerates cooking liquors. These boilers not only recover chemicals and generate power much more efficiently, but they do so by utilizing a safe, reliable and environmentally sound process.

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**We respectfully ask that this committee take executive action on SB 466 in an expeditious manner. Thank you for your time and consideration of this important legislative initiative.**

Harley Spees

  
President Local Lodge 1543



To Honorable Members of the Senate and Regulatory Reform Board,

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- The dollars saved by this common-sense change in the inspection timeline will allow companies like Ahlstrom-Munksjö, Domtar, PCA and Verso to reinvest those monies into critical research and development as well as back into the communities where they are based.

USW Local 59 in Nekoosa WI represents over 276 hard-working men and women who believe in enhancing Wisconsin's economy while at the same time protecting our precious environment. SB 466 will protect jobs, maintain competitiveness for this important industry and reduce emissions which is good for our environment.

We respectfully ask that this committee take executive action on SB 466 in an expeditious manner. Thank you for your time and consideration of this important legislative initiative.

Respectively,



Cindy Czappa USW Local 59 President

On behalf of Nick Vitello and United Steel Workers LOCAL 59, I would like to respectfully urge your support for **Senate Bill 466**, which is scheduled for a public hearing before your esteemed committee today. As you may know, a chemical recovery boiler is an essential part of the pulp production process as it recovers and regenerates cooking liquors. These boilers not only recover chemicals and generate power much more efficiently, but they do so by utilizing a safe, reliable and environmentally sound process.

Currently internal inspections of chemical recovery boilers are required every 12 months, with the possibility of a 6-month extension. Unfortunately, these manufacturing facilities do not know whether such an extension is granted until approximately one month before the 12-month deadline. It is important to note that pre-planning for a facility shutdown and inspection is not only extremely time consuming and costly but the currently notification period is sometimes not conducive for these complex preparations.

Allowing a full 24 months between inspections in cases where the facility has an agreement and is in good standing with the insurer will provide manufacturers and their employees with regulatory certainty so that these facilities can better plan for such inspections and more efficiently manage the resources necessary to accomplish this task. A similar approach is currently taken in states such as Michigan and Maine.

#### **Protecting Good-Paying Jobs/Maintaining Global Economic Competitiveness**

- As you know, papermaking is an increasingly complex and extremely competitive global manufacturing market. Passage of SB 466 will help papermaking companies remain globally competitive and viable by placing these inspections more in line with other states such as Michigan and Maine.
- Such internal inspections of chemical recovery boilers require facilities to partially or completely shut down their operations, costing time and productivity. This legislation will help companies with chemical recovery boilers better plan and manage the incredible amount of people power and resources necessary to complete such inspections.
- The dollars saved by this common-sense change in the inspection timeline will allow companies like Ahlstrom-Munksjö, Domtar, PCA and Verso to reinvest those monies into critical research and development as well as back into the communities where they are based.

OPEIU/USW Nick Vitello represents over 256 hard-working men and women who believe in enhancing Wisconsin's economy while at the same time protecting our precious environment. SB 466 will protect jobs, maintain competitiveness for this important industry and reduce emissions which is good for our environment.

**We respectfully ask that this committee take executive action on SB 466 in an expeditious manner. Thank you for your time and consideration of this important legislative initiative.**

Sincerely,

Nick Vitello

USW Local 59 Vice President



## **Senate Bill 466**

# **Chemical Recovery Boiler Reform Legislation**

## **Background Information**

### **What is a Chemical Recovery Boiler?**

A chemical recovery boiler is a type of biomass boiler that combusts black liquor produced as a by-product in the pulp manufacturing process at paper mills. Black liquor is a fuel derived from wood chips that is regarded as renewable.

A chemical recovery boiler not only effectively uses the thermal energy gained by combusting black liquor, but also recovers sodium (carbonate) ingredients that are reused in the pulp manufacturing process, and thus plays an important role in a pulp manufacturing plant.

The chemical recovery boiler is an essential part of the pulp production process as it recovers and regenerates cooking liquors. Recovery boilers not only recover chemicals and generate power efficiently, but they do so using a safe, reliable, and environmentally sound process.

### **Current WI Law Regarding Chemical Recovery Boiler Inspections:**

Under current law, the Department of Safety and Professional Services (DPS) imposes rules on inspections of chemical recovery boilers. Currently inspections happen on an annual basis.

Internal inspection of chemical recovery boilers is currently required every 12 months, with the possibility of a 6-month extension (every 18 months). Facilities do not know whether the extension is granted until approximately one month before the 12-month deadline.



## What Changes Does This Legislation Make to Current Law?

Our current legislative draft states that if the owner or user of a chemical recovery boiler maintains insurance coverage for the boiler and ***is in good standing with the insurer that provides the coverage***, the bill limits the frequency of periodic inspections, including internal inspection, that require taking the boiler out of service to every 24 months.

In addition, the bill imposes a deadline on DSPS to act on applications for exemptions or extensions with respect to periodic inspections of chemical recovery boilers. If the owner or user of a boiler applies for an exemption or extension at least 120 days before the expiration of the inspection period that applies to the boiler, the bill requires DSPS to take final action on the application at least 90 days before the expiration of that inspection period.

The frequency of these inspections is extremely costly to Wisconsin businesses that have chemical recovery boilers. The frequency of the inspections force businesses to shut the boilers for several days and costing each company millions of dollars, thus affecting both production and employee wages.

The change in statute will positively impact businesses and the thousands of employees that work for these Wisconsin businesses. The millions of dollars saved by this common-sense change in inspection timeline will allow companies like Domtar to reinvest that money in research and development and the community.

### **The Chemical Recovery Boiler Reform Bill Will Have a Positive Environmental Impact:**

Shutting down and starting up mill operations results in higher overall emissions than consistent operation of this equipment. Thus, more frequent inspections result in higher emissions than normal continuous operations.

Temperature fluctuation, caused by cooling the boiler for inspection, stresses and weakens welds and other stress concentration points thus reducing the integrity of the boiler and shortening the life of the boiler.



## What Wisconsin Companies Are Impacted by This Legislation?

There are **8 (eight)** chemical recovery boilers in Wisconsin:

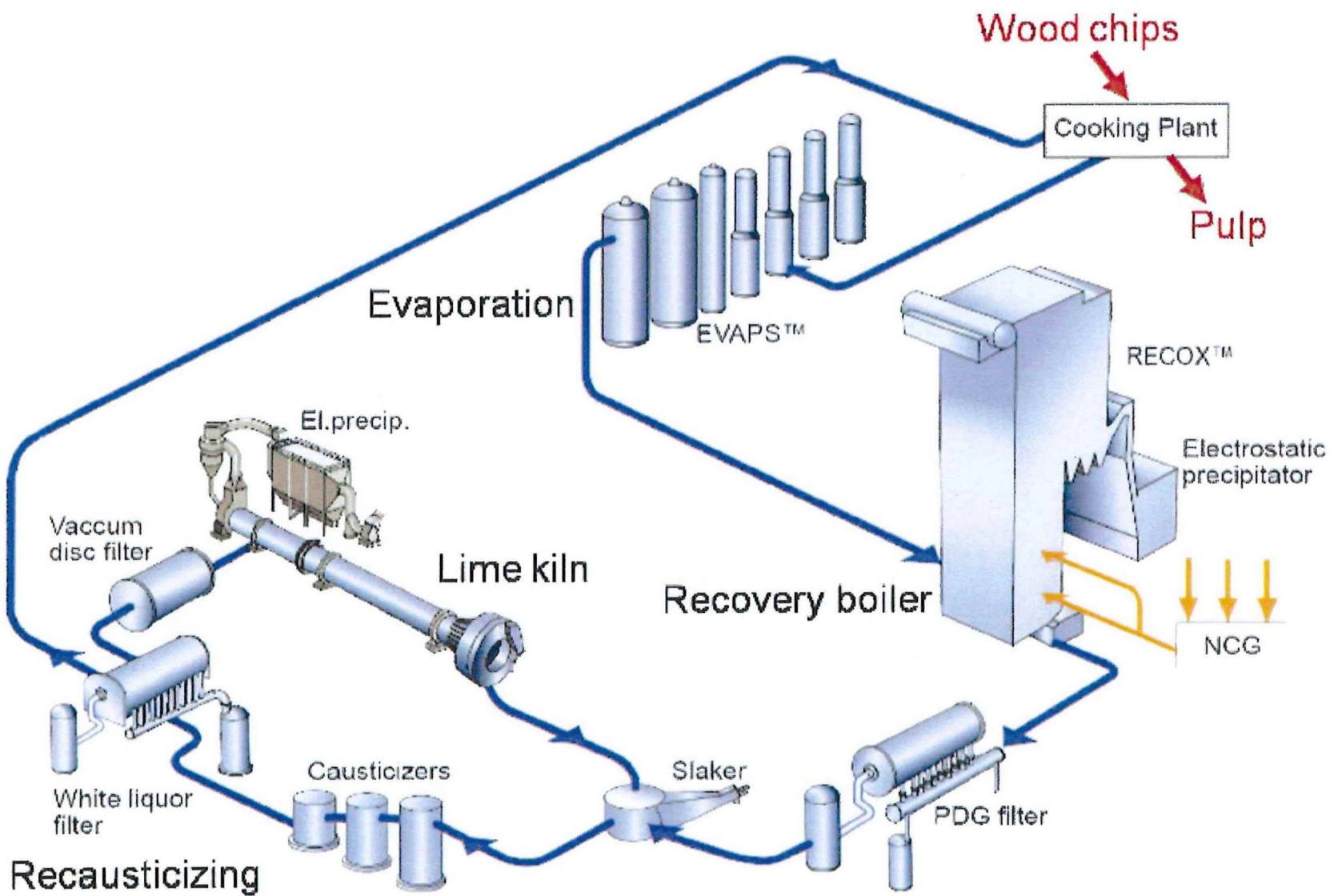
- Ahlstrom-Munksjö has 3 chemical recovery boilers (Thilmany-2 and Mosinee-1)
- Domtar has 1 chemical recovery boiler (Nekoosa)
- Packaging Corporation of America has 1 chemical recovery boiler (Tomahawk)
- Verso has 3 chemical recovery boilers (All in Wisconsin Rapids)

## Last Session's Bills Garnered Broad Support Statewide:

This legislation has broad-based support from business, labor unions and economic development organizations. These include:

- The Wisconsin Paper Council
- Ahlstrom-Munksjö
- Construction Business Group
- GLTPA
- Centergy
- Domtar
- UA 400 Pipefitters
- Heart of WI Chamber of Commerce
- International Association of Machinists and Aerospace Workers
- Office and Professional Employees International Union
- Packaging Corporation of America
- United Association of Journeymen and Apprentices of the Plumbing, Pipefitting and Sprinkler Fitting Industry of the United States and Canada
- United Steelworkers
- Verso Corporation
- Wisconsin Manufacturers & Commerce
- The Wisconsin Industrial Energy Group

*Note: There was **no** opposition to last Legislative Session bills AB 781 or SB 699  
(Source: Wisconsin Ethics Commission)*









# ECONOMIC IMPACT

State Industry Economic Impact Report



**American  
Forest & Paper  
Association**

afandpa.org

## State Industry Economic Impact: Wisconsin

### EMPLOYMENT

|                         |               |
|-------------------------|---------------|
| Forestry & Logging      | 3,905         |
| Wood Products           | 19,327        |
| Pulp & Paper            | 29,328        |
| <b>Total Employment</b> | <b>52,560</b> |

### ANNUAL COMPENSATION

(in thousands of dollars)

|                           |                    |
|---------------------------|--------------------|
| Forestry & Logging        | \$42,507           |
| Wood Products             | \$1,001,751        |
| Pulp & Paper              | \$2,527,059        |
| <b>Total Compensation</b> | <b>\$3,571,317</b> |

### LAND AREA

(in thousands of acres)

|                          |               |
|--------------------------|---------------|
| Public Timberland        | 4,716         |
| Private Timberland       | 11,832        |
| Other Forest Land        | 526           |
| <b>Total Forest Land</b> | <b>17,074</b> |

### MANUFACTURING OUTPUT

(in thousands of dollars)

|                                   |                     |
|-----------------------------------|---------------------|
| Wood Manufacturing                | \$4,465,557         |
| Paper Manufacturing               | \$13,737,516        |
| <b>Total Manufacturing Output</b> | <b>\$18,203,073</b> |

### NUMBER OF MANUFACTURING/ RECYCLING FACILITIES

|   |            |
|---|------------|
| <b>Wood Products Facilities</b>   | <b>17</b>  |
| <b>Total Paper Manufacturing</b>  | <b>207</b> |
| Pulp, Paper & Paperboard Mills  | 35         |
| Converting Plants (e.g. box<br>plants, envelope manufacturing)          | 172        |
| <b>AF&amp;PA Member Company Owned<br/>Materials Recovery Facilities</b> | <b>5</b>   |

### TAX PAYMENTS

(in millions of dollars)

|  |              |
|--|--------------|
| <b>Estimated State &amp; Local Taxes</b> | <b>\$216</b> |
|--|--------------|

Data sources: U.S. government, AF&PA, and RISI. Figures are the most recent available as of December 2020.

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, tissue and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative — *Better Practices, Better Planet 2020*. The forest products industry accounts for approximately four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states.