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# Tidings

The Newsletter of the Friends of Perdido Bay

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[www.friendsofperdidobay.com](http://www.friendsofperdidobay.com)

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## Sorry for the Mistake

As you may have noticed, your dues date is printed on the mailing label. We try and keep track of dues and members addresses in a database. In October when the last newsletter was mailed out, I realized too late that some of the information in the database was wrong. Just how that happened, I have no clue. I was able to correct some of the “dues due” error from the membership slips which you send in with your dues. However, if you did not send in a membership renewal form, I was not able to recover the date your dues were due. I am sorry. Some of you notified us of the error. If you think your dues are not due and the “Dues Due” date is wrong, please notify us. We will be glad to correct our mistake. We have implemented a better method of keeping track of your dues. But keep sending them in, as your dues keep our organization solvent. And thank you for your support.

## Something has changed

When International Paper had their explosion in January 2017, they were in the process of changing their manufacturing processes. IP was not the only paper mill changing their manufacturing process. All local paper mills (the ones in Brewton, AL and Panama City, FL) also were shut down for the process changes. Of course, we saw how clean and lively our bay was without the 30 million gallons of toxic effluent flowing into our bay. But this nirvana didn't last long. When IP started back up in about two weeks, the bay immediately died again. But things were different. We no longer smelled the sulfur smell coming from the mill. It smelled more like an industrial, coal smell. There was also less noticeable foam. We also noticed that the mussels had died and the bay was darker. I sent a freedom of information act request to the Florida Department of Environmental Protection (DEP) asking them if they had been notified of any changes in IP's process. They said they had not been notified of any changes but something has definitely changed. Maybe it is for the better, but maybe not. The bay doesn't have anymore life but there is less foam and less smell. Also some grassbeds are trying to grow

again. I began to wonder if this was how the papermills spent their tax break. There is nothing else which would foster such a change. Certainly, the regulatory climate is not going to force any cleanups unless the paper industry can save money. Unfortunately we don't know what chemicals are being spewed into the air and water with these changes. And the regulatory agencies are not going to look or test for them.

### **Sustainable?**

Is paper sustainable? Well, paper comes from a renewable resource - trees. It degrades, unlike plastic which is polluting our planet. When they ask me at the store if I want paper or plastic, I can't say, because paper is not really sustainable. Just look at Perdido Bay. The conversion of tree fiber to paper is **not sustainable**. The chemicals which the industry emits are toxic and this is more noticeable in a little bay with insufficient dilution. It perhaps could be, but the paper industry has never been made to clean up its processes, especially now when there are so few industries left in our country. So while other environmentalists are trying to switch from using plastic straws to paper, I say no straws please! Paper making is not sustainable.

### **It is About the Stock Market**

“To improve people's lives, the planet and our company's performance by transforming renewable resources into products people depend on every day We do the right things, in the right ways, for the right reasons, all of the time—this is The IP Way. The IP Way Forward is how we go beyond just doing the right things; it's how we create value for all stakeholders for generations to come.” This is International Paper's mission statement. It sounds good. But there are priorities. IP's stakeholders are both its employees and its shareholders. Last year IP got a very large loan from the Mellon New York Bank to shore up its retirement system. This was good, especially for the retirees. But like all companies, both large and small, IP is getting out of the retirement business and turning retirement over to the stock market based 401k. So keeping its stock up is good for both its retirees and its shareholders.

Keeping its stock price high is, I believe, IP's main priority. The market for container board (the type of paper product IP makes at its Cantonment mill) looked pretty rosy, until a few months ago. With all the Amazon and online purchases, there was enough demand for container board boxes that the paper manufactures could raise their prices. Then, two old papermills in Wisconsin were purchased by the Chinese and converted to making container board. This meant that there would probably be more supply, and the price for container board would drop. Immediately IP's stock started to drop (even when the rest of the market was going up). IP countered by increasing its dividend and buying back its stock. Its stock price stabilized.

Even before IP increased its stock dividend, they were paying out 42% of their earnings as dividends to shareholders. That meant that if you were an IP shareholder you were getting over a 3% yield on your stock (not counting the stock price). This was pretty good considering the highest rate of interest you can get in a bank was 2.5%. I began to

think if IP invested some of that money in upgrading its old mills or built new more efficient mills how much better this would be for our environments in the U.S. But this is not happening.

The U.S. is a declining market with an aging population. U.S. manufactures are no longer investing money in new factories in the U.S. The last time a new paper mill was built in the U.S. was in the early 1980's. Manufacturing jobs are disappearing in the U.S. because the market for goods is declining. Several years ago, IP closed its mill in Courtland Alabama which was the largest papermill in the country. This papermill had not been converted to making container board and still made white paper. So when IP converted this mill in Cantonment Florida from making 100% bleached white paper to making containerboard, it was a big deal. This conversion to brown cardboard, no doubt, prolonged the life of this mill. It should have been closed after they could not get a permit in 1992 but continued to operate on Consent Orders and extended permits until this day. Because of its importance to the local economy in both North Florida and South Alabama, it has remained open and continued to pollute Perdido Bay with its toxic effluent. This means that a bay which could be an asset to the local economy as a world class fishing bay and nursery area for many fish, is dead. It is a lost asset.

### **It was the 2005 Lawsuit**

As I look back, the impetus which made IP convert to container board was the 2005 lawsuit. Maybe, IP didn't really want to convert this mill in Cantonment to making brown paper but they were "encouraged to" by a team of Pensacola and Alabama attorneys. This is my interpretation of what happened. To begin, the lawsuit began somewhere around 1998 when Steve Medina filed a complaint to the Courts on behalf of Ester Johnson. He complained that DEP was not enforcing its rules. This complaint went nowhere until a bunch of very high profile attorneys proposed turning the complaint into a class action lawsuit in 2005. Several very large local law firms including the Levin firm, Bobby Kennedy's NRDC firm and the big Alabama law firm of Beasley Allen were now representing Ester Johnson. International Paper (aka. Champion) was represented by Jones Day, a huge international law firm, with a big office across from the White House in Washington. My husband and I were involved in the original complaint filed in 1998, however we were barred from becoming part of the new proposed class. Not only were we barred, but the big law firms were actively trying to get us to drop our objections to IP's new plan to partner with ECUA and go to a wetland and not challenge the state permit. My husband and I, along with Friends of Perdido Bay, continued to challenge the permit and went to two administrative hearings which we lost in 2010.

To turn the litigation into a "class action" three requirements must be met. The previous class action filed in Alabama in 1992 (settled in 1996) had met those requirements according to a Baldwin County Judge. However the class action filed in Escambia County Courts had a different outcome. The Judge ruled in a Motion in 2007, that the Motion for Class Action had been dismissed and an appeal court upheld this dismissal because the requirements for a class action had not been met. My husband and I had lost track of the progress of the class action as we were busy fighting the permit which the DEP was proposing to give to IP. Years later, I discovered two stipulations which had been

filed May 18 and June 12, 2006 by attorneys for both parties. Our attorneys had given up the rights of Perdido Bay property owners for a Class Action. One of the members of the class, the Ramsey Beach Homeowners, had given up their right to sue IP “forever”. These people were the most affected people in the bay and they had given up their rights to sue for pollution “forever”. This was a disaster for these people.

It was the threat (encouragement) of this lawsuit which I believe drove IP to spend the money to convert the mill from bleach paper to brown paper. IP announced in July 2005 that they were going to spend \$100 million to convert the mill in Cantonment from bleach to brown cardboard (of course they still bleach about 1/3 of the pulp to sell in the fluff pulp market). I think the lawsuit drove the conversion and the life of the paper mill and the continual pollution of Perdido Bay.

The so called “clean up” was anything but a clean up. It was a licence to increase production. As the DEP permit writer said “Getting out of Elevenmile Creek”, no longer limited the production of the mill.” Because Elevenmile Creek could only handle so much pollution, once the discharge was put into the wetlands, the limitations of the creek were no longer relevant. However what the environmental agencies forgot was that the small bay could only handle so much pollution without suffering harm. This is why Friends of Perdido Bay is now focusing our attention on Perdido Bay, especially the Upper bay. We will continue to do studies and focus on the harm the paper mill is doing in our bay. The wetlands have removed some nutrients but not the toxicity of the paper mill effluent. This is our charge and we will challenge any permits the state will try and issue to the paper mill in Cantonment. It should have closed long ago. Maybe IP will follow their mission statement - “do the right things, in the right ways, for the right reasons”. No more blackmail by attorneys.

**Happy Holidays See you in the New Year**

<p><b>Membership and Renewals</b></p> <p>Tidings is published six times a year by Friends of Perdido Bay and is mailed to members. To keep up with the latest news of happenings on Perdido Bay, become a member or renew your membership. For present members, your date for renewal is printed on your mailing label.</p> <p>Membership is \$10.00 per <b>year per voting member</b>. To join or renew, fill out the coupon to the right and mail with your check to the address on the front.</p> <p>Friends is a not-for-profit corporation and all contributions are tax-deductible. Funds received are all used for projects to improve Perdido Bay. No money is paid to the Board of Directors, all of whom volunteer their time and effort.</p>	<div style="display: flex; justify-content: space-between;"> <div data-bbox="862 1255 982 1312"> <input type="checkbox"/> New         </div> <div data-bbox="1036 1318 1266 1348">           Amt. Enclosed\$ _____         </div> </div> <div style="display: flex; justify-content: space-between;"> <div data-bbox="862 1318 1023 1375"> <input type="checkbox"/> Renewal         </div> </div> <div data-bbox="841 1444 1312 1474">       Name _____     </div> <div data-bbox="841 1537 1339 1566">       Address _____     </div> <div data-bbox="841 1663 1299 1692">       Phone ( _____ ) _____     </div> <div data-bbox="841 1696 1153 1726">       e-mail _____     </div>
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