



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600, Olympia, WA 98504-7600 • 360-407-6000

December 12, 2023

Warren Snyder, Senior Manager, Environmental Projects
Rayonier Advanced Materials Inc.
1301 Riverplace Blvd., Suite 2300
Jacksonville, FL 32207

Re: Final Determination of Liability for Release of Hazardous Substances at the following Contaminated Site:

- **Site Name:** Former Grays Harbor Pulp and Paper Mill
- **Site Address:** 801 23rd Street, Hoquiam, WA
- **Cleanup Site ID:** 2498, 577, 2676, 2614, 1172, 2262, 10440, 1255, 2282
- **Facility/Site ID:** 36, 86233618, 34, 34737386, 68393196, 44124741, 76276679
37438132, 33
- **County Assessor's Parcel Number(s):** 056400200300, 056400200100,
051202800000, 056400100400, 055206200000, 055206100002, 055205600400,
055206000002, 055206400002, 056400200202, 056400200201, 056411300000,
056409000000, 517101311000

Dear Warren Snyder:

On March 24, 2023, the Department of Ecology (Ecology) sent you written notice of our preliminary determination that Rayonier Advanced Materials Inc. (RYAM) and Rayonier A.M. Properties LLC are potentially liable persons (PLPs) for a release of hazardous substances at the former Gray's Harbor Pulp and Paper Mill (Site). On May 3, 2023, the 30-day comment period on our preliminary determination expired.

On May 10, 2023, Ecology received your written comments, which were dated and postmarked May 2, 2023. Your written comments suggested that it is not necessary for Ecology to name RYAM as a PLP, and that "there is no need to get into complicated issues of successor liability."

On June 5, 2023, Ecology issued a final determination that Rayonier A.M. Properties LLC is a PLP with regard to the Site. The June 5, 2023 letter also stated that at the time of the issuance of the letter, Ecology is not issuing a final determination that RYAM is a PLP. The June 5, 2023 letter stated that Ecology is evaluating whether or not to make a final determination that RYAM is a PLP.

Ecology has completed this evaluation. As stated in the Washington State Attorney General's Office memorandum, "Legal and Factual Bases for Determination that the Former Hoquiam Pulp and Paper Mills Constitute a Single Site Under MTCA," Grays Harbor Pulp and Paper Co (1928-1937), Rayonier Incorporated (1937-1968), and ITT Rayonier (1968 until closure of the pulp mill and transfer of the paper mill in 1992) owned or operated the facility at the time hazardous substances were released. ITT Rayonier spun off Rayonier Incorporated in 1994. It appears that Rayonier Incorporated succeeded in 1994 to the environmental liabilities of aforementioned entities as owners or operators of the pulp and paper mill at the time of release of hazardous substances.

Rayonier Incorporated spun off RYAM in 2014. The Separation and Distribution Agreement By and Between Rayonier Inc. and Rayonier Advanced Materials Inc., dated as of May 28, 2014,¹ states at Section 2.3(a)(viii) that all liabilities prior to the effective date, including environmental liabilities, relating to, arising out of or resulting from a RYAM asset are to be RYAM liabilities. The Site appears to be a RYAM asset within the meaning of the Separation and Distribution Agreement, and not a Rayonier Incorporated asset, in that real property at the site of the former Hoquiam, Washington, pulp and paper mill continues to be owned by RYAM's subsidiary, Rayonier A.M. Properties LLC. Therefore, the liability arising from Rayonier Incorporated and its predecessors' ownership or operation of the former pulp and paper mill appears to have transferred from Rayonier Incorporated to RYAM when RYAM was spun off from Rayonier Incorporated in 2014.

Based on available information, Ecology finds that credible evidence exists that Rayonier Advanced Materials Inc. is liable as successor to various owners or operators at the time of a release of hazardous substances at the Site. On the basis of this finding, Ecology has determined that Rayonier Advanced Materials Inc. is a PLP with regard to the Site.

The purpose of the Model Toxics Control Act (MTCA) is to identify, investigate, and cleanup facilities where hazardous substances have been released. Liability for environmental contamination under MTCA is strict, joint and several (RCW 70.105D.040(2)). Ecology ensures that contaminated sites are investigated and cleaned up to the standards set forth in the MTCA statute and regulations. Ecology has determined that it is in the public interest for remedial actions to take place at this Site. Your rights and responsibilities as a PLP are outlined in Chapter 70.105D RCW, and Chapters 173-340 and 173-204 WAC.

Ecology has been in contact with you regarding the actions necessary to bring about the prompt and thorough cleanup of hazardous substances at this Site. Failure to cooperate with Ecology or comply with MTCA in this matter will result in Ecology employing enforcement tools as it deems necessary and appropriate. This includes, but is not limited to, the issuance of an administrative order. Failure to comply with such an order may result in a fine of up to \$25,000 per day and liability for up to three times the costs incurred by the state (RCW 70.105D.050(1)).

¹ [Exhibit 2.1 Separation and Distribution Agreement \(sec.gov\)](#)

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As you are aware, Ecology is currently in the process of drafting an Agreed Order for the clean-up of the Site. As discussed during our October 23, 2023 meeting, at this time, Ecology only intends to name Rayonier A.M. Properties LLC a PLP subject to the agreed order. However, Rayonier Advanced Materials Inc. remains a PLP under the Model Toxics Control Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'J DeMay', is positioned below the word 'Sincerely,'.

James DeMay
Industrial Section Manager
Solid Waste Management Program

By certified mail: 9489-0090-0027-6383-8994-28

cc: Jonathan Thompson, Office of the Attorney General
LeeAnne Kane, Office of the Attorney General
Ecology Site File