



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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

September 24, 2025

Terry Nishimoto, Environmental Manager
McKinley Paper and Packaging Company
1815 Marine Drive
Port Angeles, WA 98363

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

- **Site Name:** Nippon Paper Industries USA Co.
- **Site Address:** 1902 Marine Drive Port Angeles, WA 98363
- **Cleanup Site ID:** 2496
- **Facility/Site ID:** 18

Dear Terry Nishimoto:

Based on credible evidence, the Department of Ecology (Ecology) is proposing to find McKinley Paper and Packaging Company (McKinley) liable under the Model Toxics Control Act (MTCA), Chapter 70A.305 RCW, for the release of hazardous substances at the site identified as Nippon Paper Industries USA Co (Site) in Ecology's database. Any person whom Ecology finds, based on credible evidence, to be liable is known under MTCA as a "potentially liable person" or "PLP".

This letter identifies the basis for Ecology's proposed finding and your opportunity to respond to that finding. This letter also describes the scope of your potential liability and next steps in the cleanup process at the Site.

Proposed Finding of Liability

Ecology is proposing to find McKinley liable under RCW 70A.305.040 for the release of hazardous substances at the Site. This proposed finding is based on the following evidence:

1. McKinley became the owner and operator of the site in 2017 and is the current owner and operator of the site. Under RCW 70A.305.040, current owners and operators of the site are liable for historical releases of hazardous substance at the site.
2. According to a November 9, 2020 report from McKinley, during excavation on May 4, 2020, McKinley discovered petroleum-contaminated soil. Sampling showed total petroleum hydrocarbon concentrations above MTCA cleanup levels. The report

- states that McKinley removed the contaminated soil to the extent it was accessible, but that McKinley left some contaminated soil in-place due to the presence of underground utilities and concerns of compromising the structural integrity of nearby structures.
3. On April 13, 1989, CH2M Hill submitted a report to Ecology documenting a soil investigation. Daishowa America Company Ltd (Daishowa), a previous owner and operator of the site, hired CH2M to perform an investigation after the discovery of petroleum contaminated soil along Marine Drive between an office building and the lagoon. The report states CH2M Hill collected 140 soil samples from 35 borings. Total petroleum hydrocarbon sample results ranged from below detection (25 ppm) to 26,500 ppm. The method A soil clean-up screening level for industrial properties and unrestricted land use is 2,000 ppm for diesel and heavy petroleum. The document states they plan to remove soils with sampling results above 200 ppm total petroleum hydrocarbons, totaling about 3,000 cubic yards. On August 15, 1989, Daishowa applied for a Shoreline Development Permit from the City of Port Angeles to provide "on site land treatment of soils contaminated with diesel fuel" ("landfarming") for the contaminated area documented in the April 13, 1989 report. Daishowa did not complete this work under a MTCA agreed order.
 4. A February 6, 1991 letter from Pacific Liaison Ltd (a third-party consultant to Daishowa) to Ecology states that they took groundwater samples from nine archeological test pits as part of Daishowa's "Recycled Paper Project". A map attached to the letter indicates the sampling was performed near a structure labelled "Warehouse" and "Process Plant". Petroleum hydrocarbons were detected at four of the sample points (290 mg/L, 3.8 mg/L, 3.8 mg/L, 1.7 mg/L). The method A groundwater clean-up screening level is 0.5 mg/L for diesel and heavy petroleum. A February 14, 1991 letter from Daishowa to Ecology states that Daishowa excavated soil from the 290 mg/L sampling location with plans to add the soil to the landfarming area. An April 2, 1991 letter from Daishowa to Ecology estimates the volume of soil at 60 cubic yards. Daishowa did not conduct this work under a MTCA agreed order.
 5. An August 20, 1992 letter from Ecology to Daishowa states that Daishowa found additional soils contaminated with total petroleum hydrocarbons, estimated at 20 cubic yards, near the "heat recovery system south of the refiner mill" and in an area near the "No.2 Chelate Tank" and added these to the landfarming area. Daishowa did not complete this work under a MTCA agreed order.
 6. Pulp and paper operations have been ongoing on the Site since 1920. These operations occurred prior to the existence of environmental regulations, including the 1976 Resource Conservation and Recovery Act (RCRA), the 1986 Emergency Planning and Community Right-to-Know Act (EPCRA), and the 1988 MTCA initiative. Prior to these regulations, it is unclear if historical releases were reported or documented.

Opportunity to Respond to Proposed Finding of Liability

In response to Ecology's proposed finding of liability, you may either:

1. Accept your status as a PLP without admitting liability and expedite the process through a voluntary waiver of your right to comment. This may be accomplished by signing and returning the enclosed form or by sending a letter containing similar information to Ecology; or
2. Challenge your status as a PLP by submitting written comments to Ecology within thirty (30) calendar days of the date you receive this letter; or
3. Choose not to comment on your status as a PLP.

Please submit your waiver or written comments to the following address:

Emily Toffol
Department of Ecology
Solid Waste Management, Industrial Section
PO Box 47600
Olympia, Washington 98504

After reviewing any comments submitted, or after 30 days if no response has been received, Ecology will make a final determination regarding your status as a PLP and provide you with written notice of that determination.

Identification of Other Potentially Liable Persons

Ecology is currently reviewing site history to determine if the following additional persons are potentially liable for the release of hazardous substances at the Site:

1. Nippon Paper Industries USA Co., the previous owner and operator of the pulp and paper mill. Daishowa America Co. operated the pulp and paper mill beginning in 1988. Daishowa America Co. assumed Nippon Paper Industries USA Co. in 2003. The mill operated as Nippon Paper Industries USA Co. until 2017, when they sold the mill to McKinley Paper Company (now McKinley Paper and Packaging Company) in 2017.
2. Georgia-Pacific, LLC. Through a series of merger or acquisition transactions, G-P is successor in interest to the owner or operator of the pulp and paper mill facility. In 2000, G-P acquired the Fort James Corporation. The Fort James Corporation was a successor corporation to Crown Zellerbach and James River Corporation of Nevada. Crown Zellerbach or James River Corporation owned or operated the facility from 1928 through 1988.

If you are aware of any other persons who may be liable for the release of hazardous substances at the Site, Ecology encourages you to provide us with their identities and the reason you believe they are liable. Ecology also suggests you contact these other persons to discuss how you can jointly work together to most efficiently clean up the Site.

Responsibility and Scope of Potential Liability

Ecology may either conduct or require PLPs to conduct remedial actions to investigate and clean up the release of hazardous substances at a site. PLPs are encouraged to initiate discussions and negotiations with Ecology and the Office of the Attorney General that may lead to an agreement on the remedial action to be conducted.

Each liable person is strictly liable, jointly and severally, for all remedial action costs and for all natural resource damages resulting from the release of hazardous substances at a site. If Ecology incurs remedial action costs in connection with the investigation or cleanup of real property and those costs are not reimbursed, then Ecology has the authority under RCW 70A.305.060 to file a lien against that real property to recover those costs.

Next Steps in Cleanup Process

In response to the release of hazardous substances at the Site, Ecology intends to continue negotiations of an Agreed Order to clean up the site according to the MTCA process with McKinley and other PLPs.

For a description of the process for cleaning up a contaminated site under MTCA, please refer to the enclosed fact sheet.

Ecology's policy is to work cooperatively with PLPs to accomplish the prompt and effective cleanup of contaminated sites. Please note that your cooperation in planning or conducting remedial actions at the Site is not an admission of guilt or liability.

Contact Information

If you have any questions regarding this letter or if you would like additional information regarding the cleanup of contaminated sites, please contact me at 360-790-8363 or emily.toffol@ecy.wa.gov. Thank you for your cooperation.

Sincerely,



Emily Toffol
Cleanup Project Manager
Solid Waste Management Program, Industrial Section

Enclosures (2):

1. [FOCUS: MODEL TOXICS CONTROL ACT CLEANUP REGULATION: PROCESS FOR CLEANUP OF HAZARDOUS WASTE SITES \(#94-129\)](#)
2. PLP WAIVER FORM TEMPLATE

By certified mail: 9489 0090 0027 6381 5352 81

cc: LeeAnne Kane, Office of the Attorney General
Tara Roberts, Ecology
Ecology Site File