



This is the 2nd affidavit of Hubert Bunce
Made in this matter
Affirmed, June 26, 2012

No. S120712
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985,
c. C-44

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

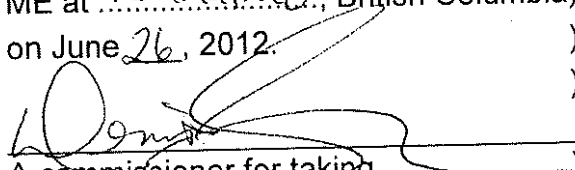
IN THE MATTER OF CATALYST PAPER CORPORATION AND THE PETITIONERS
LISTED IN SCHEDULE "A"

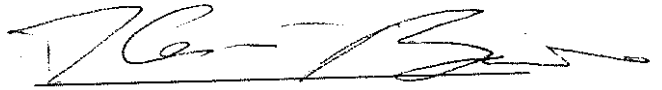
AFFIDAVIT of HUBERT BUNCE

I, Hubert Bunce, of 2080A Labieux Road, Nanaimo, British Columbia, AFFIRM THAT:

1. I am the Section Head, Business and Standards Section, Vancouver Island Region, Environmental Protection Division of the Environmental Management Branch, Ministry of Environment ("MOE"). Since about August 2009, I have been a statutory decision maker under the *Environmental Management Act*, S.B.C. 2003, c. 53 in respect of pulp mill operations at Crofton, Campbell River (referred to as Elk Falls), and Port Alberni. As such, I have personal knowledge of the matters hereinafter disposed to, save and except where stated to be based upon information and belief, and where so stated, I verily believe the same to be true.

2. The purpose of this Affidavit is to update information regarding the Elk Falls Pulp Mill. The documents referred to herein were made and kept in the usual and ordinary course of MOE's business.
3. On May 22, 2012 I was copied on a letter from Environment Canada to Catalyst Paper – Elk Falls Division advising that the facility no longer meets the definition of a mill under the *Pulp and Paper Effluent Regulations* of the *Fisheries Act*. Attached as Exhibit "A" to this my Affidavit is a copy of the May 22, 2012 letter from Janice Boyd, Compliance Promotion Officer, Environment Canada to Ben McGuffie, Environmental Manager, Catalyst Paper - Elk Falls Division.
4. On May 30, 2012 I wrote a letter to Catalyst Paper regarding Permit PR-01602 (the landfill permit) requesting a Closure and Post-closure Plan for the landfill facility by July 31, 2012.
5. I am advised by Bernard Bintner, and do verily believe that on May 31, 2012 Bernard Bintner, MOE, forwarded a copy of my May 30, 2012 letter to Mr. Drew Kilback, Catalyst Paper and received an e-mail response from Mr. Kilback advising that Catalyst Paper has no plans at this time to close the permitted landfills. Attached as Exhibit "B" to this my Affidavit is a copy of the May 31, 2012 e-mail between Drew Kilback, Catalyst Paper, and Bernard Bintner, MOE, with the May 30, 2012 letter to Drew Kilback, Director, Risk & Environment, Catalyst Paper Corporation & Catalyst Pulp Mill Operations Limited attached.

AFFIRMED BEFORE)
 ME at Nanaimo, British Columbia)
 on June 26, 2012.)
)
)
 A commissioner for taking)
 affidavits for British Columbia)


 Hubert Bunce

DENISE SEXTON
 A Commissioner for taking Affidavits
 for British Columbia
 2080-A LABIEUX ROAD
 NANAIMO, BC V9T 6J9



Environment Canada / Environnement Canada

Environmental Stewardship Branch
 Environmental Protection Operations Directorate
 201 - 401 Burrard Street
 Vancouver, BC V6C 3S5

File No. 4238-37/C1280-8

22 May 2012

Mr. Ben McGuffie
 Environmental Manager
 Catalyst Paper - Elk Falls Division
 P.O. Box 2000
 Campbell, B.C. V9W 5C9

Dear Mr. McGuffie:

RE: Catalyst Paper Elk Falls Mill Status under the *Pulp and Paper Effluent Regulations*

Thank you for your 17 November 2011 e-mail indicating the status of the Elk Falls mill under the *Pulp and Paper Effluent Regulations (PPER)* of the *Fisheries Act*.

The mill ceased production indefinitely in February 2009 and advised Environment Canada of permanent closure in July 2010. The mill remained subject to the PPER because it continued to meet the definition of a mill under the PPER. Your above email cited the removal of key pieces of equipment last fall which rendered the mill no longer capable of producing pulp and paper. On December 8, 2011, Environment Canada's Inspector, Jonn Laeden, confirmed the status of mill decommissioning as reported and that the facility no longer meets the definition of a mill under the PPER. Given that the facility is no longer subject to the PPER, any discharges from the site become subject to subsection 36(3) general provisions of the *Fisheries Act* (<http://laws-lois.justice.gc.ca/eng/acts/F-14/page-8.html>).

If you have questions or concerns, please contact me by phone at (604) 888-5908 or by E-mail: janice.boyd@ec.gc.ca

Sincerely,

Janice Boyd
 Compliance Promotion Officer
 Pacific & Yukon Region

cc: EC Enforcement, Pacific & Yukon Region
 BC MOE Nanaimo

This is Exhibit " A " referred to in the
 Affidavit of ROBERT BUNCE
 Sworn before me at NANAIMO
 in the Province of British Columbia this
26 day of JUNE, 2012

 A Commissioner for taking Affidavits
 within the Province of British Columbia

DENISE SEXTON
 A Commissioner for taking Affidavits
 for British Columbia
 2080-A LABIEUX ROAD
 NANAIMO, BC V9T 6J9

From: Kilback, Drew (Richmond) [Drew.Kilback@catalystpaper.com]
Sent: Thursday, May 31, 2012 3:29 PM
To: Bintner, Bernard ENV:EX
Subject: RE: Landfill Closure Plan - 1602

Hi Bernard. We do not have any plans at this time to close these permitted landfills. The leachate will continue to be treated in the mill's permitted effluent treatment system and all terms and conditions of PE 1164 and any other applicable environmental legislation will continue to be met by the discharge. The PPER status does not change this situation.

Should the status of the landfills change we would prepare closure and post closure plans as required by PR 1602. Let me know if you have any questions or comments.

Regards,
Drew

From: Bintner, Bernard ENV:EX [mailto:Bernard.Bintner@gov.bc.ca]
Sent: Thursday, May 31, 2012 11:44 AM
To: Kilback, Drew (Richmond)
Cc: patrick.fraser@ec.gc.ca
Subject: Landfill Closure Plan - 1602

Drew,

Regarding operations at Elk Falls Division involving: Permits 1602; and 1164; please see the attached letter which is being mailed to Catalyst Paper today.

If you have any questions or concerns, please give me a call.

* * * * *
Bernard Bintner, P. Eng.
Environmental Protection Division
Regional Operations Vancouver Island
phone: (250) 751 3125
fax: (250) 751 3103

This is Exhibit " B " referred to in the Affidavit of ... ROBERT BUNCE ... Sworn before me at ... NANAIMO ... in the Province of British Columbia this ... 20 day of ... JUNE ... 2012 ... A Commissioner for taking Affidavits within the Province of British Columbia



3

May 30, 2012

File: PR-01602

REGISTERED MAIL

Catalyst Paper Corporation & Catalyst Pulp Operations Limited
DBA Catalyst Paper, General Partnership
2nd Floor, 3600 Lysander Lane
Richmond BC V7B 1C3

ATTENTION: Drew Kilback, Director, Risk & Environment

Dear Mr. Kilback:

Re: Landfill Closure Plan – PR-01602

In accordance with Subsection 4.4 and 3.6 of permit PR-01602, Catalyst Paper is hereby directed to provide a Closure and Post-closure Plan for the landfill facility by July 31, 2012.

This permit requirement for a closure plan takes into account the current status letter of the Catalyst Paper Elk Falls Mill under the Pulp and Paper Effluent Regulations as confirmed by letter from Environment Canada, Environmental Stewardship Branch dated May 22, 2012.

Catalyst's environmental obligations include but are not limited to: discharge quality requirements as specified in Permit PE-01164; requirements of subsection 36(3) of the *Fisheries Act*; treatment of the landfill leachate to the satisfaction of the Director, Environmental Protection Division, Ministry of Environment to meet British Columbia Water Quality Objectives; and, other applicable requirements as specified in Landfill Criteria for Municipal Solid Waste, British Columbia, June 1993.

Yours truly,

Hubert Bunce
for Director, *Environmental Management Act*
Vancouver Island Region

cc: Manager, Public and Natural Resources Sector Section, Environment Canada
201 – 401 Burrard Street, Vancouver BC V6C 3S5

Mr. Patrick Fraser, Federal Enforcement Officer, Environmental Enforcement Division, Pacific and Yukon Region, Vancouver Island Enforcement Section, 225 – 2080 Labieux Road, Nanaimo BC V9T 6J9

Ministry of
Environment

West Coast Region
Environmental Protection Division

Mailing Address:
2080A Labieux Rd
Nanaimo BC V9T 6J9

Telephone: 250 751-3100
Facsimile: 250 751-3103
Website: www.gov.bc.ca/env

