



State of Ohio Environmental Protection Agency

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November 10, 2010

Mr. Michael Herman
Vice President and General Counsel
Rayonier, Inc.
50 North Laura Street
Jacksonville, Florida 32202

RTC of 6/2/10 NOV

**Re: SOUTHERN WOOD PIEDMONT/RAYONIER, INC.
OHD089431001
RETURN TO COMPLIANCE FOR COST ESTIMATE**

Dear Mr. Herman:

Thank you for your July 2, 2010, response to my June 2, 2010, letter regarding financial assurance for post closure care at the former Southern Wood Piedmont (SWP) facility located at 12592 State Route 220 East, Waverly, Pike County, Ohio (Facility). Rayonier provides financial assurance in the form of a corporate guarantee for post closure care of the Facility's former Aeration Pond and former Rainwater Storage Pond hazardous waste units (Units) pursuant to Ohio Administrative Code (OAC) rules 3745-66-44 and 3745-66-45.

Your response included a detailed cost estimate for post closure care totaling \$508,146.00 and abates the violation of OAC rule 3745-66-44. The detailed cost estimate appears to be adequate, with the exception that it appears to lack a cost contingency. As you know, cost contingencies are standard to engineering projects and are amounts/percentages added to the cost estimate allowing for unknown and/or unplanned events.

Please add a cost contingency to Rayonier's post closure cost estimate for the Facility in your next financial assurance submittal in early 2011. Our experience with other facilities, and related literature, is that post closure contingencies at this mature phase of the project are often quoted at ten percent. If you have any related questions or concerns please feel free to contact me at (614) 644-2955 or john.schierberl@epa.state.oh.us.

Sincerely,

John Schierberl
Compliance Assurance Section
Division of Hazardous Waste Management

ec: Vicki German, SEDO, DHWM
Cari Shiffman, US EPA, W&CED

Notice: Ohio EPA's failure to list specific deficiencies or violations in this letter does not relieve your company from having to comply with applicable regulations.

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

