

To: Senate Environmental Resources and Energy Committee  
Subject: Testimony of Nolan A. Perin, President  
Blackwood, Inc.

Honorable Senator Yaw and Committee Members,

I appreciate both the dedication of your time to these efforts and allowing my input on the matters at hand. Let me state briefly that I have been involved in the participation relative these matters since the mid-1960s, preceding all Environmental Legislation/Regulation except for the Federal Clean Streams Law of 1934. Hence my grey hair and my attitude, as there has not been a time since 1980 when I have not been awaiting one or more Environmental Permits. I spent my first lifetime in the garbage industry, thereby working on the side where the rubber meets the road. In other words, since that time, I have been begging for permission to work. I note as well that when my family operated a solid waste landfill in PA, we buried tens of thousands of tons of sewage sludge there and I can state for many reasons that landfilling is a poor alternative for handling this material.

I am the Majority Shareholder of an Entity called Blackwood, Inc. (Blackwood), headquartered in Wind Gap, PA, but with its primary physical operations in Reilly Township, Schuylkill County, PA. This Entity owns over 2,000 acres and has a DEP Surface Mining Permit on approximately 1,875 of those acres. Said Permit was in Default under the original Permit holder and Blackwood took it out of Default and had the Permit transferred to it by DEP Mining in 1999. This is an active coal mine that also hosts an Operator that converts sewage sludge to agricultural fertilizer for both on and off-site uses, including planting grass and Deep Row Hybrid Poplar (DRHP) trees. In other words, we recycle human excrement, a feat by any standard.

On this property, the first Permit for the acceptance and utilization of sewage sludge was obtained by a Major Permit Amendment of the SMP that required strong DEP review and Public Notice. The first plot of ground was approximately 100 acres and there were two expansions of approximately 100 acres each, totaling about 300 approved acres. Given that the business demands were growing, Blackwood then requested an approximate 300 acre expansion. After about 5 months in the hands of DEP, they requested Blackwood withdraw said Application as it was "too large" and also the DEP began to address an obscure, unsigned Policy, # 563-2000-602, which only addresses Active Mine Sites and not abandoned or closed ones, surely making it an Economic rather than Environmental Regulation. In fact, said Policy forbids its use as a Regulation but that is precisely what DEP did with it anyway. After much heated discussion DEP met with Blackwood's Engineers on-site and collectively they identified approximately 75 acres that were candidates. Blackwood submitted a subsequent Application and again, after months in DEP's hands, they wanted it withdrawn, as they only wanted to approve less than three acres. I am not making this up!

Blackwood refused to withdraw the second Application and ultimately forced DEP to issue a Denial, a Final Action that then allowed an Appeal before the Environmental Hearing Board

(EHB). After about 2.5 years of legal machinations, a Stipulation and Settlement Agreement was negotiated and signed and ultimately a Permit was issued to WeCare Organics LLC, Blackwood's Tenant Operator for sewage sludge, for the DRHP operation. In the interim, Blackwood went into serious Default with its Bank, and it took almost 5 years until said Default was sufficiently cured and Blackwood placed back on normal Mortgagee status. Presently, DEP has almost put Blackwood back into Default, as its revenues have been severely cut without apparent good reason.

It took me eight months and lots of heated discussions and e-mails to get DEP to issue the Denial and when I complained about the delay, the DEP Manager of the Pottsville Mining Office informed me that the Denial had to go before DEP's Major Action Advisory Committee and the first time it was sent in, they rejected it because it was not accompanied by the appropriate paperwork. When I inquired as to how said Committee approved the first 100 acres and now changed their minds, I could not get an answer. As it turns out, there is no such Committee.

There are two DRHP Permits in PA, and the first was issued to its holder by DEP Mining. Even though the Stipulation and Settlement Agreement was signed with DEP Mining, for some strange reason, they wanted Blackwood's Permit issued by DEP Water Quality; something Blackwood did not but apparently should have opposed. As it stands now, the other Permit holder was given approximately 50 acres for DRHP activities in 2014, while Blackwood was denied any acreage from September of 2013 until November of 2014, at which time it was granted 4 acres, with the proviso that WeCare, the Tenant operator, spend approximately \$200,000 to have Penn State University study Blackwood's DRHP operations, including those already completed, as an extorted condition for continued operations. Meanwhile, the other DRHP Permit holder has no such burden. How can this be?

Since then, Blackwood has had three five-acre expansions approved, but DEP is meting these out like a penny-pinching uncle. It should be noted that WeCare did commit one, but only one, Violation of said DRHP Permit, and the situation has been remediated with DEP's approval. Said Violation was committed a year and a half after DEP first began to resist approving additional acreage. It now looks like Blackwood is again going to Default on its financial obligations, as its revenues have been almost cut off and, without approximately \$5 Million of my personal money being infused through these rough times, Blackwood would be Bankrupt. I cannot afford to keep this up. No one can afford to keep this up. As it stands currently, Blackwood has been denied over \$1.5 million in Net Revenue in since September of 2013.

Given my experience in the waste industry, and having observed the advantages and detriments of the various ways in which sewage sludge is either disposed of or recycled, my position is that there is no better way to handle this material than the DRHP practice. At Blackwood, you can observe over 70 acres of successfully planted trees, with the first ones being three years old and over 25 feet tall. This is a program that should be utilized Statewide, as Pennsylvania has about 200,000 acres of old mine lands all needing reclamation. Be aware

that what has been accomplished at Blackwood has been done without Tax dollars and at a significantly-reduced tipping fee for the generating Municipalities.

Under the previous Administration, our then Lt. Governor stated, at a Political function, that they wanted DEP to sit across from an Applicant and state, "Do this, this and this, and you get your Permit". I am experiencing anything but. The delay, frustration and financial strain make me feel as though I am a criminal rather than a legitimate citizen of the Commonwealth.

I invite any or all of you to visit Blackwood, where you will experience the greenest coal mine (or other mine, for that matter) in the State and then, perhaps, one of you can tell me what exactly Blackwood and WeCare are doing wrong. I state categorically that I have documents to back up everything stated here today and that this saga is wearing me thin. I also state with conviction that over the years, many of the DEP personnel I've dealt with were competent and reasonable to work with. What Blackwood is experiencing presently is a departure from that, but certainly not unusual. Part of the issue is Government in general, where workers are seemingly made from asbestos and, ergo, are fireproof. Moreover, this hostility towards business is driving opportunity from the shores of America, into the hands of those who eagerly await the associated economic windfall. I now welcome your questions and request your immediate assistance, as being in this situation is unwarranted and as uncomfortable as can be.

Thank you.