



STATE OF WASHINGTON  
**DEPARTMENT OF ECOLOGY**

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

July 21, 2025

Richard Bassett  
Cosmo Specialty Fibers, Inc.  
PO Box 539  
Cosmopolis, WA 98537

Re: Notice of Penalty

<b>Notice of Penalty Docket #</b>	23220
<b>Site Location</b>	1701 First St, Cosmopolis WA 98537
<b>Penalty Amount</b>	\$142,602
<b>Due Date</b>	Within 30 days after receiving this Notice of Penalty

The Department of Ecology (Ecology) has issued the enclosed Notice of Penalty to you for violating provisions of:

- Air Operating Permit #0000809, Facility-Wide Condition #46
- Chapter 173-401 WAC, Operating Permit Regulation
  - WAC 173-401-620(2)(f), Permit fees
  - WAC 173-401-930, Fee payment and penalties - Ecology
- Chapter 70A.15 RCW, Washington Clean Air Act

Please read the following enclosures:

- **Notice of Penalty:** Describes the violation(s) and the options for responding to the penalty.
- **News Release:** Ecology issues news releases for all major penalties and enforcement actions, including this one. A courtesy copy of the draft news release is included. If you have a comment or question, contact Brittny Goodsell at 360-280-3704 or [Brittny.Goodsell@ecy.wa.gov](mailto:Brittny.Goodsell@ecy.wa.gov) within one business day of when you first receive the draft news release.

Richard Bassett  
Page 2

If you have questions, please contact Ha Tran at (360) 790-6276 or [ha.tran@ecy.wa.gov](mailto:ha.tran@ecy.wa.gov).

Sincerely,



Peter Lyon  
Program Manager  
Solid Waste Management Program

Enclosures: Notice of Penalty Docket No. #23220  
Draft News Release

By Certified Mail 9489 0090 0027 6381 5350 69

cc: Mark Storrie, Cosmo Specialty Fibers  
Penalty Desk – Fiscal Office, Ecology

State of Washington  
Department of Ecology

In the Matter of Penalty Assessment Against  
COSMO SPECIALTY FIBERS, INC  
Notice of Penalty Incurred and Due  
Docket # 23220

To: Richard Bassett  
Cosmo Specialty Fibers, Inc.  
PO Box 539  
Cosmopolis, WA 98537

The Department of Ecology (Ecology) has assessed a penalty against you in the amount of **\$142,602** for violating provisions of:

- Air Operating Permit #0000809, Facility-Wide Condition #46
- Chapter 173-401 WAC, Operating Permit Regulation
  - WAC 173-401-620(2)(f), Permit fees
  - WAC 173-401-930, Fee payment and penalties - Ecology
- Chapter 70A.15 RCW, Washington Clean Air Act

This Notice of Penalty is in reference to the Notice of Violation, Docket #22909 issued on July 3, 2024. Ecology has authority to issue this penalty under RCW 70A.15.3160.

## 1. Findings of Fact

Cosmo Specialty Fibers, Inc. (Cosmo) owns a pulp mill in Cosmopolis, Washington. The facility operates under Air Operating Permit (AOP) 0000809. In December 2022, the mill went into curtailment, which included the temporary shutdown of production and all air emission units. The AOP remains in effect during the curtailment period.

The Washington Clean Air Act and the Washington Administrative Code (WAC) require all major sources of air pollution to obtain an AOP and pay annual fees to cover Ecology's direct and indirect costs of implementing the AOP Program. Ecology assesses source specific AOP fees on an annual basis in accordance with Chapter 173-401 WAC.

Cosmo is required to pay annual operating fees pursuant to RCW 70A.15.2270(1), WAC 173-401-620(2)(f), WAC 173-401-930(1), and AOP 0000809, Facility-Wide Condition #46. For the last three fiscal years, Cosmo has not paid their invoiced permit fees (fiscal years 2023, 2024, and 2025). Ecology has notified Cosmo of the failure to pay their AOP Program Fees on multiple occasions.

**Fiscal Year 2023**

Ecology sent Cosmo the standard billing invoice for AOP Program Fees for Fiscal Year 2023 on January 25, 2023. Payment for this invoice, in the amount of \$146,235, was due on February 28, 2023. Late notices were sent electronically at 30-day intervals, and Ecology did not receive a response to any of the late notices. Ecology also electronically sent Cosmo a warning letter on March 23, 2023. The warning letter also established two payment plan options. Ecology followed-up with Cosmo’s Technical Director Paula Stoppler via phone on April 24, 2023 and via e-mail on June 9, 2023. Cosmo did not follow either payment plan. These unpaid AOP Program Fees were turned over to collections after 90 days and multiple documented attempts at billing and correspondence. As of June 30, 2025, the collection attempts have been unsuccessful.

**Fiscal Year 2024**

Ecology sent Cosmo the standard billing invoice for AOP Program Fees for Fiscal Year 2024 on January 15, 2024. Payment for this invoice, in the amount of \$142,602, was due February 28, 2024. Late notices were sent electronically at 30-day intervals (3/25/24, 4/30/24 & 5/16/24), and Ecology did not receive a response to any of the late notices. Cosmo is again delinquent in paying the AOP Program Fees.

On July 3, 2024, Ecology issued NOV #22909. Cosmo did not request a formal meeting as offered in the NOV and did not pay the fees following the receipt of the NOV. However, Arne Peterson, Cosmo’s Environmental Engineer, reached out to Ecology by phone and email, and we had a discussion about how the fees were calculated. Ecology confirmed that the fact that the facility was curtailed had been taken into account.

**Fiscal Year 2025**

Ecology sent Cosmo the standard billing invoice for Air Operating Permit Fees for Fiscal Year 2025 on January 15, 2025. Payment for this invoice, in the amount of \$38,171, was due February 28, 2025. Late notices were sent electronically at 30-day intervals, and Ecology did not receive a response to any of the late notices.

**Penalty**

Cosmo currently owes a total of \$327,008 in unpaid AOP fees for Fiscal Years 2023, 2024, and 2025. However, this Notice of Penalty only addresses the unpaid fees for Fiscal Year 2024, as detailed in the following table.

<b>Fee period</b>	<b>Fee invoice date</b>	<b>Fee due date</b>	<b>Delinquency Date</b>	<b>Fee amount</b>	<b>Payment Status and Follow-ups</b>
Fiscal year 2024 (July 1,	January 15, 2024	February 28, 2024	May 31, 2024	\$ 142,602	Unpaid as of June 30, 2025.

Fee period	Fee invoice date	Fee due date	Delinquency Date	Fee amount	Payment Status and Follow-ups
2023 to June 30, 2024)					<p>Late Notice correspondence: 3/25/24, 4/30/24, &amp; 5/16/24.</p> <p>Referred to Collections: 7/3/24.</p> <p>Unpaid in Collections.</p> <p>NOV issued July 3, 2024.</p>

## 2. Determination of Violations

Ecology is basing this notice on the violations listed below:

### Violation 1

**Date(s) of violation:** February 29, 2024 – present

**Description:** Failure to pay invoiced air operating permit fee for fiscal year 2024 by the due date of February 28, 2024.

**Permit condition:** Facility-wide condition #46: “The Permittee shall pay fees as a condition of this permit in accordance with Ecology’s fee schedule.”

### Rule citations:

- WAC 173-401-620(2)(f) states:

Permit fees. The permittee shall pay fees as a condition of this permit in accordance with the permitting authority’s fee schedule. Failure to pay fees in a timely fashion shall subject the permittee to civil and criminal penalties as prescribe in chapter 70A.15 RCW.

- WAC 173-401-930 states in relevant part: –

(1) Fee payment. Each permit program source under ecology’s jurisdiction shall pay a fee in the amount reflected in the fee schedule or invoice issued under WAC 173-401-925(3).

- (2) Failure to pay fees. Ecology shall charge a penalty to a permit program source under its jurisdiction for failure to pay all or part of its operating permit fee after ninety days past the due date for fee payment. Ecology may charge such penalty in an amount up to three times the source's total original assessed fee.

**Law citation:** RCW 70A.15.2270 states in relevant part:

- (1) The department and delegated local air authorities are authorized to determine, assess, and collect, and each permit program source shall pay, annual fees sufficient to cover the direct and indirect costs of implementing a state operating permit program approved by the United States environmental protection agency under the federal clean air act.

Please note, this penalty is assessed in addition to the air operating permit fees that remain unpaid by Cosmo and does not relieve Cosmo from the underlying legal obligation to pay the fees.

### **3. Eligibility for Paperwork Violation Waiver and Opportunity to Correct**

Under RCW 34.05.110, small businesses are eligible for a waiver of a first-time paperwork violation and an opportunity to correct other violations.

Ecology has determined that you are not eligible for an opportunity to correct under RCW 34.05.110 because you were provided the opportunity to correct the violation and did not do so by the reasonable period of time, the requirements of RCW 34.05.110 are in conflict with program requirements, and you previously violated a substantially similar requirement (the unpaid permit fees for fiscal year 2023).

### **4. Options for Responding to a Notice of Penalty**

#### **Option 1: Pay the penalty within 30 days after receiving the Notice of Penalty.**

Make your payment payable to the Department of Ecology. Please include the penalty docket number on your payment.

**Mail payment to:**

Department of Ecology  
Cashiering Unit  
PO Box 47611  
Olympia, WA 98504-7611

Note: Ecology may take legal action to collect the penalty if you have not paid 30 days after receiving the Notice of Penalty and have not appealed.

**Option 2: Appeal to the PCHB and serve Ecology within 30 days after the date of receipt of the Notice of Penalty.**

You have a right to appeal this Notice of Penalty to the Pollution Control Hearings Board (PCHB) within 30 days of the date of receipt. The appeal process is governed by RCW 43.21B and WAC 371-08. "Date of receipt" is defined in RCW 43.21B.001(2).

To appeal, you must do all of the following within 30 days of the date of receipt of this Notice of Penalty:

- File your notice of appeal and a copy of this Notice of Penalty with the PCHB (see filing information below). "Filing" means actual receipt by the PCHB during regular business hours as defined in WAC 371-08-305 and -335. "Notice of appeal" is defined in WAC 371-08-340.
- Serve a copy of your notice of appeal and this Notice of Penalty on the Department of Ecology mail, in person, or by email (see addresses below).

You must also comply with other applicable requirements in RCW 43.21B and WAC 371-08.

## **5. Address and Location Information**

### **Filing with the PCHB**

For the most current information regarding filing with the PCHB, visit: <https://eluhho.wa.gov/> or call: 360-664-9160.

### **Service on Ecology**

**Street Addresses:**

Department of Ecology  
Attn: Appeals Processing Desk  
300 Desmond Drive SE  
Lacey, WA 98503

**Mailing Addresses:**

Department of Ecology  
Attn: Appeals Processing Desk  
PO Box 47608  
Olympia, WA 98504-7608

**E-Mail Address:**

ecologyappeals@ecy.wa.gov

## 6. Contact Information

Please direct all questions about this Notice of Penalty to:

Ha Tran  
Department of Ecology  
Industrial Section, Solid Waste Management Program  
PO Box 47600  
Olympia, WA 98504-7600

Phone: (360) 790-6276

Email: [ha.tran@ecy.wa.gov](mailto:ha.tran@ecy.wa.gov)

## 7. Americans with Disabilities Act Information

### Accommodation Requests

To request ADA accommodation including materials in a format for the visually impaired, call Ecology at 360-407-7668 or visit <https://ecology.wa.gov/accessibility>. People with impaired hearing may call Washington Relay Service at 711. People with speech disability may call TTY at 877-833-6341.

## 8. More Information

- **Pollution Control Hearings Board**  
<https://www.eluho.wa.gov>
- **Chapter 43.21B RCW, Environmental and Land Use Hearings Office – Pollution Control Hearings Board**  
<https://app.leg.wa.gov/RCW/default.aspx?cite=43.21B>
- **Chapter 371-08 WAC – Practice and Procedure**  
<https://app.leg.wa.gov/WAC/default.aspx?cite=371-08>
- **Chapter 34.05 RCW – Administrative Procedure Act**  
<https://app.leg.wa.gov/RCW/default.aspx?cite=34.05>
- **Chapter 70A.15 RCW, Washington Clean Air Act**  
<https://app.leg.wa.gov/RCW/default.aspx?cite=70A.15>

**9. Signature**

A handwritten signature in blue ink that reads "Peter Lyon".

July 21, 2025

---

Peter Lyon  
Program Manager  
Solid Waste Management Program  
Washington State Department of Ecology

---

Date