

## FAX COVER SHEET



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FROM : Willie FitzGerald

DATE : 21.02.06 NO. OF PAGES (INCL. COVER) : 2.

SUBJECT : Finsa Forest Products Ltd.

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Environmental Protection Agency,  
P.O. Box 3000,  
Johnstown Castle Estate,  
Co. Wexford.

21<sup>st</sup> February, 2006.

**Re: Finsa Forest Products Ltd.  
Reference No. IPPC Licence No. 672**

Dear Sirs

Finsa Products Products was established in 1984 following the purchase of the chipboard plant in Scariff, Co. Clare by the Finsa Group of Spain. The purchase was supported by IDA as the sawmilling sector was increasing output dramatically and there was an ongoing need for major sawmills residues users in Ireland. It should be noted that sawmills generate c.50% residues in the processing of logs and if outlets cannot be secured for these residues sawmills would close within 2 weeks due to storage constraints. In the late eighties and the early nineties Finsa played a leading role in the development of the Forest Products Industry in Ireland and between Weyerhaeuser and Finsa the bulk of sawmill residues were utilised and processed into MDF and Chipboard. The establishment of both Smartply in Waterford and Masonite in Leitrim in the mid nineties allowed the continued growth of the sawmilling sector but Finsa has continued to play a leading role as it is the only large user of lower grade residues i.e. sawdust and second grade chips.

Demand for these lower grade residues has increased in the South West with the establishment of a combined heat and power plant in Graingers sawmill in Cork and Enterprise Ireland believe that more mills will invest in such plants limiting supply to Finsa. Finsa recognised this trend and over the past 5 years has made considerable progress in replacing lower grade sawmill residues with recycled timber. We believe that significant supplies of waste pallet wood are currently being land filled and should be recycled to meet Finsa's current requirements. Enterprise Ireland is actively working with current and future suppliers to meet Finsa's needs. In the meantime we believe that Finsa's proposal in relation to C&D material is practical and will continue to allow the company compete on a level playing pitch with its UK competitors in both the Irish and UK markets. If this restriction is imposed over the next few months it will impact negatively on the company's competitiveness and threaten 140 jobs in Scariff.

Enterprise Ireland is committed to continue to work closely with the recycling sector and Finsa to maximise the supply of recycled timber and, if possible, eliminate the need to utilise C&D material. We would like to meet the EPA in the near future for advice in this matter.

The relevant fee of €126.00 has been forwarded to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'W FitzGerald'.

William FitzGerald,  
Senior Development Adviser,  
Construction & Timber Markets