



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

SEP 25 2007

REPLY TO THE ATTENTION OF:

SC-6J

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Tom Porritt  
Environmental Manager  
S.D. Warren Co.  
2400 Lakeshore Drive  
Muskegon, MI 49441

RE: Complaint and Expedited Settlement Agreement  
ESA Docket No: RMP-07-ESA-004  
Docket No. **CAA-05-2007-0031**

BA# 2150703A033

Dear Mr. Porritt:

Enclosed please find a copy of the fully executed Expedited RMP Settlement Agreement (ESA). The ESA is binding on U.S. EPA and Respondent. U.S. EPA will take no further action against Respondent for the violations cited in the ESA. The ESA requires no further action on your part.

Please feel free to contact Monika Chrzaszcz at (312) 886-0181 if you have any questions regarding the enclosed document or if you have any other question about the program. Thank you for your assistance in resolving this matter.

Sincerely yours,

Mark J. Horwitz, Chief  
Chemical Emergency  
Preparedness & Prevention Section

Enclosure(s)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

**EXPEDITED SETTLEMENT  
AGREEMENT (ESA)**

**DOCKET NO:** RMP-07-ESA-004

**This ESA is issued to:** S. D. Warren Co.

**At:** 2400 Lakeshore Drive, Muskegon, Michigan 49443-0119  
**for violating Section 112(r)(7) of the Clean Air Act.**

**CAA-05-2007-0031**

**BD# 2750703A033**

This Expedited Settlement Agreement (ESA) is being entered into by the United States Environmental Protection Agency (EPA), Region 5, by its duly delegated official, the Director, Division, and by Respondent pursuant to Section 113(a)(3) and (d) of the Clean Air Act, 42 U.S.C. § 7413(a)(3) and (d), and by 40 C.F.R. § 22.13(b). On November 30, 2006, EPA obtained the concurrence of the U.S. Department of Justice, pursuant to Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), to pursue this administrative enforcement action.

**ALLEGED VIOLATIONS**

On August 10, 2006 an authorized representative of the EPA conducted a compliance inspection of the subject facility (Respondent) to determine compliance with the Risk Management Plan (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the Act. EPA found that the Respondent had violated regulations implementing Section 112(r) of the Act by failing to comply with the regulations as noted on the attached RISK MANAGEMENT PLAN INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET (FORM), which is hereby incorporated by reference.

**SETTLEMENT**

In consideration of Respondent's size of business, its full compliance history, its good faith effort to comply, and other factors as justice may require, and upon consideration of the entire record the parties enter into the ESA in order to settle the violations, described in the attached FORM for the total penalty amount of **\$3,850.00**

This settlement is subject to the following terms and conditions:

The Respondent by signing below waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained in herein and in the FORM, and consents to the assessment of the penalty as stated above. Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the Act, 42 U.S.C §7413(d)(2)(A), and to appeal this ESA. Each party to this action shall bear its own costs and fees, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the violations listed in the attached FORM and has sent a cashier's check or certified check (payable to the "Treasurer, United States of America") in the amount of **\$3,850.00** in payment of the full penalty amount to the following address:

U.S. EPA Region 5  
P.O. Box 371531  
Pittsburg, PA 15251-7531

The DOCKET NUMBER OF THIS ESA **must be included on the check.** (The DOCKET NUMBER is located at the top left corner of this ESA.)

This original ESA and a copy of the check must be sent by certified mail to:

Monika Chrzaszcz  
Chemical Emergency  
Preparedness and Prevention Section (SC-6J)  
U.S. Environmental Protection Agency  
77 West Jackson Boulevard  
Chicago, Illinois 60604-3590

Upon Respondent's submission of the signed original ESA, EPA will take no further civil action against Respondent for the alleged violations of the Act referenced in the FORM. EPA does not waive any other enforcement action for any other violations of the Clean Air Act or any other statute.

If the signed original ESA **with an attached copy of the check** is not returned to the **EPA Region 5 office** at the above address in correct form by the Respondent within 45 days of the date of Respondent's receipt of it (90 days if an extension is granted), the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein and in the FORM.

This ESA is binding on the parties signing below.

This ESA is effective upon filing with the Regional Hearing Clerk.

FOR RESPONDENT:

Signature: [Signature] Date: 9-6-07

Name (print): FREDERICK A. HAMILTON

Title (print): INTERIM MANAGING DIRECTOR

**S. D. Warren Co.**

FOR COMPLAINANT:

[Signature]  
Richard C. Karl, Director  
Superfund Division

Date: 9/20/07

I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.

[Signature]  
Mary A. Gade,  
Regional Administrator

Date: 9/20/07

RECEIVED  
REGIONAL HEARING CLERK  
US EPA REGION 5  
2007 SEP 25 AM 10:10



## U.S. ENVIRONMENTAL PROTECTION AGENCY

### RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SUMMARY

**REASON FOR INSPECTION:** This inspection is for the purpose of determining compliance with the accidental release prevention requirements of Section 112(r)(7) of the Clean Air Act (Act), 42 U.S.C. § 7412(r)(7), and the regulations set forth at 40 C.F.R. Part 68. The scope of this inspection may include, but is not limited to: reviewing and obtaining copies of documents and records; interviews and taking of statements; reviewing chemical storage, handling, processing, and use; taking samples and photographs; and any other inspection activities necessary to determine compliance with the Act.

FACILITY NAME S.D. Warren Co.	<input checked="" type="checkbox"/> PRIVATE 258 EMPLOYEES <input type="checkbox"/> GOVERNMENTAL/MUNICIPAL POPULATION SERVED
FACILITY ADDRESS 2400 Lakeshore Drive PO Box 0119 Muskegon, MI 49443-0119	INSPECTION START DATE AND TIME: 08/10/2006, 9:00am  INSPECTION END DATE AND TIME: 06/10/2006, 3:00pm
RESPONSIBLE OFFICIAL, TITLE, PHONE NUMBER Monika Chrzaszcz, Environmental Engineer, (312) 886-0181	EPA FACILITY ID# 100000134213
FACILITY REPRESENTATIVE(S), TITLE(S), PHONE NUMBER(S) Tom Porritt, Environmental Engineer, (617) 423-7300 Mike Wolfis, Safety Manager, (617) 423-7300 Mike Theiler, Mill Manager, (617) 423-7300	INSPECTOR NAME(S), TITLE(S), PHONE NUMBER(S) Monika Chrzaszcz, Environmental Engineer, (312) 886-0181
FACILITY REPRESENTATIVE, SIGNATURE _____ DATE _____	INSPECTOR SIGNATURE <i>Monika Chrzaszcz</i> _____ DATE _____

#### INSPECTION FINDINGS

IS FACILITY SUBJECT TO RMP REGULATION (40 CFR 68)?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
DID FACILITY SUBMIT AN RMP AS PROVIDED IN 68.150 TO 68.185?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
DATE RMP FILED WITH EPA: 6/18/1999	DATE OF LATEST RMP UPDATE: 9/27/2001
1) PROCESS/NAICS CODE: 22131 Water Supply and Irrigation Systems REGULATED SUBSTANCE: Chlorine	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> MAX. QUANTITY IN PROCESS: 20,000 (lbs.)
2) PROCESS/NAICS CODE: 322121 Paper (except Newsprint) Mills REGULATED SUBSTANCE: Chlorine dioxide	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> MAX. QUANTITY IN PROCESS: 13,255 (lbs.) * Reported but no longer a process covered under RMP
3) PROCESS/NAICS CODE: _____ REGULATED SUBSTANCE: _____	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> MAX. QUANTITY IN PROCESS: _____ (lbs)
4) PROCESS/NAICS CODE: _____ REGULATED SUBSTANCE: _____	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> MAX. QUANTITY IN PROCESS: _____ (lbs)
5) PROCESS/NAICS CODE: _____ REGULATED SUBSTANCE: _____	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> MAX. QUANTITY IN PROCESS: _____ (lbs)
DID FACILITY CORRECTLY ASSIGN PROGRAM LEVELS TO PROCESSES?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

**ATTACHED CHECKLIST(S):**

PROGRAM LEVEL 1 PROCESS CHECKLIST   
  PROGRAM LEVEL 2 PROCESS CHECKLIST   
  PROGRAM LEVEL 3 PROCESS CHECKLIST

**OTHER ATTACHMENTS:**

- 1) Risk Management Program Inspection Findings, Alleged Violations and proposed penalty sheet, Program Level 3 Process Checklist
- 2) Inspection Report
- 3) Picture Attachment 1

INSPECTION SYMBOL KEY: Y - YES, N - NO, N/A - NOT APPLICABLE, S - SATISFACTORY, M - MARGINAL, U - UNSATISFACTORY

**RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET**

**Program Level 3 Process Checklist**

Facility Name: S. D. Warren Co. (SAPPI Ltd.) 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, Mi 49443

Date RMP submitted: <u>Initial: 06/18/1999, Update 03/01, 09/01, 12/01</u>		Date process(es) came online:
<b><i>All comments and suggestions are in bold and italicized.</i></b>		
<b>Section A-Management [68.15]</b>		
Management system developed and implemented as provided in 40 CFR 68.15? Comments:		<input checked="" type="checkbox"/> S <input type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A
Has the owner or operator:		
1. Developed a management system to oversee the implementation of the risk management program elements? [68.15(a)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Assigned a qualified person or position that has the overall responsibility for the development, implementation, and integration of the risk management program elements? [68.15(b)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Documented other persons responsible for implementing individual requirements of the risk management program and defined the lines of authority through an organization chart or similar document? [68.15(c)] <b><i>At the time of the inspection an organization chart was available. The owner or operator should make sure that the organizational chart is updated accordingly to reflect employees currently responsible at the company.</i></b>		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Section B: Hazard Assessment [68.20-68.42]</b>		
Hazard assessment conducted and documented as provided in 40 CFR 68.20-68.42? Comments:		<input checked="" type="checkbox"/> S <input type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A
<b>Hazard Assessment: Offsite consequence analysis parameters [68.22]</b>		
1. Used the following endpoints for offsite consequence analysis for a worst-case scenario: [68.22(a)] <input checked="" type="checkbox"/> a. For toxics: the endpoints provided in Appendix A of 40 CFR Part 68? [68.22(a)(1)] <input type="checkbox"/> b. For flammables: an explosion resulting in an overpressure of 1 psi? [68.22(a)(2)(i)] or <input type="checkbox"/> c. For flammables: a fire resulting in a radiant heat/exposure of 5 kw/m <sup>2</sup> for 40 seconds? [68.22(a)(2)(ii)] or <input type="checkbox"/> d. For flammables: a concentration resulting in a lower flammability limit, as provided in NFPA documents or other generally recognized sources? [68.22(a)(2)(iii)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Used the following endpoints for offsite consequence analysis for an alternative release scenario: [68.22(a)] <input checked="" type="checkbox"/> a. For toxics: the endpoints provided in Appendix A of 40 CFR Part 68? [68.22(a)(1)] <input type="checkbox"/> b. For flammables: an explosion resulting in an overpressure of 1 psi? [68.22(a)(2)(i)] <input type="checkbox"/> c. For flammables: a fire resulting in a radiant heat/exposure of 5 kw/m <sup>2</sup> for 40 seconds? [68.22(a)(2)(ii)] <input type="checkbox"/> d. For flammables: a concentration resulting in a lower flammability limit, as provided in NFPA documents or other generally recognized sources? [68.22(a)(2)(iii)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Used appropriate wind speeds and stability classes for the release analysis? [68.22(b)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
4. Used appropriate ambient temperature and humidity values for the release analysis? [68.22(c)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
5. Used appropriate values for the height of the release for the release analysis? [68.22(d)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
6. Used appropriate surface roughness values for the release analysis? [68.22(e)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
7. Do tables and models, used for dispersion analysis of toxic substances, appropriately account for dense or neutrally buoyant gases? [68.22(f)]		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

**RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET**

**Program Level 3 Process Checklist**

Facility Name: S. D. Warren Co. (SAPPI Ltd.) 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, Mi 49443

8. Were liquids, other than gases liquefied by refrigeration only, considered to be released at the highest daily maximum temperature, based on data for the previous three years appropriate for a stationary source, or at process temperature, whichever is higher? [68.22(g)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
<b>Hazard Assessment: Worst-case release scenario analysis [68.25]</b>	
9. Analyzed and reported in the RMP one worst-case release scenario estimated to create the greatest distance to an endpoint resulting from an accidental release of a regulated toxic substance from covered processes under worst-case conditions? [68.25(a)(2)(i)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
10. Analyzed and reported in the RMP one worst-case release scenario estimated to create the greatest distance to an endpoint resulting from an accidental release of a regulated flammable substance from covered processes under worst-case conditions? [68.25(a)(2)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
11. Analyzed and reported in the RMP additional worst-case release scenarios for a hazard class if the a worst-case release from another covered process at the stationary source potentially affects public receptors different from those potentially affected by the worst-case release scenario developed under 68.25(a)(2)(i) or 68.25(a)(2)(ii)? [68.25(a)(2)(iii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
<p>12. Has the owner or operator determined the worst-case release quantity to be the greater of the following: [68.25(b)]</p> <p><input checked="" type="checkbox"/> a. If released from a vessel, the greatest amount held in a single vessel, taking into account administrative controls that limit the maximum quantity? [68.25(b)(1)]</p> <p><b><i>The worst case release scenario analyzed the release of 6,025 lbs of chlorine dioxide over 60 minutes, within a diked area of 2,741 squared meters. This was a release from the 60,194 gal storage tank. As of August 18<sup>th</sup>, 2005, the facility no longer has chlorine dioxide on site, so the worst case release should reflect the largest vessel of chlorine, the only other process chemical on site that is above threshold. This vessel would be the 2,000 lb vessel that chlorine is stored in. On September 5, 2006, US EPA received a letter that reflected information on the 2,000 lbs consequence analysis.</i></b></p> <p><input type="checkbox"/> b. If released from a pipe, the greatest amount held in the pipe, taking into account administrative controls that limit the maximum quantity? [68.25(b)(2)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13a. Has the owner or operator for <u>toxic substances</u> that are <u>normally gases</u> at <u>ambient temperature and handled as a gas or liquid under pressure</u> :	
13.a.(1) Assumed the whole quantity in the vessel or pipe would be released as a gas over 10 minutes? [68.25(c)(1)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.a.(2) Assumed the release rate to be the total quantity divided by 10, if there are no passive mitigation systems in place? [68.25(c)(1)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.b. Has the owner or operator for <u>toxic gases</u> handled as <u>refrigerated liquids at ambient pressure</u> :	
13.b.(1) Assumed the substance would be released as a gas in 10 minutes, if not contained by passive mitigation systems or if the contained pool would have a depth of 1 cm or less? [68.25(c)(2)(i)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.b.(2) [ Optional for owner / operator ] Assumed the quantity in the vessel or pipe would be spilled instantaneously to form a liquid pool, if the released substance would be contained by passive mitigation systems in a pool with a depth greater than 1 cm? [68.25(c)(2)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.b.(3) Calculated the volatilization rate at the boiling point of the substance and at the conditions specified in 68.25(d)? [68.25(c)(2)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.c. Has the owner or operator for <u>toxic substances</u> that are <u>normally liquids at ambient temperature</u> :	
13.c.(1) Assumed the quantity in the vessel or pipe would be spilled instantaneously to form a liquid	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

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pool? [68.25(d)(1)]	
13.c.(2) Determined the surface area of the pool by assuming that the liquid spreads to 1 cm deep, if there is no passive mitigation system in place that would serve to contain the spill and limit the surface area, or if passive mitigation is in place, the surface area of the contained liquid shall be used to calculate the volatilization rate? [68.25(d)(1)(i)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13.c.(3) Taken into account the actual surface characteristics, if the release would occur onto a surface that is not paved or smooth? [68.25(d)(1)(ii)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13.c.(4) Determined the volatilization rate by accounting for the highest daily maximum temperature in the past three years, the temperature of the substance in the vessel, and the concentration of the substance if the liquid spilled is a mixture or solution? [68.25(d)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13.c.(5) Determined the rate of release to air from the volatilization rate of the liquid pool? [68.25(d)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13.c.(6) Determined the rate of release to air by using the methodology in the RMP Offsite Consequence Analysis Guidance, any other publicly available techniques that account for the modeling conditions and are recognized by industry as applicable as part of current practices, or proprietary models that account for the modeling conditions may be used provided the owner or operator allows the implementing agency access to the model and describes model features and differences from publicly available models to local emergency planners upon request? [68.25(d)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13.d. Has the owner or operator for <u>flammables</u> :	
13.d.(1) Assumed the quantity in a vessel(s) of flammable gas held as a gas or liquid under pressure or refrigerated gas released to an undiked area vaporizes resulting in a vapor cloud explosion? [68.25(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.d.(2) For refrigerated gas released to a contained area or liquids released below their atmospheric boiling point, assumed the quantity volatilized in 10 minutes results in a vapor cloud? [68.25(f)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.d.(3) Assumed a yield factor of 10% of the available energy is released in the explosion for determining the distance to the explosion endpoint, if the model used is based on TNT-equivalent methods? [68.25(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
14. Used the parameters defined in 68.22 to determine distance to the endpoints? [68.25(g)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
15. Determined the rate of release to air by using the methodology in the RMP Offsite Consequence Analysis Guidance, any other publicly available techniques that account for the modeling conditions and are recognized by industry as applicable as part of current practices, or proprietary models that account for the modeling conditions may be used provided the owner or operator allows the implementing agency access to the model and describes model features and differences from publicly available models to local emergency planners upon request? [68.25(g)] a. What modeling technique did the owner or operator use? [68.25(g)] <b>SLAB &amp; INPUFF Models were used. Also used EPA Guidance for WWTP.</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
16. Ensured that the passive mitigation system, if considered, is capable of withstanding the release event triggering the scenario and will still function as intended? [68.25(h)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
17. Considered also the following factors in selecting the worst-case release scenarios: [68.25(i)] <input type="checkbox"/> a. Smaller quantities handled at higher process temperature or pressure? [68.25(i)(1)] <input type="checkbox"/> b. Proximity to the boundary of the stationary source? [68.25(i)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
<b>Hazard Assessment: Alternative release scenario analysis [68.28]</b>	

**RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET**

**Program Level 3 Process Checklist**

Facility Name: S. D. Warren Co. (SAPPI Ltd.) 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, Mi 49443

18. Identified and analyzed at least one alternative release scenario for each regulated toxic substance held in a covered process(es) and at least one alternative release scenario to represent all flammable substances held in covered processes? [68.28(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
19. Selected a scenario: [68.28(b)] <input checked="" type="checkbox"/> a. That is more likely to occur than the worst-case release scenario under 68.25? [68.28(b)(1)(i)] <input type="checkbox"/> b. That will reach an endpoint off-site, unless no such scenario exists? [68.28(b)(1)(ii)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
20. Considered release scenarios which included, but are not limited to, the following: [68.28(b)(2)] <input type="checkbox"/> a. Transfer hose releases due to splits or sudden hose uncoupling? [68.28(b)(2)(i)] <input checked="" type="checkbox"/> b. Process piping releases from failures at flanges, joints, welds, valves and valve seals, and drains or bleeds? [68.28(b)(2)(ii)] <b>One alternative release scenario identified, analyzed the release of 373 lbs of chlorine dioxide over 15 minutes, resulting in a release rate of 25 lbs.min.</b> <input checked="" type="checkbox"/> c. Process vessel or pump releases due to cracks, seal failure, or drain, bleed, or plug failure? [68.28(b)(2)(iii)] <b>A Second alternative release scenario identified, analyzed the release of 400 lbs of chlorine over 20 minutes, resulting in a release rate of 20 lbs/min.</b> <input type="checkbox"/> d. Vessel overfilling and spill, or overpressurization and venting through relief valves or rupture disks? [68.28(b)(2)(iv)] <input type="checkbox"/> e. Shipping container mishandling and breakage or puncturing leading to a spill? [68.28(b)(2)(v)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
21. Used the parameters defined in 68.22 to determine distance to the endpoints? [68.28(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
22. Determined the rate of release to air by using the methodology in the RMP Offsite Consequence Analysis Guidance, any other publicly available techniques that account for the modeling conditions and are recognized by industry as applicable as part of current practices, or proprietary models that account for the modeling conditions may be used provided the owner or operator allows the implementing agency access to the model and describes model features and differences from publicly available models to local emergency planners upon request? [68.28(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
23. Ensured that the passive and active mitigation systems, if considered, are capable of withstanding the release event triggering the scenario and will be functional? [68.28(d)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
24. Considered the following factors in selecting the alternative release scenarios: [68.28(e)] <input type="checkbox"/> a. The five-year accident history provided in 68.42? [68.28(e)(1)] <input type="checkbox"/> b. Failure scenarios identified under 68.67? [68.28(e)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
<b>Hazard Assessment: Defining off-site impacts–Population [68.30]</b>	
25. Estimated population that would be included in the distance to the endpoint in the RMP based on a circle with the point of release at the center? [68.30(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
26. Identified the presence of institutions, parks and recreational areas, major commercial, office, and industrial buildings in the RMP? [68.30(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
27. Used most recent Census data, or other updated information to estimate the population? [68.30(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
28. Estimated the population to two significant digits? [68.30(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Hazard Assessment: Defining off-site impacts–Environment [68.33]</b>	
29. Identified environmental receptors that would be included in the distance to the endpoint based on a circle with the point of release at the center? [68.33(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
30. Relied on information provided on local U.S.G.S. maps, or on any data source containing U.S.G.S. data to identify environmental receptors? [ Source may have used LandView to obtain information ]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A



**RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET**

**Program Level 3 Process Checklist**

Facility Name: S. D. Warren Co. (SAPPI Ltd.) 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, Mi 49443

[68.33(b)]	
<b>Hazard Assessment: Review and update [68.36]</b>	
31. Reviewed and updated the off-site consequence analyses at least once every five years? [68.36(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
32. Completed a revised analysis and submit a revised RMP within six months of a change in processes, quantities stored or handled, or any other aspect that might reasonably be expected on increase or decrease the distance to the endpoint by a factor of two or more? [68.36(b)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
<b>Hazard Assessment: Documentation [68.39]</b> Has the owner/operator maintained the following records:	
33. For worst-case scenarios: a description of the vessel or pipeline and substance selected, assumptions and parameters used, the rationale for selection, and anticipated effect of the administrative controls and passive mitigation on the release quantity and rate? [68.39(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
34. For alternative release scenarios: a description of the scenarios identified, assumptions and parameters used, the rationale for the selection of specific scenarios, and anticipated effect of the administrative controls and mitigation on the release quantity and rate? [68.39(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
35. Documentation of estimated quantity released, release rate, and duration of release? [68.39(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
36. Methodology used to determine distance to endpoints? [68.39(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
37. Data used to estimate population and environmental receptors potentially affected? [68.39(e)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Hazard Assessment: Five-year accident history [68.42]</b>	
38. Has the owner or operator included all accidental releases from covered processes that resulted in deaths, injuries, or significant property damage on site, or known offsite deaths, injuries, evacuations, sheltering in place, property damage, or environmental damage? [68.42(a)] <b>According to the owner or operator, there have been no accidents at the facility in the past 5 years.</b>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
39. Has the owner or operator reported the following information for each accidental release: [68.42(b)] <input type="checkbox"/> a. Date, time, and approximate duration of the release? [68.42(b)(1)] <input type="checkbox"/> b. Chemical(s) released? [68.42(b)(2)] <input checked="" type="checkbox"/> c. Estimated quantity released in pounds and percentage weight in a mixture (toxics)? [68.42(b)(3)] <input type="checkbox"/> d. NAICS code for the process? [68.42(b)(4)] <input type="checkbox"/> e. The type of release event and its source? [68.42(b)(5)] <input type="checkbox"/> f. Weather conditions (if known)? [68.42(b)(6)] <input type="checkbox"/> g. On-site impacts? [68.42(b)(7)] <input type="checkbox"/> h.. Known offsite impacts? [68.42(b)(8)] <input type="checkbox"/> i. Initiating event and contributing factors (if known)? [68.42(b)(9)] <input type="checkbox"/> j. Whether offsite responders were notified (if known)? [68.42(b)(10)] <input type="checkbox"/> k. Operational or process changes that resulted from investigation of the release? [68.42(b)(11)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
<b>Section C: Prevention Program</b>	
Implemented the Program 3 prevention requirements as provided in 40 CFR 68.65 - 68.87? Comments:	<input type="checkbox"/> S <input checked="" type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A
<b>Prevention Program- Process Safety information [68.65]</b>	
1. Has the owner or operator compiled written process safety information, which includes information pertaining to the hazards of the regulated substances used or produced by the process, information	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

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<p>pertaining to the technology of the process, and information pertaining to the equipment in the process, before conducting any process hazard analysis required by the rule? [68.65(a)]  <b>At the time of the inspection, the facility had on site and MSDS from PCI Chemicals, Inc. dated 05/22/1997.</b>                  Does the process safety information contain the following for hazards of the substances: [68.65(b)]</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> a. Toxicity information? [68.65(b)(1)]</li> <li><input checked="" type="checkbox"/> b. Permissible exposure limits? [68.65(b)(2)]</li> <li><input checked="" type="checkbox"/> c. Physical data? [68.65(b)(3)]</li> <li><input checked="" type="checkbox"/> d. Reactivity data? [68.65(b)(4)]</li> <li><input checked="" type="checkbox"/> e. Corrosivity data? [68.65(b)(5)]</li> <li><input checked="" type="checkbox"/> f. Thermal and chemical stability data? [68.65(b)(6)]</li> <li><input checked="" type="checkbox"/> g. Hazardous effects of inadvertent mixing of materials that could foreseeably occur? [68.65(b)(7)]</li> </ul>	
<p>2. Has the owner documented information pertaining to technology of the process?  <input checked="" type="checkbox"/> A block flow diagram or simplified process flow diagram? [68.65(c)(1)(i)]  <b>Have diagrams for both chlorine dioxide and chlorine processes.</b>  <input checked="" type="checkbox"/> Process chemistry? [68.65(c)(1)(ii)]  <input checked="" type="checkbox"/> Maximum intended inventory? [68.65(c)(1)(iii)]  <b>Specified in RMP</b>  <input checked="" type="checkbox"/> Safe upper and lower limits for such items as temperatures, pressures, flows, or compositions? [68.65(c)(1)(iv)]  <b>Pressure specifications in P&amp;ID's, some operating limits specified in HAZOP, other limits specified in Doc #WI-LCL-017.</b>  <input checked="" type="checkbox"/> An evaluation of the consequences of deviation? [68.65(c)(1)(iv)]  <b>Specified in HAZOP</b>  <input checked="" type="checkbox"/> Does the process safety information contain the following for the equipment in the process: [68.65(d)(1)]  <input checked="" type="checkbox"/> Materials of construction? 68.65(d)(1)(i)  <input checked="" type="checkbox"/> Piping and instrumentation diagrams [68.65(d)(1)(ii)]  <input checked="" type="checkbox"/> Electrical classification? [68.65(d)(1)(iii)]  <input checked="" type="checkbox"/> Relief system design and design basis? [68.65(d)(1)(iv)]  <b>At the time of the inspection, documentation was reviewed that specified fusible plugs, pressure relief valves, rupture disks, vacuum regulators and relief valves. This information is included in the PSM information book.</b>  <input checked="" type="checkbox"/> Ventilation system design? [68.65(d)(1)(v)]  <b>At the time of the inspection, documentation was reviewed that specified one room air change every 4 minutes, which also was included in the PSM information book.</b>  <input checked="" type="checkbox"/> Design codes and standards employed? [68.65(d)(1)(vi)]  <b>Codes included Chlorine Institute, Inc., Chlorine Manual, 1986, Pamphlets #6 and #9.</b>  <input checked="" type="checkbox"/> Material and energy balances for processes built after June 21, 1999? [68.65(d)(1)(vii)]  <input checked="" type="checkbox"/> Safety systems? [68.65(d)(1)(viii)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>3. Has the owner or operator documented that equipment complies with recognized and generally accepted good engineering practices? [68.65(d)(2)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>4. Has the owner or operator determined and documented that existing equipment, designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p><b>Prevention Program- Process Hazard Analysis [68.67]</b></p>	
<p>5. Has the owner or operator performed an initial process hazard analysis (PHA), and has this analysis identified, evaluated, and controlled the hazards involved in the process? [68.67(a)]  <b>An initial PHA was conducted in 1996.</b></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>6. Has the owner or operator determined and documented the priority order for conducting PHAs, and was it based on an appropriate rationale? [68.67(a)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>7. Has the owner used one or more of the following technologies to conduct process PHA: [68.67(b)]  <input type="checkbox"/> What-if? [68.67(b)(1)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>

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<input checked="" type="checkbox"/> Checklist? [68.67(b)(2)] <input type="checkbox"/> What-if/Checklist? [68.67(b)(3)] <input checked="" type="checkbox"/> Hazard and Operability Study (HAZOP) [68.67(b)(4)] <input type="checkbox"/> Failure Mode and Effects Analysis (FMEA) [68.67(b)(5)] <input type="checkbox"/> Fault Tree Analysis? [68.67(b)(6)] <input type="checkbox"/> An appropriate equivalent methodology? [68.67(b)(7)]	
8. Did the PHA address: <input checked="" type="checkbox"/> The hazards of the process? [68.67(c)(1)] <input checked="" type="checkbox"/> Identification of any incident which had a likely potential for catastrophic consequences? [68.67(c)(2)] <input checked="" type="checkbox"/> Engineering and administrative controls applicable to hazards and interrelationships?[68.67(c)(3)] <input checked="" type="checkbox"/> Consequences of failure of engineering and administrative controls? [68.67(c)(4)] <input checked="" type="checkbox"/> Stationary source siting? [68.67(c)(5)] <input checked="" type="checkbox"/> Human factors? [68.67(c)(6)] <input checked="" type="checkbox"/> An evaluation of a range of the possible safety and health effects of failure of controls? [68.67(c)(7)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
9. Was the PHA performed by a team with expertise in engineering and process operations and did the team include appropriate personnel? [ 68.67(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
10. Has the owner or operator established a system to promptly address the team's findings and recommendations; assured that the recommendations are resolved in a timely manner and documented; documented what actions are to be taken; completed actions as soon as possible; developed a written schedule of when these actions are to be completed; and communicated the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations? [68.67(e)] <b><i>At the time of the inspection, the recommendations specified on the PHA that resulted from an MOC were addressed, but the recommendations from the January 10<sup>th</sup>, 2004 revalidation were not addressed. US EPA received a letter on September 5, 2006, that included the status of the January 10<sup>th</sup>, 2004 PHA recommendations status. The owner or operator should maintain this status report as part of its records and make sure that all recommendations are promptly addressed.</i></b>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
11. Has the PHA been updated and revalidated by a team every five years after the completion of the initial PHA to assure that the PHA is consistent with the current process? [68.67(f)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
12. Has the owner or operator retained PHAs and updates or revalidations for each process covered, as well as the resolution of recommendations for the life of the process? [68.67(g)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Prevention Program- Operating procedures [68.69]</b>	
13. Has the owner or operator developed and implemented written operating procedures that provides instructions or steps for conducting activities associated with each covered process consistent with the safety information? [68.69(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
14. Do the procedures address the following: [68.69(a)] <input checked="" type="checkbox"/> <u>Steps for each operating phase:</u> [68.69(a)(1)] <input checked="" type="checkbox"/> Initial Startup? [68.69(a)(1)(i)] <input checked="" type="checkbox"/> Normal operations? [68.69(a)(1)(ii)] <input checked="" type="checkbox"/> Temporary operations? [68.69(a)(1)(iii)] <input checked="" type="checkbox"/> Emergency shutdown including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner? [68.69(a)(1)(iv)] <input checked="" type="checkbox"/> Emergency operations? [68.69(a)(1)(v)] <input checked="" type="checkbox"/> Normal shutdown? [68.68(a)(1)(vi)] <input checked="" type="checkbox"/> Startup following a turnaround, or after emergency shutdown? [68.69(a)(1)(vii)] <input checked="" type="checkbox"/> <u>Operating limits:</u> [68.68(a)(2)] <input checked="" type="checkbox"/> Consequences of deviations [68.69(a)(2)(i)] <input checked="" type="checkbox"/> Steps required to correct or avoid deviation?[68.69(a)(2)(ii)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

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<input checked="" type="checkbox"/> <b>Safety and health considerations:</b> [68.69(a)(3)] <input checked="" type="checkbox"/> Properties of, and physical hazards presented by, the chemicals used in the process[68.69(a)(3)(i)] <input checked="" type="checkbox"/> Precautions necessary to prevent exposure, including engineering controls, administrative controls, and personal protective equipment? [68.69(a)(3)(ii)] <input checked="" type="checkbox"/> Control measures to be taken if physical contact or airborne exposure occurs? [68.69(a)(3)(iii)] <input checked="" type="checkbox"/> Quality control for raw materials and control of hazardous chemical inventory levels? [68.69(a)(3)(iv)] <input checked="" type="checkbox"/> Any special or unique hazards? [68.69(a)(3)(v)] <input checked="" type="checkbox"/> <b>Safety systems and their functions?</b> [68.69(a)(4)]	
15. Are operating procedures readily accessible to employees who are involved in a process? [68.69(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
16. Has the owner or operator certified annually that the operating procedures are current and accurate and that procedures have been reviewed as often as necessary?[68.69(c)] <b>At the time of the inspection, there was documentation showing that the operating procedures were reviewed on 8/4/2006. Prior to that, the owner or operator stated that the procedures were reviewed after the 2005 HAZOP. The owner or operator does not have documentation that shows operating procedures are certified annually. US EPA received a letter on September 5, 2006 that included a Log of revisions and reviews of operating procedures. This log only includes dates from 2004-2006 and in 1994, when most of the procedures were first created. The owner or operator should keep a log of all annual certifications.</b>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
17. Has the owner or operator developed and implemented safe work practices to provide for the control of hazards during specific operations, such as lockout/tagout? [68.69(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Prevention Program - Training [68.71]</b>	
18. Has each employee involved in operating a process, and each employee before being involved in operating a newly assigned process, been initially trained in an overview of the process and in the operating procedures?[68.71(a)(1)] <b>At the time of the inspection, the owner or operator stated that initially there is an operator-operator mentoring/ training process. This process usually lasts between 2-4 months and includes change out of cylinders. Seasoned operators monitor and notify when new employees are capable to work on their own without supervision.</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
19. Did initial training include emphasis on safety and health hazards, emergency operations including shutdown, and safe work practices applicable to the employee's job tasks? [68.71(a)(1)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
20. In lieu of initial training for those employees already involved in operating a process on June 21, 1999, an owner or operator may certify in writing that the employee has the required knowledge, skills, and abilities to safely carry out the duties and responsibilities as specified in the operating procedures [68.71(a)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
21. Has refresher training been provided at least every three years, or more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process? [68.71(b)] <b>At the time of the inspection, the owner or operator stated that the facility has a Working Bird system that monitors both mandatory and elective training that employees take. This system is a track record for the company. Annually the company has awareness training. In addition, the facility has operator training, which consists of a video, PSM training and awareness, and 8 hour, Hazwoper annual training. At the time of the inspection, the following records were reviewed: 8/1/2006 PSM Awareness Video Review for Bruce Waterman, Ron Firlit, Dan Preston, Dennis Schulet, 4/28/2005 Chlorinator System O&amp;M &amp; Safety, 4/18/2005 CL2 Safety, 1/23/2001 PSM/RMP Training, 2/16/2001 additional PSM overview for those that were not in attendance for the 1/23/2001 training.</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
22. Has owner or operator ascertained and documented in record that each employee involved in operating a process has received and understood the training required? ]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
23. Does the prepared record contain the identity of the employee, the date of the training, and the	

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means used to verify that the employee understood the training? [68.71(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Prevention Program - Mechanical Integrity [68.73]</b>	
24. Has the owner or operator established and implemented written procedures to maintain the on-going integrity of the process equipment listed in 68.73(a)? [68.73(b)] <i>The facility is in current transition of maintenance activities. Prior to June 2006, engineering and maintenance were responsible for all maintenance at the facility. ABB has been contracted to do mechanical integrity work at the facility. The owner or operator should make sure that require that ABB employees stay up to date with training, seeing that approximately 40 of these employees are on site at the facility. At the time of the inspection, mechanical integrity procedures were reviewed, these procedures need to be updated to accurately reflect the current actions at the facility. A SAP system is used to enter inspection and test information, which the facility started using in 1998, the newest version being 2004. This systems generates work orders for all maintenance work that is needed, contracted or not. There is a weekly planning meeting where work orders are reviewed and prioritized.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
25. Has the owner or operator trained each employee involved in maintaining the on-going integrity of process equipment? [68.73(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
26. Performed inspections and tests on process equipment? [68.73(d)(1)] <i>At the time of the inspection, the following inspection documentation was reviewed: 7/10/2003 Longview inspection, 3/19/2005 US Filter/RS Technical pressure relief valves, 3/30/2005 Gas feeder, 8/30/2005 and 4/6/2005 crane, 2004 and 2005 record of calibrations of CL Water flow meter. Recommend obtaining procedures on storage tank maintenance or documentation on tank inspection by supplier. Also, recommend changing out pressure relief valves every 5 years. Piping work is contracted out to North Shore for maintenance. Scale calibration and maintenance is conducted by DC Martin.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
27. Followed recognized and generally accepted good engineering practices for inspections and testing procedures? [68.73(d)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
28. Ensured the frequency of inspections and tests of process equipment is consistent with applicable manufacturers' recommendations, good engineering practices, and prior operating experience? [68.73(d)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
29. Documented each inspection and test that had been performed on process equipment, which identifies the date of the inspection or test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test? [68.73(d)(4)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
30. Corrected deficiencies in equipment that were outside acceptable limits defined by the process safety information before further use or in a safe and timely manner when necessary means were taken to assure safe operation? [68.73(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
31. Assured that equipment as it was fabricated is suitable for the process application for which it will be used in the construction of new plants and equipment? [68.73(f)(1)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
32. Performed appropriate checks and inspections to assure that equipment was installed properly and consistent with design specifications and the manufacturer's instructions? [68.73(f)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
33. Assured that maintenance materials, spare parts and equipment were suitable for the process application for which they would be used? [68.73(f)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Prevention Program - Management Of Change [68.75]</b>	
34. Has the owner or operator established and implemented written procedures to manage changes to process chemicals, technology, equipment, and procedures, and changes to stationary sources that	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

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<p>affect a covered process? [68.75(a)]  <b>At the time of the inspection, the management of change procedures were reviewed. In addition, a 2005 completed MOC #480 for the Water Chlorination System Equipment was reviewed. This MOC specified pipe changes, and a not-in-kind pressure gauge.</b></p>	
<p>35. Do procedures assure that the following considerations are addressed prior to any change: [68.75(b)]  <input checked="" type="checkbox"/> The technical basis for the proposed change? [68.75(b)(1)]  <input checked="" type="checkbox"/> Impact of change on safety and health? [68.75(b)(2)]  <input checked="" type="checkbox"/> Modifications to operating procedures? [68.75(b)(3)]  <input checked="" type="checkbox"/> Necessary time period for the change? [68.75(b)(4)]  <input checked="" type="checkbox"/> Authorization requirements for the proposed change? [68.75(b)(5)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p>36. Were employees, involved in operating a process and maintenance, and contract employees, whose job tasks would be affected by a change in the process, informed of, and trained in, the change prior to start-up of the process or affected parts of the process? [68.75(c)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p>37. If a change resulted in a change in the process safety information, was such information updated accordingly? [68.75(d)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p>38. If a change resulted in a change in the operating procedures or practices, had such procedures or practices been updated accordingly? [68.75(e)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p><b>Prevention Program - Pre-startup Safety Review [68.77]</b></p>	
<p>39. Did the pre-startup safety review confirm that prior to the introduction of a regulated substance to a process: [68.77(b)]  <input checked="" type="checkbox"/> Construction and equipment was in accordance with design specifications? [68.77(b)(1)]  <input checked="" type="checkbox"/> Safety, operating, maintenance, and emergency procedures were in place and were adequate? [68.77(b)(2)]  <input checked="" type="checkbox"/> For new stationary sources, a process hazard analysis had been performed and recommendations had been resolved or implemented before startup? [68.77(b)(3)]  <input checked="" type="checkbox"/> Modified stationary sources meet the requirements contained in management of change? [68.77(b)(3)]  <input checked="" type="checkbox"/> Training of each employee involved in operating a process had been completed? [68.77(b)(4)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p><b>Prevention Program - Compliance audits [68.79]</b></p>	
<p>1. Has the owner or operator certified that the stationary source has evaluated compliance with the provisions of the prevention program at least every three years to verify that the developed procedures and practices are adequate and being followed? [68.79(a)]  <b>At the time of the inspection, a Compliance audit completed by DEI on January 12, 2001, for both the water treatment and the chlorine dioxide processes was reviewed. An additional audit was completed on August 25, 2003 for the R-8/Bleach Plant. The next compliance audit is due August 2006.</b></p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p>2. Has the audit been conducted by at least one person knowledgeable in the process? [68.79(b)]  <b>John O'Brien conducted the audit.</b></p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p>3. Are the audit findings documented in a report? [68.79(c)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p>4. Has the owner or operator promptly determined and documented an appropriate response to each of the findings of the audit and documented that deficiencies had been corrected? [68.79(d)]  <b>At the time of the inspection, documents were reviewed that documented recommendations for a compliance audit, but were not dated to show which compliance audit they reflected. The recommendation page should also include the date when things were actually completed.</b></p>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
<p>5. Has the owner or operator retained the two most recent compliance reports? [68.79(e)]</p>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<p><b>Prevention Program - Incident investigation [68.81]</b></p>	

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1. Has the owner or operator investigated each incident which resulted in, or could reasonably have resulted in a catastrophic release of a regulated substance? [68.81(a)] <b>At the time of the inspection, Incident Investigations reports were reviewed for a 1/27/2005 Chlorine leak from a flex hose, of less than 1 pound. Also a report was reviewed from a 6/23/2005 release of 2 lbs of Cl2 over 5 minutes.</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Were all incident investigations initiated not later than 48 hours following the incident? [68.81(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Was an accident investigation team established and did it consist of at least one person knowledgeable in the process involved, including a contract employee if the incident involved work of a contractor, and other persons with appropriate knowledge and experience to thoroughly investigate and analyze the incident? [68.81(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
4. Was a report prepared at the conclusion of every investigation?[68.81(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
5. Does every report include: [68.81(d)] <input checked="" type="checkbox"/> Date of incident? [68.81(d)(1)] <input checked="" type="checkbox"/> Date investigation began? [68.81(d)(2)] <input checked="" type="checkbox"/> A description of the incident? [68.81(d)(3)] <input checked="" type="checkbox"/> The factors that contributed to the incident? [68.81(d)(4)] <input checked="" type="checkbox"/> Any recommendations resulting from the investigation? [68.81(d)(5)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
6. Has the owner or operator established a system to address and resolve the report findings and recommendations, and are the resolutions and corrective actions documented? [68.81(e)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
7. Was the report reviewed with all affected personnel whose job tasks are relevant to the incident findings including contract employees where applicable? [68.81(f)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
8. Has the owner or operator retained the incident investigation reports for five years? [68.81(g)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Section D - Employee Participation [68.83]</b>	
1. Has the owner or operator developed a written plan of action regarding the implementation of the employee participation required by this section?[68.83(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Has the owner or operator consulted with employees and their representatives on the conduct and development of process hazards analyses and on the development of the other elements of process safety management in chemical accident prevention provisions? [68.83(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Has the owner or operator provided to employees and their representatives access to process hazards analyses and to all other information required to be developed under the chemical accident prevention rule? [68.83(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Section E - Hot Work Permit [68.85]</b>	
1. Has the owner or operator issued a hot work permit for each hot work operation conducted on or near a covered process? [68.85(a)] <b>At the time of the inspection, the owner or operator stated that the only hot work conducted on the process was when the new vacuum system was put into place.</b>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Does the permit document that the fire prevention and protection requirements in 29CFR 1910.252(a) have been implemented prior to beginning the hot work operations? [68.85(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Does the permit indicate the date(s) authorized for hot work and the object(s) upon which hot work is to be performed? [68.85(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
4. Are the permits being kept on file until completion of the hot work operations? [68.85(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
<b>Section F - Contractors [68.87]</b>	

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: S. D. Warren Co. (SAPPI Ltd.) 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, Mi 49443

<p>1. Has the owner or operator obtained and evaluated information regarding the contract owner or operator's safety performance and programs when selecting a contractor? [68.87(b)(1)]  <b>At the time of the inspection, documentation for the North Shore Construction Company, Inc. was reviewed. Contract procedures were also reviewed, that were dated 2003. The forms used for qualification of North Shore Construction Company, Inc. do not reflect the forms included in the procedures dated 2003. The owner or operator must updated these procedures accordingly to reflect what is actually done at the facility.</b></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>2. Informed contract owner or operator of the known potential fire, explosion, or toxic release hazards related to the contractor's work and the process? [68.87(b)(2)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>3. Explained to the contract owner or operator the applicable provisions of the emergency response or the emergency action program? [68.87(b)(3)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>4. Developed and implemented safe work practices consistent with §68.69(d), to control the entrance, presence, and exit of the contract owner or operator and contract employees in the covered process areas? [68.87(b)(4)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p><b>Section G - Emergency Response [68.90 - 68.95]</b></p>	
<p>Developed and implemented an emergency response program as provided in 40 CFR 68.90-68.95? <input checked="" type="checkbox"/> S <input type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A  Comments: <b>At the time of the inspection, the owner or operator stated that the facility is designated as a first responder. There are 9 employees Hazwop trained, annually by the MI Hazardous Association. The facility has an Integrated Contingency Plan, which was reviewed at the time of the inspection. This plan is also computerized and accessible throughout the plant. The local Fire Department has been at the facility for a walkthrough, approximately 3 months ago. The facility has three emergency response vehicles, including a Hazmat trailer on site. The Hazmat trailer was viewed during the inspection. At the time of the inspection, 7/29/2006 and 1/28/2006 SCBA and Escape inspections performed by Antonio Gutierrez were viewed. In addition July 31, 2006 vehicle inspection and month apparatus inspection forms were viewed. Mike Wolffis, the Safety and Emergency Response manager is responsible for emergency response equipment replacement and repair .</b></p>	
<p>1. Is the facility designated as a "first responder" in case of an accidental release of regulated substances?</p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>1.a. If the facility is not a first responder:</p>	
<p>1.a.(1) For stationary sources with any regulated substances held in a process above threshold quantities, is the source included in the community emergency response plan developed under 42 U.S.C. 11003? [68.90(b)(1)]</p>	<p><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A</p>
<p>1.a.(2) For stationary sources with only regulated flammable substances held in a process above threshold quantities, has the owner or operator coordinated response actions with the local fire department? [68.90(b)(2)]</p>	<p><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A</p>
<p>1.a.(3) Are appropriate mechanisms in place to notify emergency responders when there is need for a response? [68.90(b)(3)]</p>	<p><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A</p>
<p>2. An emergency response plan which is maintained at the stationary source and contains the following? [68.95(a)(1)]  <input checked="" type="checkbox"/> a. Procedures for informing the public and local emergency response agencies about accidental releases? [68.95(a)(1)(i)]  <input checked="" type="checkbox"/> b. Documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures? [68.95(a)(1)(ii)]  <input checked="" type="checkbox"/> c. Procedures and measures for emergency response after an accidental release of a regulated substance? [68.95(a)(1)(iii)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>3. Procedures for the use of emergency response equipment and for its inspection, testing, and maintenance? [68.95(a)(2)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>



**RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET**

**Program Level 3 Process Checklist**

Facility Name: S. D. Warren Co. (SAPPI Ltd.) 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, Mi 49443

<p>4. Training for all employees in relevant procedures? [68.95(a)(3)]  <b>At the time of the inspection, 8 hour refresher certificates were reviewed, dated 3/9/2006, for Mike Wolffis, Tom Porrit, Derek Schraoeder, David Freitas, Ed Bagaky, Shaw Quimbach, Josh Howell, and Tim Dickinson.</b></p>	<p align="right"><input checked="" type="checkbox"/> Y   <input type="checkbox"/> N   <input type="checkbox"/> N/A</p>
<p>5. Procedures to review and update, as appropriate, the emergency response plan to reflect changes at the stationary source and ensure that employees are informed of changes? [68.95(a)(4)]</p>	<p align="right"><input checked="" type="checkbox"/> Y   <input type="checkbox"/> N   <input type="checkbox"/> N/A</p>
<p>6. Did the owner or operator use a written plan that complies with other Federal contingency plan regulations or is consistent with the approach in the National Response Team's Integrated Contingency Plan Guidance ("One Plan")? If so, does the plan include the elements provided in paragraph (a) of 68.95, and also complies with paragraph (c) of 68.95? [68.95(b)]</p>	<p align="right"><input type="checkbox"/> Y   <input type="checkbox"/> N   <input checked="" type="checkbox"/> N/A</p>
<p>7. Has the emergency response plan been coordinated with the community emergency response plan developed under EPCRA? [68.95(c)]</p>	<p align="right"><input checked="" type="checkbox"/> Y   <input type="checkbox"/> N   <input type="checkbox"/> N/A</p>
<p><b>Section H - Risk Management Plan [68.190 - 68.195]</b></p>	
<p>1. Has the owner or operator reviewed and updated the RMP and submitted it to EPA [68.190(a)]? Reason for update.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Five-year update. [68.190(b)(1)]</li> <li><input type="checkbox"/> Within three years of a newly regulated substance listing. [68.190(b)(2)]</li> <li><input type="checkbox"/> At the time a new regulated substance is first present in an already regulated process above threshold quantities. [68.190(b)(3)]</li> <li><input type="checkbox"/> At the time a regulated substance is first present in a new process above threshold quantities. [68.190(b)(4)]</li> <li><input checked="" type="checkbox"/> Within six months of a change requiring revised PHA or hazard review. [68.190(b)(5)]  <b>MOC #480 required a PHA to be conducted. A PHA was conducted on 2/7/2005 and within six months of this required date, the facility should of updated their RMP.</b></li> <li><input checked="" type="checkbox"/> Within six months of a change requiring a revised OCA as provided in 68.36. [68.190(b)(6)]  <b>As of August 18<sup>th</sup>, 2005, the facility no longer has chlorine dioxide on site and is required to update their revised OCA within six months of this change.</b></li> <li><input type="checkbox"/> Within six months of a change that alters the Program level that applies to any covered process. [68.190(b)(7)]</li> </ul>	<p align="right"><input type="checkbox"/> Y   <input checked="" type="checkbox"/> N   <input type="checkbox"/> N/A</p>
<p>2. If the owner or operator experienced an accidental release that met the five-year accident history reporting criteria (as described at 68.42) subsequent to April 9, 2004, did the owner or operator submit the information required at 68.168, 68.170(j) and 68.175(l) within six months of the release or by the time the RMP was updated as required at 68.190, whichever was earlier. [68.195(a)]</p>	<p align="right"><input type="checkbox"/> Y   <input type="checkbox"/> N   <input checked="" type="checkbox"/> N/A</p>
<p>3. If the emergency contact information required at 68.160(b)(6) has changed since June 21, 2004, did the owner or operator submit corrected information within thirty days of the change? [68.195(b)]  <b>Tom Porrit is the emergency contact at the facility, Evert W. Vanderberg, who was specified in the submitted RMP is no longer at the company.</b></p>	<p align="right"><input type="checkbox"/> Y   <input checked="" type="checkbox"/> N   <input type="checkbox"/> N/A</p>

# U.S. ENVIRONMENTAL PROTECTION AGENCY

## RISK MANAGEMENT PROGRAM INSPECTION REPORT

<b>FACILITY NAME AND ADDRESS</b> S. D. Warren Co. 2400 Lakeshore Drive PO Box 0119 Muskegon, MU 49443-0119	<b>INSP. START DATE / TIME</b> 08/10/2006, 9:00am  <b>INSP. END DATE / TIME</b> 08/10/2006, 3:00pm	<b>RMP SUBMITTAL DATE:</b> Initial: 06/18/1999 Updates: 03/2001, 09/2001, 12/2001, 9/2007	
<b>RESPONSIBLE OFFICIAL</b> Monika Chrzaszcz	<b>TITLE</b> Environmental Engineer	<b>PHONE NUMBER</b> (312) 886-0181	
<b>FACILITY REPRESENTATIVE(S)</b> Tom Porritt Mike Wolffis Mike Theiler	<b>TITLE(S)</b> Environmental Engineer Safety Manager Mill Manager	<b>PHONE NUMBER(S)</b> (617) 423-7300	<b>CONTACTED</b> X YES    NO

### INSPECTION FINDINGS

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated, X = Not Applicable)

S	Management System	S	Haz Assess Back Up Docs	S	Training	S	Hot Work Permits
S	Hazard Assessment	X	Five Year Accident History	S	Mechanical Integrity	S	Contractors
S	OCA Parameters	M	Prevention Program	S	Management of Change	S	Emergency Response
S	Offsite Impact Analysis	S	Process Safety	M	Compliance Audits	S	Certifications
S	Alternative Release Scenario	M	Hazard Analysis	S	Incident Investigations	M	Implementation of Program
S	Review and Update	M	SOP'S	S	Employee Participation		

### SECTION C: APPLICABILITY

Program Level	Regulated Substance	LEPC	Attachments
Program Level 3	Chlorine Chlorine Dioxide	Allen County LEPC	Program Level 3 Process Checklist

### SECTION D: PROCESS DESCRIPTION (Attach additional sheets if necessary)

S. D. Warren Co. operates an integrated pulp and paper mill. The Pulp Mill and Utility Department operated two process units, which had above threshold quantities of RMP covered chemicals. Chlorine is used in the Utility Treatment Plant. Chlorine is received approximately every 3 weeks, 6-7 ton cylinders received per order. At the time of the inspection, it was noted that the facility no longer uses chlorine dioxide which supplied the Bleach Plan with 1.2% solution. Operation of chlorine dioxide ceased on August 18, 2005. The facility also stated that in April 2001, they stopped receiving chlorine rail cars because of too many chlorine byproducts. The chlorine process only allows for two chlorine cylinders to be online, one on standby at a time. The facility operates 24 hours a day, seven days a week, with security monitoring at all times. The facility has 258 employees, but plan to cut down their staff to 220 employees, 4 employees who actually work with the chlorine.

### SECTION E: SUMMARY FINDINGS/COMMENTS (Attach additional sheets if necessary)

On August 10, 2006, a Risk Management Program inspection was conducted at the S.D. Warren Co. facility in Muskegon, MI. The purpose of the inspection was to determine the facilities compliance with the Risk Management Program, or CAA 112(r) regulations. Dave Freitas, Ken Callow, Mike Theiler, Ray Carlson, Eric Anderson, Dan Krieger, Tom Porritt, and Mike Wolffis greeted the inspector and were notified that the inspector would need to see documentation as well as take a walk through of the facility, especially taking note of the chlorine and chlorine dioxide process equipment.

The following recommendations and violations are being noted as a result of reviewing documentation and interviewing individuals during the RMP inspection:  
 -At the time of the inspection, it was noted that as of August 18<sup>th</sup>, 2005, the facility no longer used or had on site, chlorine dioxide. This process should be removed from the submitted RMP.

#### Management

-At the time of the inspection, an organization chart was available and was reviewed. The owner or operator should make sure that the organizational chart is updated accordingly to reflect employees currently responsible at the company.

#### Hazard Assessment – Offsite consequence Analysis

-The worst case release scenario analyzed the release of 6, 025 lbs. of chlorine dioxide over 60 minutes, within a diked area of 2, 741 squared meters. This was a release from the 60,194 gallon storage tank. As of August 18<sup>th</sup>, 2005, the facility no longer has chlorine dioxide on site, so the worst case release should reflect the largest vessel of chlorine, the only other process chemical on site that is above threshold quantities. This vessel would be the 2, 000 lb. vessel that chlorine is stored in. On September 5, 2006, US EPA received a letter that reflected information on the 2,000 lb. consequence analysis. This information must be updated in the facilities submitted RMP.

#### Prevention Program – Process Hazard Analysis

**68.67(e)** At the time of the inspection, the recommendations specified on the PHA that resulted from an MOC were addressed, but the recommendations from the January 10<sup>th</sup>, 2004 revalidation were not addressed. US EPA received a letter on September 5, 2006 that included the status of the January 10<sup>th</sup>, 2004 PHA recommendations. The owner or operator should maintain this status report as part of its records and make sure that all recommendations are addressed as soon as possible.  
 - The facility must make sure that PHA's are conducted at least every five years.

#### Prevention Program – SOP's

**68.69(c)** At the time of the inspection, there was documentation showing that the operating procedures were reviewed on 8/4/2006. Prior to that, the owner or operator stated that the procedures were reviewed after the 2005 HAZOP. The owner or operator does not have documentation that shows operating procedures are certified annually. US EPA received a letter on September 5, 2006 that included a Log of revisions and reviews of operating procedures. This log only includes dated from 2004-2006 and in 1994, when most of the procedures were first created. The owner or operator should keep a log of all annual certifications.

**Prevention Program – Compliance Audits**

**68.79(d)** At the time of the inspection, documents were reviewed that documented recommendations for a compliance audit, but were not dated to show which compliance audit they reflected. The recommendation page should also include the date when the recommendations were and if they were actually completed/addressed.

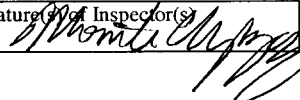
**Risk Management Plan**

**68.190(b)(5)** MOC #480 required a PHA to be conducted. A PHA was conducted on 2/7/2005 and within six months of this required date, the facility should have updated their RMP.

**68.190(b)(6)** At the time of the inspection, the owner or operator failed to update their RMP within six months of a change requiring a revised OCA. As of August 18<sup>th</sup> 2005, the facility no longer has chlorine dioxide on site.

**68.195(b)** At the time of the inspection, Tom Porrit is the emergency contact at the facility, Evert W. Vanderberg, who was specified in the submitted RMP, is no longer at the company. The owner or operator did not update emergency contact information within thirty days of the change in personnel.

At the conclusion of the inspection, an exit interview was conducted, notifying company representatives of areas of concern of the inspector. In addition, the inspector notified company representatives of contact information as well as possible enforcement actions that are available.

Names(s) and Signature of Inspector(s) Monika Chrzaszcz 	Agency/Office/Telephone Number US EPA/ CEPPS/ (312) 886-0181	Date November 15, 2006
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**ATTACHMENT#1**  
**PHOTOGRAPHS**

**SUBJECT**

Chlorine cylinder storage area. all seven cylinders were full.

**FACILITY**

S D. Warren Co. (SAPPI Ltd.), 2400 Lakeshore Drive, P.O. Box 0119, Muskegon, MI 49443

**PHOTOGRAPHER**

Monika Chrzaszcz

**WITNESSES**

Tom Porritt, Mike Tyler, Mike Wolffis

**DATE**

August 10, 2006

**TIME**

9:30am

**DIRECTION**

**CAMERA**

**FILM**

**PHOTOGRAPH NO.**

1

