

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)
)
SAPPI Fine Paper) **NOTICE OF VIOLATION**
North America)
Muskegon Mill) **EPA-5-04-MI-08**
Muskegon, Michigan)
)
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)
)
Proceedings Pursuant to)
the Clean Air Act,)
42 U.S.C. §§ 7401 et seq.)
)

NOTICE OF VIOLATION

The United States Environmental Protection Agency (U.S. EPA) is issuing this Notice of Violation (NOV) to SAPPI Fine Paper North America (SAPPI) under Section 113(a)(1) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1). U.S. EPA finds that SAPPI has violated Part C of the Act, 40 C.F.R. § 52.21, and the Michigan State Implementation Plan (SIP) adopted under the Act, at SAPPI's Muskegon Mill as follows:

SAPPI has modified its Muskegon Mill to increase the capacity of the recovery furnace without obtaining Prevention of Significant Deterioration (PSD) permits requiring, among other things, the installation of Best Available Control Technology (BACT) as required by the Act and the Michigan SIP. These violations have resulted in significant net increases in emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x), and carbon monoxide (CO) which will continue unless these violations are corrected.

Statutory and Regulatory Background

1. Part C of Title I of the Act and the PSD regulations implementing Part C at 40 C.F.R. § 52.21, prohibit a major stationary source from performing a modification without first obtaining a PSD permit if the modification will result in a significant net increase in emissions of a regulated pollutant and if the source is located in an area which has achieved the National Ambient Air Quality Standards (NAAQS) for that pollutant. Part C and its implementing regulations further require that a source subject to the PSD regulations install Best

Available Control Technology (BACT).

2. A major stationary source includes any of the 28 designated industrial source categories listed under 40 C.F.R. § 52.21(b)(1)(i)(a) which emits or has the potential to emit 100 tons per year of any pollutant subject to the regulation under the Act. The list of designated source categories includes Kraft pulp mills.

3. 40 C.F.R. § 52.21(b)(3)(i) defines "net emissions increase" as "the amount by which the sum of the following exceeds zero:

(a) Any increase in actual emissions from a particular physical change or change in method of operation at a stationary source; and

(b) Any other increases and decreases in actual emissions at the source that are contemporaneous with the particular change and are otherwise creditable."

4. "Actual emissions" are defined at 40 C.F.R. § 52.21(b)(21). In general, actual emissions as of a particular date equal the average rate, in tons per year, at which the unit actually emitted the pollutant during a two-year period which precedes the particular date and which is representative of normal source operations. Actual emissions are calculated using the unit's actual operating hours, production rates, and types of materials processed, stored, or combusted during the time period.

5. On August 7, 1980, the Administrator of the U.S. EPA promulgated regulations to prevent the significant deterioration of air quality (PSD regulations) pursuant to Part C of the Act (45 Fed. Reg. 27561). The PSD regulations are codified at 40 C.F.R. § 52.21.

6. The State of Michigan has not promulgated its own PSD regulations and, therefore, has not satisfied the requirements of Sections 160-165 of the Act in its State Implementation Plan. The PSD regulations at 40 C.F.R. § 52.21(b)-(w) are therefore incorporated, and made a part of, the applicable Implementation Plan for the State of Michigan at 40 C.F.R. § 52.1180(b).

Factual Background

7. SAPPI owns and operates a Kraft pulp mill at 2400 Lakeshore Drive, Muskegon, Michigan (the Muskegon Mill).

8. The Muskegon Mill, consists of, in part, a chemical recovery

furnace.

9. The Muskegon Mill is located in an area that is classified as attainment for all criteria pollutants.

10. The Muskegon Mill is a major stationary source as defined at 40 C.F.R. § 52.21(b)(1) because it is a Kraft pulp mill, one of the 28 industrial source categories listed under 40 C.F.R. § 52.21, and has a potential to emit more than 100 tons per year of PM, SO₂, NO_x, VOC and CO.

Violations

11. Between at least 1991 and 1995, SAPPI made "major modifications," as defined at 40 C.F.R. § 52.21(b)(2), to the Muskegon Mill's recovery furnace to increase its capacity for firing black liquor. The modifications included, but are not limited to: replacing the furnace walls, furnace bottom, super heater, economizer, generating bank, drum; and adding new soot blowers, port rodders and instrumentation.

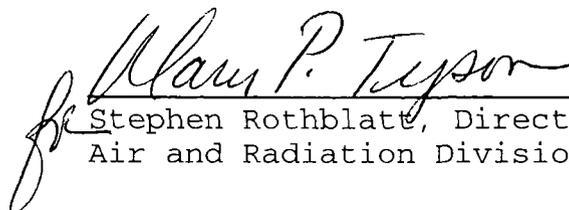
12. Calculations based on emission factors indicate that in 1992 and 1993, the recovery furnace had average "actual emissions," as defined in 40 C.F.R. § 52.21(b)(21), of 323 tons/year of SO₂, 508 tons/year of CO and 92 tons/year of NO_x.

13. Calculations based on emission factors indicate that in 1997, the recovery furnace had actual emissions of 491 tons of SO₂, 772 tons of CO, and 140 tons of NO_x. Therefore, the modifications have increased the capacity of the recovery furnace to fire black liquor, and have resulted in "net emissions increases" in SO₂, CO, and NO_x emissions as defined at 40 C.F.R. § 52.21(b)(3).

14. Therefore, SAPPI has violated, and continues to violate, 40 C.F.R. § 52.21, and the Michigan SIP, by beginning a major modification on the recovery furnace without first obtaining a PSD permit.

15. The violations continued from the start of the modification and will continue until SAPPI obtains the appropriate PSD permit and installs BACT.

12/19/03
Date



Stephen Rothblat, Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Shanee Rucker, certify that I sent a Finding of Violation, No. EPA-5-04-MI-07 and a Notice of Violation, No. EPA-5-04-MI-08, by Certified Mail, Return Receipt Requested, to:

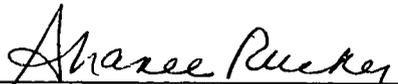
David Blythe, Mill Manager
SAPPI North America Corporation
Muskegon Mill
2400 Lakeshore Drive
Muskegon, Michigan 49443

I also certify that I sent copies of the Finding of Violation and Notice of Violation by first class mail to:

Thomas Hess, Enforcement Unit Chief
Michigan Department of Environmental Quality
Air Quality Division
Constitution Hall
525 W. Allegan Street
P.O. Box 30473
Lansing, Michigan 48909-7973

Heidi Hollenbach, District Supervisor
Grand Rapids District
Michigan Department of Environmental Quality
State Office Building-350 Ottawa NW, Unit 10
Grand Rapids, Michigan 49503-2341

on the 23 day of December, 2003.



Shanee Rucker, Secretary
AECAS (MI/WI)

CERTIFIED MAIL RECEIPT NUMBER: 704 0320 0006 0296 0787