



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

APR 25 2005

REPLY TO THE ATTENTION OF  
(AE-17J)

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

James Sorenson, General Manager  
Stone Container Corporation  
One Superior Way  
Ontonagon, Michigan 49953

Re: Finding of Violation  
Notice of Violation  
Ontonagon Mill  
Ontonagon, Michigan

Dear Mr. Sorenson:

The United States Environmental Protection Agency (U.S. EPA) is issuing the enclosed Finding of Violation (FOV) and Notice of Violation (NOV) to Stone Container Corporation (SCC), (you). We find that you are violating Section 111(e) of the Clean Air Act, 42 U.S.C. § 7411(e), the Michigan State Implementation Plan and the Prevention of Significant Deterioration of Air Quality Standards at your Ontonagon, Michigan facility.

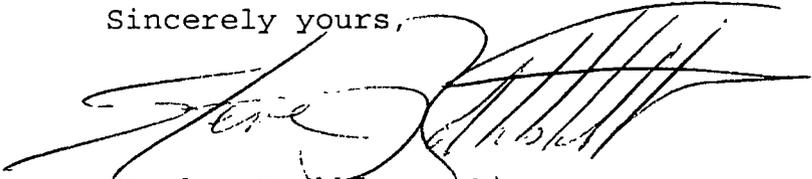
We have several enforcement options under Section 113(a) of the Clean Air Act, 42 U.S.C. § 7413(a). These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action. The options we select may depend on, among other things, the length of time you take to achieve and demonstrate continuous compliance with the rules cited in the FOV and NOV.

We are offering you an opportunity to confer with us about the violations alleged in the FOV and NOV. The conference will give you the opportunity to present information on the specific findings of violation, the efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The U.S. EPA contact in this matter is Farro Assadi. You may call him at (312) 886-1424 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Stephen Rothblatt', with a large, sweeping flourish extending to the right.

Stephen Rothblatt, Director  
Air and Radiation Division

Enclosure

cc: Mr. 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

Brian Brady  
District Supervisor  
Upper Peninsula District Office  
420 Fifth Street  
Gwinn, Michigan 49841-3004

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:** )  
 )  
Stone Container Corporation ) **FINDING OF VIOLATION**  
Ontonagon Mill )  
Ontonagon, Michigan ) **EPA-5-05-MI-3**  
 )  
 )  
 )  
Proceedings Pursuant to )  
the Clean Air Act, )  
42 U.S.C. §§ 7401 et seq. )  
\_\_\_\_\_ )

**FINDING OF VIOLATION**

The United States Environmental Protection Agency (U.S. EPA) finds that Stone Container Corporation (SCC) is violating Section 111(e) of the Clean Air Act (the Act), 42 U.S.C. § 7411(e). Specifically, SCC is violating the Standards of Performance (NSPS) for Industrial - Commercial - Institutional Steam Generating Units at 40 C.F.R. Part 60, Subpart Db as follows:

**Regulatory Authority**

1. Section 111(a)(2) of the Act, 42 U.S.C. § 7411(a)(2), defines the term "new source" as any stationary source, the construction or modification of which is commenced after the publication of regulations prescribing a standard of performance applicable to such source.
2. Section 111(e) of the Act, 42 U.S.C. § 7411(e), provides that after the effective date of a standard it is unlawful for any owner or operator of any new source to operate such source in violation of that standard.
3. Section 111(a)(4) of the Act, 42 U.S.C. § 7411(a)(4), defines "modification" as "any physical change in, or change in the method of operation of, a stationary source which increases the amount of any air pollutant emitted by such source or which results in the emission of any air pollutant not previously emitted"

4. U.S. EPA published General Provisions of the Standards of Performance for New Stationary sources at 40 C.F.R. Part 60, Subpart A (40 C.F.R. §§ 60.1 - 60.19). These regulations were published pursuant to Section 111 of the Act, 42 U.S.C. § 7411, on December 23, 1971 (36 Fed. Reg. 24877).
5. 40 C.F.R. § 60.14(a) provides that "any physical or operational change to an existing facility which results in an increase in the emission rate to the atmosphere of any pollutant to which a standard applies shall be considered a modification within the meaning of section 111 of the Act."
6. 40 C.F.R. § 60.14(a) further provides that "upon modification, an existing facility shall become an affected facility for each pollutant to which a standard applies and for which there is a increase in the emission rate to the atmosphere."
7. 40 C.F.R. § 60.14(b) provides that an emission rate shall be expressed as kg/hr of any pollutant discharged into the atmosphere for which a standard is applicable. The rule further provides that the Administrator shall use emission factors as specified in EPA Publication AP-42, mass balances, continuous monitor data, or manual emission tests to determine emission rates.
8. 40 C.F.R. § 60.7 requires that any owner or operator subject to the provisions of Part 60 provide written notification to the Administrator of the date of construction, the date of start up, and any physical or operational change to a NSPS affected facility.
9. 40 C.F.R. § 60.8 provides that, within 60 days after achieving the maximum production rate at which the effected facility will be operated, but no later than 180 days after the initial startup of such facility, and at such other times as may be required under § 114 of the Act, the owner or operator of such facility shall conduct a performance test and furnish the administrator a written report of the results of such performance test.
10. U.S. EPA published Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units at 40 C.F.R. Part 60, Subpart Db (40 C.F.R. §§ 60.40b - 60.49b). These regulations were published pursuant to Section 111 of the Act, 42 U.S.C. § 7411, on December 16, 1987 (52 Fed. Reg. 47842).

11. 40 C.F.R. § 60.41b defines a steam generating unit as a device that combusts any fuel or byproduct/waste to produce steam or to heat water or any other heat transfer medium.
12. 40 C.F.R. § 60.40b(a) provides that the provisions of 40 C.F.R. Part 60, Subpart Db, apply to each affected Steam generating unit that commences construction, or modification after June 19, 1984 and has a heat input capacity from fuels combusted in the steam generating unit of greater than 100 MMBTU/hour.

#### **Factual Background**

11. SCC owns and operates a steam generating unit identified as the No.1 Riley Boiler (Riley Boiler) at its Ontonagon Mill located at One Superior Way, Ontonagon, Wisconsin.
12. SCC's Riley Boiler combusts coal, natural gas and fuel oil, and has a heat input capacity of greater than 29 MW (100 MMBTU/hour).
13. In 1995, SCC made a physical change to the Riley Boiler when it replaced the existing coal firing burners with new burners capable of burning 20 percent more coal.
14. SCC's physical change to the Riley boiler has resulted in an increase in the emission rates to the atmosphere of sulfur dioxide, nitrogen oxides and particulate matter.

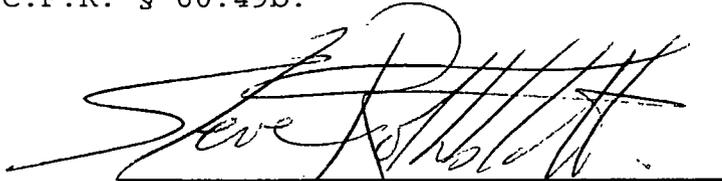
#### **Violations**

15. SCC has violated 40 C.F.R. §§ 60.7 by failing to provide to the U.S. EPA all the necessary notifications for SCC's Riley Boiler burner replacement.
16. SCC has violated and continues to violate the standard for sulfur dioxide as set forth in 40 C.F.R. § 60.42b(a) for emitting sulfur dioxide from its Riley Boiler in excess of 10 percent of the potential sulfur dioxide emission rate.
17. SCC has violated and continues to violate the standard for nitrogen oxides as set forth in 40 C.F.R. § 60.44b(a) for emitting nitrogen oxides from its Riley Boiler in excess of 0.7 lbs/MMBTU.
18. SCC has violated the requirements for compliance and performance test methods and procedures applicable to its Riley Boiler for sulfur dioxide as set forth in 40 C.F.R. §

60.45b.

19. SCC has violated the requirements for compliance and performance test methods and procedures applicable to its Riley Boiler for particulate matter and nitrogen oxides as set forth in 40 C.F.R. § 60.46b.
20. SCC has violated and continues to violate the emission monitoring requirements applicable to its Riley Boiler for sulfur dioxide as set forth in 40 C.F.R. § 60.47b.
21. SCC has violated and continues to violate the emission monitoring requirements applicable to its Riley Boiler for particulate matter and nitrogen oxides as set forth in 40 C.F.R. § 60.48b.
22. SCC has violated and continues to violate the reporting and recordkeeping requirements applicable for its Riley Boiler as set forth in 40 C.F.R. § 60.49b.

4/25/2005  
Date

  
Stephen Rothblatt, Director  
Air and Radiation Division

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:** )  
 )  
Stone Container Corporation ) **NOTICE OF VIOLATION**  
Ontonagon, Michigan )  
 ) **EPA-5-05-MI-04**  
 )  
 )  
Proceedings Pursuant to )  
the Clean Air Act, )  
42 U.S.C. §§ 7401 et seq. )  
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**NOTICE OF VIOLATION**

The United States Environmental Protection Agency (U.S. EPA) is issuing this Notice of Violation (NOV) to Stone Container Corporation (SCC) under Section 113(a)(1) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1). U.S. EPA finds that SCC 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 SCC's Ontonagon Mill as follows:

SCC has modified its Ontonagon Mill to increase the coal burning capacity of the No. 1 Riley boiler (Riley Boiler) without obtaining a Prevention of Significant Deterioration (PSD) permit 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 (SO<sub>2</sub>), and nitrogen oxides (NO<sub>x</sub>) 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

BACT. 40 C.F.R. § 52.21(j)(3).

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 fossil fuel boilers (or combinations thereof) totaling more than 250 million British thermal units (MMBTU) per hour heat input.

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. SCC owns and operates a semi-chemical pulp mill at One Superior Way, Ontonagon, Michigan (the Ontonagon Mill).

8. The Ontonagon Mill, consists of, in part, a fossil fuel steam boiler rated at 375 MMBTU per hour and identified as the No.1 Riley Boiler (Riley Boiler).

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

10. The Riley Boiler is major stationary source as defined at 40 C.F.R. § 52.21(b)(1) because it is a fossil fuel boiler of more than 250 MMBTU per hour heat input, 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 SO<sub>2</sub> and NO<sub>x</sub>.

11. In November of 1995, SCC replaced the existing burners of its Riley Boiler at its Ontonagon Mill with new burners capable of firing twenty percent more coal.

12. Calculations based on emission factors and mass balance indicate that in 1994 and 1995, the Riley Boiler had average "actual emissions" of 971 tons/year of SO<sub>2</sub> and 772 tons/year of NO<sub>x</sub>.

13. Calculations based on emission factors and mass balance indicate that in 1999, the Riley Boiler had actual emissions of 1,978 tons of SO<sub>2</sub>, and 1,145 tons of NO<sub>x</sub>. Therefore, the modification to fire more coal has resulted in "net emissions increases" in SO<sub>2</sub> and NO<sub>x</sub> emissions as defined at 40 C.F.R. § 52.21(b)(3).

#### Violations

14. SCC violated 40 C.F.R. § 52.21, and the Michigan SIP, by beginning the actual construction of a major modification on the Riley Boiler without first obtaining a PSD permit.

15. SCC has violated and continues to violate the regulations at 40 C.F.R. § 52.21(j)(3) by operating its Riley Boiler without the Best Available Control Technology for its pollutants.

4/25/2005  
Date

  
\_\_\_\_\_  
Stephen Rothblatt, Director  
Air and Radiation Division

**CERTIFICATE OF MAILING**

I, Shanee Rucker, certify that I sent a Finding of Violation, No. EPA-5-05-MI-03, and Notice of Violation NO. EPA-5-05-MI-04 by Certified Mail, Return Receipt Requested, to:

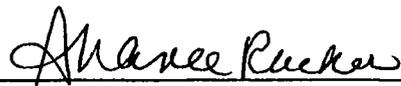
James Sorenson,  
Environmental Manager  
Stone Container Corporation  
One Superior Way  
Ontonagon, Michigan 49953

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

Mr. 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

Brian Brady, Supervisor  
Upper Peninsula District  
420 Fifth Street  
Gwinn, MI 49841-3004

on the 26<sup>th</sup> day of April, 2005.

  
Shanee Rucker, Secretary  
AECAS (MI/WI)

CERTIFIED MAIL RECEIPT NUMBER: 7001 032000065586233