

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS**

QUEBECOR WORLD)
Building Modifications relating to Regenerative)
Thermal Oxidizer and Roto 12 Enclosure Room)
)
) PCB 06-
) (Tax Certification)
PROPERTY IDENTIFICATION NUMBER)
08-27-201-003 and 08-27-228-003)

NOTICE

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

David S. Miller
Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today filed with the Office of the Pollution Control Board the APPEARANCE and RECOMMENDATION of the Illinois Environmental Protection Agency, a copy of which is herewith served upon the applicant and a representative of the Illinois Department of Revenue.

Respectfully submitted by,

_____/s/_____
Robb H. Layman
Assistant Counsel

Date: April 4, 2006

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
Telephone: (217) 524-9137

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS**

QUEBECOR WORLD)
Building Modifications relating to Regenerative)
Thermal Oxidizer and Roto 12 Enclosure Room)
)
) PCB 06-
) (Tax Certification)
PROPERTY IDENTIFICATION NUMBER)
08-27-201-003 and 08-27-228-003)

APPEARANCE

I hereby file my Appearance in this proceeding on behalf of the Illinois
Environmental Protection Agency.

Respectfully submitted by,

_____/s/_____
Robb H. Layman
Assistant Counsel

Date: April 4, 2006

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PROPERTY IDENTIFICATION NUMBER)
08-27-201-003 and 08-27-228-003)

RECOMMENDATION

NOW COMES the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (“Illinois EPA”), through its attorneys, and pursuant to 35 Ill. Adm. Code 125.204 of the ILLINOIS POLLUTION CONTROL BOARD’S (“Board”) procedural regulations, files the Illinois EPA’s Recommendation in the above-referenced request for tax certification of pollution control facilities. In support thereof, the Illinois EPA states as follows:

1. On August 5, 2005, the Illinois EPA received a request and supporting information from QUEBECOR WORLD (“Quebecor”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its commercial printing facility in Mount Morris, Illinois. Two applications accompanied Quebecor’s request because the subject facility sits atop two separate parcels of property. A copy of the letter and separate applications are attached hereto. **[Exhibit A]**.

2. The applicant’s address is as follows:

Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

3. The relevant subject matter of this request consists of certain building modifications relating to the installation of a Regenerative Thermal Oxidizer (“RTO”) and a

Roto 12 Enclosure Room. The RTO is a control device that is designed to remove and reduce volatile organic material emissions from the heatset offset lithographic presses Nos. 2, 4 and 5. The Roto 12 Enclosure Room surrounds a rotogravure press No. 12 and was specifically designed to capture emissions from the process. The building modifications requested for tax certification appear to have been necessary for, and integral to, the performance of both control systems.

4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2004), defines “pollution control facilities” as:

“any system, method, construction, device or appliance appurtenant thereto, or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution... or (b) treating, pretreating, modifying or disposing of any potential solid, liquid, gaseous pollutant which if released without treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property.”

5. Pollution control facilities are entitled to preferential tax treatment, as provided by 35 ILCS 200/11-5 (2004).

6. Based on information in the applications and the underlying purpose of the RTO and the Roto 12 Enclosure Room to prevent, eliminate or reduce air pollution, it is the Illinois EPA’s engineering judgment that the described building modifications may be considered as “pollution control facilities” in accordance with the statutory definition and consistent with the Board’s regulations at 35 Ill. Adm. Code 125.200. **[Exhibit B].**

7. Because the building modifications relating to the RTO and the Roto 12 Enclosure Room satisfies the aforementioned criteria, the Illinois EPA recommends that the Board **grant** the applicant’s request for tax certification.

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

_____/s/_____
Robb H. Layman
Assistant Counsel

DATED: April 4, 2006

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: (217) 524-9137

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of April, 2006, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

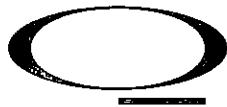
Dorothy Gunn, Clerk
Illinois Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, Illinois 60601

and, further, that I did send a true and correct copy of the same foregoing instruments, by First Class Mail with postage thereon fully paid and deposited into the possession of the United States Postal Service, to:

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

David S. Miller
Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

_____/s/_____
Robb H. Layman
Assistant Counsel



Quebecor World

August 1, 2005

Mr. Donald E. Sutton
Division of Air Pollution Control
Illinois Environmental Protection Agency
P.O. Box 19276
Springfield, Illinois 62794-9276

RE: Application for the Pollution Control Facility Tax Exemption

Dear Mr. Sutton:

Please find enclosed two completed applications for the pollution control facility tax exemption for our facility in Mount Morris, Illinois. We are claiming portions of our building as a pollution control facility. Because the building straddles two parcels, two applications were required. Each application consists of a two page application form and an attachment A. Attachment A is identical for both applications.

We trust our application will meet with your approval and look forward to receiving certification for this facility. In the event you have questions regarding our application, please contact our consultant, Mr. Terrence Jagiello of Burns and McDonnell at 630-724-3311.

Sincerely,

David S. Miller
General Manager
Quebecor World

enclosures

RECEIVED

AUG 05 2005

IEPA - DAPC - SPFLD

David S. Miller
Vice President and General Manager

Quebecor World Mt. Mor
404 N. Wesley Avenue, Mt. Morris, IL, USA 61054-1150 / Tel. _____
Email: dave.miller@quebecorworld.com / Web: _____

Exhibit A

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

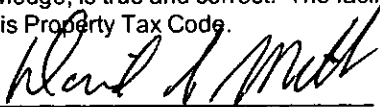
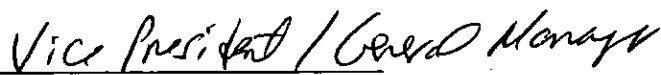
This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date
Sec. A	Company Name: Quebecor World		
	Person Authorized to Receive Certification Mr. David S. Miller	Person to Contact for Additional Details Burns & McDonnell c/o T.Jagiello	
	Street Address 404 North Wesley Avenue	Street Address 1431 Opus Place	
	Municipality, State & Zip Code Mount Morris, Illinois 61504-1150	Municipality, State & Zip Code Downers Grove, Illinois, 60515	
	Telephone Number 815-734-4121	Telephone Number 630-724-3311	
	Location of Facility Quarter Section Township 24 Range	Municipality Mount Morris	Township
	Street Address 404 North Wesley Avenue	County OGLE	Book Number Book 295 Page 62
	Property Identification Number 08-27-201-003	Parcel Number	
Sec. B	Nature of Operations Conducted at the Above Location Commercial Printing		
	Water Pollution Control Construction Permit No.	Date Issued	
	NPDES PERMIT No. IL0003972	Date Issued	Expiration Date
	Air Pollution Control Construction Permit No.	Date Issued	
	Air Pollution Control Operating Permit No. 141035AAA	Date Issued	
Sec. C	Describe Unit Process Commercial Printing process uses publication rotograveur and heatset web offset lithographic printing processes. Products produced include magazines, catalogues, newspaper inserts, and advertising circulars.		
	Materials Used in Process Ink and Paper. Inks contain aromatic and aliphatic hydrocarbons.		
Sec. D	Describe Pollution Abatement Control Facility <p style="text-align: center;">See Attachment A</p>		

RECEIVED
 AUG 05 2005
 IEPA - DAPC - SPELD

Sec. E	(1) Nature of Contaminants or Pollutants		
		Material Retained, Captured or Recovered	
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Aliphatic and Aromatic Hydrocarbons		
	(2) Point(s) of Waste Water Discharge		
		Plans and Specifications Attached	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(3)	Are contaminants (or residues) collected by the control facility?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
(4)	Date installation completed _____ status of installation on date of application _____		
(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 378,834	
	b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 0	
	c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	4.25%	

Sec. F	The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge, is true and correct. The facilities claimed herein are "pollution control facilities" as defined in Section 11-10 of the Illinois Property Tax Code.		
			
	Signature	Title	

Sec. G	INSTRUCTIONS FOR COMPILING AND FILING APPLICATION		
	General: Separate applications must be completed for each control facility claimed. Do not mix types (water and air). Where both air and water operations are related, file two applications. If attachments are needed, record them consecutively on an index sheet.		
Sec. A	Information refers to applicant as listed in the tax records and the person to be contacted for further details or for inspection of facilities. Define facility location by street address or legal description. A plat map location is required for facilities located outside of municipal boundaries. The property identification number is required.		
Sec. B	Self-explanatory. Submit copies of all permits issued by local pollution control agencies. (e.g. MSD Construction Permit)		
Sec. C	Refers to manufacturing processes or materials on which pollution control facility is used.		
Sec. D	Narrative description of the pollution control facility, indicating that its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility. State permit number, date, and agency issuing permit. A narrative description and a process flow diagram describing the pollution control facility. Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an average analysis of the influent and effluent of the control facility stating the collection efficiency.		
Sec. E	List air contaminants, or water pollution substances released as effluents to the manufacturing processes. List also the final disposal of any contaminants removed from the manufacturing processes. Item (1) - Refers to pollutants and contaminants removed from the process by the pollution control facility. Item (2) - Refers to water pollution but can apply to water-carried wastes from air pollution control facilities. Submit drawings, which clearly show (a) Point(s) of discharge to receiving stream, and (b) Sewers and process piping to and from the control facility. Item (3) - If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value in dollars reclaimed by sale or reuse of the collected substances. State the cost of reclamation and related expense. Item (4) - State the date which the pollution control facility was first placed in service and operated. If not, explain. Item (5) - This information is essential to the certification and assessment actions. This accounting data must be completed to activate project review prior to certification by this Agency.		
Sec. F	Self-explanatory. Signature must be a corporate authorized signature.		
	Submit to:	Attention:	Attention:
	Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Thomas McSwiggin Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

Attachment A
Application for Certification as a Pollution Control Facility
Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

Description of Operations

Quebecor World Mt. Morris is a publication printer. The major products printed at this facility are magazines, catalogs, newspaper inserts, including Sunday magazines, and advertising circulars. The two (2) major printing processes employed at Quebecor World Mt. Morris are publication rotogravure and heatset web offset lithography. Both are 4-color processes (yellow, magenta or red, cyan or blue and black). Quebecor World Mt. Morris operates six (6) publication rotogravure printing presses and three (3) heatset web offset lithographic printing presses.

Publication rotogravure inks consist of a mixture of aromatic and aliphatic hydrocarbon solvents, primarily toluene and xylene. These inks are flammable, ignitable, and contain hazardous air pollutants (HAPs). They are also fluid inks with a low viscosity. The solvents act as a carrier to deliver the pigments to the paper substrate. Once applied, the solvents dry by evaporation and the solvent vapors are exhausted to one of two carbon adsorption systems where the solvent vapors are "trapped" by the carbon (activated charcoal). The carbon vessels are regenerated by steam. Once the solvent is stripped from the carbon by way of the steam, the solvent/steam mixture is cooled and condensed converting the mixture back to a liquid phase.

VOC (volatile organic compounds) emissions are both fugitive and stack. Fugitive VOC emissions occur at the press and escape to atmosphere through windows, doors, etc. Captured VOC is routed to the carbon adsorption systems where the recovery efficiency is generally 98%+ resulting in a control device loss through the stacks of about 2%. The majority of VOC emissions are fugitive although one (1) press is totally enclosed. Generally, the publication rotogravure printing operations achieve approximately 95% overall control efficiency based on a liquid-to-liquid mass balance.

Regulatory Applicability

Quebecor World Mt. Morris is subject to the following federal and state-equivalent environmental rules and regulations.

- a) New Source Performance Standards for Publication Rotogravure Printing (40 CFR 60, Subpart QQ)
- b) National Emissions Standards for Hazardous Air Pollutants for the Printing & Publishing Industry (40 CFR 63, Subpart KK)
- c) National Emissions Standards for Hazardous Air Pollutants for Chromium Emissions from Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks (40 CFR 63, Subpart N)
- d) NSPS for Industrial Boilers 40 CFR 60, Subpart Dd
- e) Illinois EPA Graphic Arts Rule (air quality)
- f) RCRA - Large Quantity Generator (D001, D002, F003, F005, F006) - ignitable and listed (e.g. waste gravure inks and solvents containing toluene and xylene); corrosive (e.g. waste corrosive cleaning compounds from the electroplating operations and waste copper sulfate); and listed F006 waste water pretreatment sludge.

Attachment A
Application for Certification as a Pollution Control Facility
Quebecor World
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Mount Morris, Illinois 61504-1150

Environmental Permits

In order to conduct operations Quebecor World Mt. Morris has obtained and is subject to the following permits:

- a) Title V air quality permit covering the following sources, et al.
 - (i) Publication rotogravure printing operations
 - (ii) Heatset web offset lithographic printing operations
 - (iii) Chromium electroplating operations
 - (iv) Boilers
 - (v) Gravure ink and gravure solvent storage tanks
 - (vi) Gravure cylinder wash tank
 - (vii) Waste paper handling system (shredder, baler, cyclone)
- b) Sanitary sewer discharge permit
- c) NPDES permit for direct discharge sources and stormwater runoff
- d) Quebecor World Mt. Morris is in possession of a USEPA ID No. for the disposal of hazardous waste.

Environmental Plans

Quebecor World Mt. Morris has the following environmental plans in place:

- a) Contingency plan as required by RCRA (and an emergency response plan as required by OSHA)
- b) Chromium plating tank maintenance plan.

Definition of a Pollution Control Facility

According to Illinois Environmental, Health And Safety Regulations, Title 35 Environmental Protection, Subtitle A General Provisions, Part 125. Tax Certifications, pollution control facilities are defined as follows:

Section 125.200 General

- a) Pollution Control Facilities. *For tax purposes, pollution control facilities shall be certified as such by the Board. [35 ILCS 200/11-20]*
 - 1) "Pollution control facility" means, for purposes of this Part, *any system, method, construction, device or appliance appurtenant thereto, or each portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: eliminating, preventing, or reducing air or water pollution, as the terms "air pollution" and "water pollution" are defined in the Act; or treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property. This term does not include any of the following:*

Attachment A
Application for Certification as a Pollution Control Facility
Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

- A) *Any facility with the primary purpose of eliminating, containing, preventing or reducing radioactive contaminants or energy, or treating waste water produced by the nuclear generation of electric power;*
- B) *Large diameter pipes or piping systems used to remove and disperse heat from water involved in the nuclear generation of electric power;*
- C) *Any facility operated by any person other than a unit of government, whether within or outside of the territorial boundaries of a unit of local government, for sewage disposal or treatment; or*
- D) *Land underlying a cooling pond.*

[35 ILCS 200/11-10]

Application for Certification as a Pollution Control Facility

In consideration of the above, Quebecor World Mt. Morris asserts that portions of the building located at 404 Wesley Street in Mount Morris, Illinois have been "*designed, constructed, installed or operated for the primary purpose of: eliminating, preventing, or reducing air or water pollution*" and hereby seeks certification for such as Pollution Control Facilities. Our rationale for applying for certification for various portions of the building is provided as follows:

1.0 Regenerative Thermal Oxidizer

Volatile organic emissions from heatset offset lithographic presses 2, 4, and 5 are controlled by a regenerative thermal oxidizer in accordance with the requirements of section 7.2 of the facility's Title V air permit (application number 95080108, I.D. Number 141035AAA). The original oxidizer was installed in 1987 and the equipment cost was approximately \$144,000.

The original oxidizer was not a regenerative unit and was replaced by the current Regenerative Thermal Oxidizer (RTO) in 2002 at a cost of approximately \$452,000. In order to install both the original oxidizer and the current RTO, several modifications had to be made to the building which are an integral part of the building. The cost of the actual RTO unit installed in 2002 was approximately \$288,000. The balance of the cost (\$164,000) represents installation costs and the cost of associated building improvements necessary to support the operation of the RTO, including items such as structural modifications, electrical service, and ductwork.

The RTO provides no economic benefit to the facility and is operated solely for the purpose of complying with environmental requirements. The building modifications and their estimated associated costs are as follows:

- a) Structural modifications to building to support oxidizer.
In order to mount the RTO on the roof of the building additional structural supports were added to the building at a cost of \$36,000.
- b) Electrical system modifications.
To provide power and control wiring to the RTO unit the building electrical system was modified at a cost of \$7,000.

Attachment A
Application for Certification as a Pollution Control Facility
Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

- c) Original duct work and subsequent duct work modifications.
The ductwork configuration serving the RTO is specific to the building and is attached to and considered a part of the building. The ductwork system routing vapor from heatset offset lithographic presses 2, 4, and 5 to the regenerative thermal oxidizer is approximately 325 feet in length and has a diameter of approximately 36". The value of this ductwork is estimated to be \$18,200.

2.0 Waste Water Treatment Plant

The waste water treatment plant occupies approximately 3,478 square feet of the plants floor area. The sole purpose of the plant is to meet environmental requirements; therefore, the entire area is considered a Pollution Control Facility with an estimated value of \$48,200.

3.0 Roto 12 Enclosure Room

The room enclosing rotogravure press 12 is required by section 7.1.5 (a) (i) of the facility's Title V air permit. The enclosure was designed specifically for the building and is attached to and considered part of the building. The enclosure is a pollution control facility and has an estimated value of \$500,000.

4.0 Ink tank containment area of building.

The ink tank containment area of the building is under roof and surrounded by a dike. The containment area is designed to prevent the contamination of rain water and prevent the contamination of water in the event of a spill. The containment area occupies approximately 2,356 s.f. of space and is a pollution control facility. The estimated value of the facility is \$32,700

Summary of Pollution Control Facility Estimated Value

1) Regenerative Thermal Oxidizer	\$ 61,200
2) Waste Water Treatment Plant	\$ 48,200
3) Roto 12 Enclosure Room	\$ 500,000
4) Ink tank containment area of building.	<u>\$ 32,700</u>
Grand Total	\$ 642,100

Percent attributable to parcel 08-27-228-003 = 41% = \$ 263,261

Percent attributable to parcel 08-27-201-003 = 59% = \$ 378,839

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

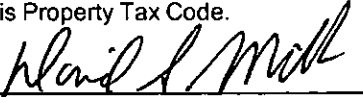
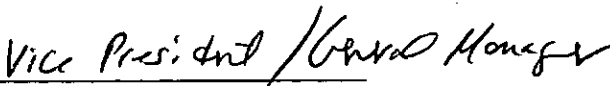
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date
Sec. A	Company Name: Quebecor World		
	Person Authorized to Receive Certification Mr. David S. Miller	Person to Contact for Additional Details Burns & McDonnell c/o T. Jagiello	
	Street Address 404 North Wesley Avenue	Street Address 1431 Opus Place	
	Municipality, State & Zip Code Mount Morris, Illinois 61504-1150	Municipality, State & Zip Code Downers Grove, Illinois, 60515	
	Telephone Number 815-734-4121	Telephone Number 630-724-3311	
	Location of Facility Quarter Section Township 24 Range	Municipality Mount Morris	Township
	Street Address 404 North Wesley Avenue	County OGLE	Book Number
	Property Identification Number 08-27-228-003	Parcel Number RNG/BLK:9 TWP 24 SECT/LOT:27 BLKS 4 & 6 Railroad ADD & VAC STS & Alleys ADJ Also BEG NE COR LT 37 KABLE ADD N150' E548.8' S 300° W 472' N150' W66.8' POB	
Sec. B	Nature of Operations Conducted at the Above Location Commercial Printing		
	Water Pollution Control Construction Permit No.	Date Issued	
	NPDES PERMIT No. IL0003972	Date Issued	Expiration Date
	Air Pollution Control Construction Permit No.	Date Issued	
	Air Pollution Control Operating Permit No. 141035AAA	Date Issued	
Sec. C	Describe Unit Process Commercial Printing process uses publication rotograveur and heatset web offset lithographic printing processes. Products produced include magazines, catalogues, newspaper inserts, and advertising circulars.		
	Materials Used in Process Ink and Paper. Inks contain aromatic and aliphatic hydrocarbons.		
Sec. D	Describe Pollution Abatement Control Facility See Attachment A		

Sec. E (1) Nature of Contaminants or Pollutants			
		Material Retained, Captured or Recovered	
Contaminant or Pollutant		DESCRIPTION	DISPOSAL OR USE
Aliphatic and aromatic hydrocarbons			
(2) Point(s) of Waste Water Discharge			
		Plans and Specifications Attached	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(3)	Are contaminants (or residues) collected by the control facility?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(4)	Date installation completed _____ status of installation on date of application _____		
(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 263,261	
	b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 0	
	c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	2.95%	

Sec. F	The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge, is true and correct. The facilities claimed herein are "pollution control facilities" as defined in Section 11-10 of the Illinois Property Tax Code.		
			
	Signature	Title	

Sec. G	INSTRUCTIONS FOR COMPILING AND FILING APPLICATION		
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Sec. E	List air contaminants, or water pollution substances released as effluents to the manufacturing processes. List also the final disposal of any contaminants removed from the manufacturing processes. Item (1) - Refers to pollutants and contaminants removed from the process by the pollution control facility. Item (2) - Refers to water pollution but can apply to water-carried wastes from air pollution control facilities. Submit drawings, which clearly show (a) Point(s) of discharge to receiving stream, and (b) Sewers and process piping to and from the control facility. Item (3) - If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value in dollars reclaimed by sale or reuse of the collected substances. State the cost of reclamation and related expense. Item (4) - State the date which the pollution control facility was first placed in service and operated. If not, explain. Item (5) - This information is essential to the certification and assessment actions. This accounting data must be completed to activate project review prior to certification by this Agency.		
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	Submit to:	Attention:	Attention:
	Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Thomas McSwiggin Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

Attachment A
Application for Certification as a Pollution Control Facility
Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

Description of Operations

Quebecor World Mt. Morris is a publication printer. The major products printed at this facility are magazines, catalogs, newspaper inserts, including Sunday magazines, and advertising circulars. The two (2) major printing processes employed at Quebecor World Mt. Morris are publication rotogravure and heatset web offset lithography. Both are 4-color processes (yellow, magenta or red, cyan or blue and black). Quebecor World Mt. Morris operates six (6) publication rotogravure printing presses and three (3) heatset web offset lithographic printing presses.

Publication rotogravure inks consist of a mixture of aromatic and aliphatic hydrocarbon solvents, primarily toluene and xylene. These inks are flammable, ignitable, and contain hazardous air pollutants (HAPs). They are also fluid inks with a low viscosity. The solvents act as a carrier to deliver the pigments to the paper substrate. Once applied, the solvents dry by evaporation and the solvent vapors are exhausted to one of two carbon adsorption systems where the solvent vapors are "trapped" by the carbon (activated charcoal). The carbon vessels are regenerated by steam. Once the solvent is stripped from the carbon by way of the steam, the solvent/steam mixture is cooled and condensed converting the mixture back to a liquid phase.

VOC (volatile organic compounds) emissions are both fugitive and stack. Fugitive VOC emissions occur at the press and escape to atmosphere through windows, doors, etc. Captured VOC is routed to the carbon adsorption systems where the recovery efficiency is generally 98%+ resulting in a control device loss through the stacks of about 2%. The majority of VOC emissions are fugitive although one (1) press is totally enclosed. Generally, the publication rotogravure printing operations achieve approximately 95% overall control efficiency based on a liquid-to-liquid mass balance.

Regulatory Applicability

Quebecor World Mt. Morris is subject to the following federal and state-equivalent environmental rules and regulations.

- a) New Source Performance Standards for Publication Rotogravure Printing (40 CFR 60, Subpart QQ)
- b) National Emissions Standards for Hazardous Air Pollutants for the Printing & Publishing Industry (40 CFR 63, Subpart KK)
- c) National Emissions Standards for Hazardous Air Pollutants for Chromium Emissions from Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks (40 CFR 63, Subpart N)
- d) NSPS for Industrial Boilers 40 CFR 60, Subpart Dd
- e) Illinois EPA Graphic Arts Rule (air quality)
- f) RCRA - Large Quantity Generator (D001, D002, F003, F005, F006) - ignitable and listed (e.g. waste gravure inks and solvents containing toluene and xylene); corrosive (e.g. waste corrosive cleaning compounds from the electroplating operations and waste copper sulfate); and listed F006 waste water pretreatment sludge.

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Quebecor World
404 North Wesley Avenue
Mount Morris, Illinois 61504-1150

Environmental Permits

In order to conduct operations Quebecor World Mt. Morris has obtained and is subject to the following permits:

- a) Title V air quality permit covering the following sources, et al.
 - (i) Publication rotogravure printing operations
 - (ii) Heatset web offset lithographic printing operations
 - (iii) Chromium electroplating operations
 - (iv) Boilers
 - (v) Gravure ink and gravure solvent storage tanks
 - (vi) Gravure cylinder wash tank
 - (vii) Waste paper handling system (shredder, baler, cyclone)
- b) Sanitary sewer discharge permit
- c) NPDES permit for direct discharge sources and stormwater runoff
- d) Quebecor World Mt. Morris is in possession of a USEPA ID No. for the disposal of hazardous waste.

Environmental Plans

Quebecor World Mt. Morris has the following environmental plans in place:

- a) Contingency plan as required by RCRA (and an emergency response plan as required by OSHA)
- b) Chromium plating tank maintenance plan.

Definition of a Pollution Control Facility

According to Illinois Environmental, Health And Safety Regulations, Title 35 Environmental Protection, Subtitle A General Provisions, Part 125. Tax Certifications, pollution control facilities are defined as follows:

Section 125.200 General

- a) Pollution Control Facilities. *For tax purposes, pollution control facilities shall be certified as such by the Board. [35 ILCS 200/11-20]*

1) "Pollution control facility" means, for purposes of this Part, *any system, method, construction, device or appliance appurtenant thereto, or each portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: eliminating, preventing, or reducing air or water pollution, as the terms "air pollution" and "water pollution" are defined in the Act; or treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property. This term does not include any of the following:*

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- A) *Any facility with the primary purpose of eliminating, containing, preventing or reducing radioactive contaminants or energy, or treating waste water produced by the nuclear generation of electric power;*
- B) *Large diameter pipes or piping systems used to remove and disperse heat from water involved in the nuclear generation of electric power;*
- C) *Any facility operated by any person other than a unit of government, whether within or outside of the territorial boundaries of a unit of local government, for sewage disposal or treatment; or*
- D) *Land underlying a cooling pond.*

[35 ILCS 200/11-10]

Application for Certification as a Pollution Control Facility

In consideration of the above, Quebecor World Mt. Morris asserts that portions of the building located at 404 Wesley Street in Mount Morris, Illinois have been *"designed, constructed, installed or operated for the primary purpose of: eliminating, preventing, or reducing air or water pollution"* and hereby seeks certification for such as Pollution Control Facilities. Our rationale for applying for certification for various portions of the building is provided as follows:

1.0 Regenerative Thermal Oxidizer

Volatile organic emissions from heatset offset lithographic presses 2, 4, and 5 are controlled by a regenerative thermal oxidizer in accordance with the requirements of section 7.2 of the facility's Title V air permit (application number 95080108, I.D. Number 141035AAA). The original oxidizer was installed in 1987 and the equipment cost was approximately \$144,000.

The original oxidizer was not a regenerative unit and was replaced by the current Regenerative Thermal Oxidizer (RTO) in 2002 at a cost of approximately \$452,000. In order to install both the original oxidizer and the current RTO, several modifications had to be made to the building which are an integral part of the building. The cost of the actual RTO unit installed in 2002 was approximately \$288,000. The balance of the cost (\$164,000) represents installation costs and the cost of associated building improvements necessary to support the operation of the RTO, including items such as structural modifications, electrical service, and ductwork.

The RTO provides no economic benefit to the facility and is operated solely for the purpose of complying with environmental requirements. The building modifications and their estimated associated costs are as follows:

- a) Structural modifications to building to support oxidizer.
In order to mount the RTO on the roof of the building additional structural supports were added to the building at a cost of \$36,000.
- b) Electrical system modifications.
To provide power and control wiring to the RTO unit the building electrical system was modified at a cost of \$7,000.

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- c) Original duct work and subsequent duct work modifications.
The ductwork configuration serving the RTO is specific to the building and is attached to and considered a part of the building. The ductwork system routing vapor from heatset offset lithographic presses 2, 4, and 5 to the regenerative thermal oxidizer is approximately 325 feet in length and has a diameter of approximately 36". The value of this ductwork is estimated to be \$18,200.

2.0 Waste Water Treatment Plant

The waste water treatment plant occupies approximately 3,478 square feet of the plants floor area. The sole purpose of the plant is to meet environmental requirements; therefore, the entire area is considered a Pollution Control Facility with an estimated value of \$48,200.

3.0 Roto 12 Enclosure Room

The room enclosing rotogravure press 12 is required by section 7.1.5 (a) (i) of the facility's Title V air permit. The enclosure was designed specifically for the building and is attached to and considered part of the building. The enclosure is a pollution control facility and has an estimated value of \$500,000.

4.0 Ink tank containment area of building.

The ink tank containment area of the building is under roof and surrounded by a dike. The containment area is designed to prevent the contamination of rain water and prevent the contamination of water in the event of a spill. The containment area occupies approximately 2,356 s.f. of space and is a pollution control facility. The estimated value of the facility is \$32,700

Summary of Pollution Control Facility Estimated Value

1) Regenerative Thermal Oxidizer	\$ 61,200
2) Waste Water Treatment Plant	\$ 48,200
3) Roto 12 Enclosure Room	\$ 500,000
4) Ink tank containment area of building.	<u>\$ 32,700</u>
Grand Total	\$ 642,100

Percent attributable to parcel 08-27-228-003 = 41% = \$ 263,261

Percent attributable to parcel 08-27-201-003 = 59% = \$ 378,839



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: April 04, 2006
To: Robb Layman
From: Don Sutton *DKS*
Subject: Quebecor World Mt. Morris TC-05-08-05

This Agency received a request on August 05, 2005 from Quebecor World Mt. Morris for an Illinois EPA recommendation regarding tax certification for a Regenerative Thermal Oxidizer, Roto 12 Enclosure Room pursuant to 35 Ill. Adm. Code 125.200(b)(1). I offer the following recommendation.

The air pollution control facilities in this request include building modifications relating to the following:

Volatile Organic Emissions from heatset offset lithographic presses are reduced by the Regenerative Thermal Oxidizer. Because the primary purpose of this unit is to reduce or eliminate air pollution, the associated building modifications are certified as a pollution control facility.

Roto 12 Enclosure Room which reduces Volatile Organic Emissions from the lithographic and rotogravure presses. Because the primary purpose of this enclosure room is to reduce or eliminate air pollution, the associated building modifications are certified as a pollution control facility.

This facility is located at 404 North Wesley Avenue, Mt. Morris
The property identification numbers are 08-27-201-003 & 08-27-228-003.

Based on the information included in this submittal, it is my engineering judgement that the proposed building modifications may be considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board issue the requested tax Certification for this proposal.

— *Exhibit B* —