ILLINOIS POLLUTION CONTROL BOARD July 15, 2010

IN THE MATTER OF:)	
)	
PROCEDURAL RULES FOR)	R10-1
AUTHORIZATIONS UNDER P. A. 95-115)	(Ruler
(REGULATION OF PHOSPHORUS IN)	
DETERGENTS ACT): NEW 35 ILL. ADM.)	
CODE 106.SUBPART H)	

R10-19 (Rulemaking – Procedural)

Adopted Rule. Final Opinion and Order.

OPINION AND ORDER OF THE BOARD (by C.K. Zalewski):

Today the Board adopts new procedural rules to be codified at 35 Ill. Adm. Code 106. Subpart H, and will apply to Board authorizations made under P. A. 95-115, signed and effective August 13, 2007. P.A. 95-115 was codified at 415 ILCS 92/1 *et seq.* (2008).

The Regulation of Phosphorus in Detergents Act prohibits the manufacture, distribution, sale, and use of "any cleaning agent" that contains more than 0.5% phosphorus by weight, expressed as elemental phosphorus after July 1, 2010. 415 ILCS 92/5(a) and (b). The law includes a number of definitions and exclusions. 415 ILCS 92/5(c) (2008). Section 5(d) provides that:

The Illinois Pollution Control Board may authorize the use of additional cleaning agents that contain phosphorus of an amount exceeding 0.5% by weight upon finding that there is no adequate substitute for that cleaning agent or that compliance with this Section would otherwise be unreasonable or create a significant hardship on the user. The Illinois Pollution Control Board shall promulgate rules for the administration and enforcement of the provisions of this Section. 415 ILCS 92/5(d) (2008).

As explained below, the Board believes that the only rules necessary are a new Subpart H, to be entitled "Authorizations under the Regulation of Phosphorus in Detergents Act" to existing Part 106, entitled "Proceedings Pursuant to Specific Rules or Statutory Provisions". *See* 415 ILCS 5/35-37 and 28.1 and 35 Ill. Adm. Code 104.Subpart B and Subpart D. The Board continues to propose that these rules become effective upon filing with the Secretary of State.

On March 18, 2010, the Board adopted its draft proposal. Under the Administrative Procedure Act (APA), 100 ILCS 5/5-1 *et seq.* (2008), first notice of the proposed rules was published at 34 Ill. Reg. 5545-5554 (April 16, 2010). Consequently, the 45-day APA first notice public comment period closed on May 31, 2010. No hearing requests were received and no hearings were held.

On June 3, 2010, the Board adopted its second notice opinion and order for review by the Joint Committee on Administrative Rules (JCAR). The Board made only minor changes in

response to the one public comment received, that filed by the Illinois Environmental Protection Agency (Agency) (PC1). *See* Section 5-40 of the APA, 100 ILCS 5/5-40 (2008). At its July 13, 2010, JCAR issued a certificate of no objection.

THE BOARD'S FIRST NOTICE PROPOSAL

The Regulation of Phosphorus in Detergents Act is a stand-alone act, which is not codified as part of the Illinois Environmental Protection Act (Act), 415 ILCS 5/1 *et seq*. The Regulation of Phosphorus in Detergents Act is fairly short, and is set forth in its entirety below in the interests of clarity:

Section 1. Short title.

This Act may be cited as the Regulation of Phosphorus in Detergents Act.

- Section 5. Prohibition; definition; exceptions.
 - (a) On and after July 1, 2010, no person may use, sell, manufacture, or distribute for sale any cleaning agent containing more than 0.5% phosphorus by weight, expressed as elemental phosphorus, in Illinois, except as otherwise provided in this Section.
 - (b) As used in this Section, "cleaning agent" means a laundry detergent, dishwashing compound, cleanser, household cleaner, metal cleaner or polish, degreasing compound, commercial cleaner, industrial cleaner, or other substance that is used or intended to be used for cleaning purposes.
 - (c) This Section does not apply to cleaning agents that are used:
 - (1) In agricultural, biofuel, or dairy production, including bottling equipment.
 - (2) To clean commercial food, brewery, or beverage processing equipment and containers, and in commercial automatic dishwashing machines, flatware presoak products, or commercial dishwashing rinse additive products.
 - (3) In hospitals, clinics, nursing homes, other healthcare facilities, or veterinary hospitals or clinics, or for use as commercial bathroom cleaners.
 - (4) In any medical, biological, chemical, engineering, or other such laboratory, including those associated with any academic or research institution.

- (5) In commercial laundries that provide cleaning services for a hospital, health care facility, or veterinary hospital.
- (6) As water softeners, anti-scale agents, or corrosion inhibitors, if that use is in a closed system such as a boiler, air conditioner, cooling tower, or hot water heater.
- (7) As industrial or institutional sanitizers, metal brighteners, or metal cleaning or metal conditioning, including products containing phosphoric acid or trisodium phosphate.
- (d) This Section does not apply to cleaning agents that:
 - (1) contain phosphorus in an amount not exceeding 0.5%, expressed as elemental phosphorus by weight;
 - 2) are manufactured, stored, sold, or distributed for use solely outside the State; or
 - (3) are regulated by federal law, including the Food, Drug, and Cosmetic Act and the Federal Insecticide, Fungicide, and Rodenticide Act.
- (e) The Illinois Pollution Control Board may authorize the use of additional cleaning agents that contain phosphorus of an amount exceeding 0.5% by weight upon finding that there is no adequate substitute for that cleaning agent or that compliance with this Section would otherwise be unreasonable or create a significant hardship on the user. The Illinois Pollution Control Board shall promulgate rules for the administration and enforcement of the provisions of this Section.
- (f) The regulation of phosphorus in detergents is an exclusive power and function of the State. A home rule unit may not regulate phosphorus in detergents. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

Section 99. Effective date.

This Act takes effect upon becoming law [*i.e.* August 13, 2007]. 415 ILCS 92 *et seq.* (2008).

The Board reads the Regulation of Phosphorus in Detergents Act as being self implementing, except to the extent that it leaves to the Board establishment of procedures for Board issuance of authorization to continue use past July 1, 2010 of "cleaning agents containing more than 0.5% phosphorus by weight, expressed as elemental phosphorus". 415 ILCS 92.5(a). No regulatory proposals to implement this statute were ever filed with the Board.

If the Regulation of Phosphorus in Detergents Act was codified as part of the Act, the Board would direct persons seeking cleaning agent authorizations for five years or less to use the variance procedures under Sections 35-37 of the Act, 415 ILCS 5/35-37 (2008), and the Board's procedural rules at 35 Ill. Adm. Code 104.Subpart B. Similarly, the Board would direct persons seeking cleaning agent authorizations for more than five years to use the adjusted standards procedures under Section 28.1 of the Act, 415 ILCS 5/28.1 (2008), and the Board's procedural rules at 35 Ill. Adm. Code 104.Subpart D.

But, as previously stated the Regulation of Phosphorus in Detergents Act is a stand-alone act, albeit one which authorizes the Board to adopt implementing regulations. Moreover, the Regulation of Phosphorus in Detergents Act articulates the standard for Board decision of cleaning agent authorizations a bit differently than the Act provides for either variances or adjusted standards. *Compare* 415 ILCS 92.5 (d) above with the 415 ILCS 5/35 (a) "arbitrary or unreasonable hardship" standard for variances and the 415 ILCS 5/28.1 (c)(1)-(4) justification factors for adjusted standards.

Under these circumstances, the Board proposed to codify the procedures for cleaning agent authorizations as a new Subpart H, to be entitled "Authorizations under the Regulation of Phosphorus in Detergents Act" to existing Part 106, entitled "Proceedings Pursuant to Specific Rules or Statutory Provisions". The Board here proposes to amend Subpart A to Part 106 to include the rules proposed here within the Part's scope.

The new 35 Ill. Adm. Code 106.Subpart H proposed at first notice follows the general format of the other subparts within Part 106. The rules incorporate the definitions from the Regulation of Phosphorus in Detergents Act, as well as definitions from the Board's procedural rules at 35 Ill. Adm. Code 101.Subpart B. Unlike the other types of determinations in Part 106, the Board does not propose that a hearing be held on every petition filed; in the interests of administrative economy the Board is making every effort to trim expenditures. However, a hearing will be held upon timely request. The burden of proof is on petitioner, and the standard for Board decision is quoted directly from the Regulation of Phosphorus in Detergents Act.

As proposed at first notice, the new procedures will become effective upon filing of the adopted rules, rather than on July 1, 2010 when the prohibitions of the Regulation of Phosphorus in Detergents Act become effective.

The Board stated its intent not to hold a hearing on these proposed Part 106.Subpart H rules unless requested to do so within 45 days from the date of publication of the proposed rules in the *Illinois Register*. The Board is not required to hold a public hearing to amend its procedural rules pursuant to Section 26 and 27 of the Act, and in the interests of administrative

economy the Board is making every effort to trim expenditures. The Board encouraged the timely filing of public comments, to allow for adoption of these rules in advance of July 1, 2010.

PROCEDURAL HISTORY

The Board again notes, as it did in its March 18, 2010 first notice opinion and order, that no regulatory proposal has been filed to implement the Regulation of Phosphorus in Detergents Act. The first notice was published at 34 III. Reg. 5545-5554 (April 16, 2010). Consequently, the 45-day APA first notice public comment period closed on May 31, 2010. *See* Section 5-40 of the APA, 100 ILCS 5/5-40 (2008).

On April 13, 2010, the Board received JCAR's request for an analysis of the economic and budgetary effects of this rulemaking pursuant to Section 5-40(c) of the APA, 100 ILCS 5/5-40(c) (2008). On the same day, the Board received JCAR's First Notice Version of the rule text for use in creating Second Notice Changes for Part 106.

No hearing requests were received. The only comment filed was filed May 10, 2010 by the Agency (PC1).

On June 3, 2010, the Board adopted its second notice opinion and order for review by the Joint Committee on Administrative Rules (JCAR). The Board made only minor changes in response to the one public comment received, that filed by the Agency (PC1). The contents of the public comment are discussed immediately below.

At its July 13, 2010, JCAR issued a certificate of no objection to the proposal which the Board adopts in this order. The rules will become effective upon filing with the Secretary of State.

The Agency's Public Comment

The Board received the Agency's public comment on May 10, 2010. As the substance of the comment is fairly short, it is set out in its entirety below:

The Illinois EPA supports the goals of the Regulation of Phosphorus in Detergents Act and generally supports the Board's actions in this proceeding, including the content of the proposed procedural rules. However, the Agency would like to comment on the role afforded to the Agency in the proposed rules. A few sections of the proposed regulations highlight a role for the Agency in the proceedings covered by 35 Ill. Adm. Code 106.Subpart H. Section 106.800(b) provides that the Agency must be named as the Respondent. Section 10.804 requires the petitioner to serve a copy of the petition for authorization with the Agency. Section 106.808 allows, but does not require, the Agency to file a response to any petition in which it has not joined as co-petitioner. Finally, Section 106.8 10 allows the Agency (and any other interested person) to request a hearing on the petition.

The Illinois EPA is in support of the language stipulating a role for the Agency in these new proceedings with the exception of the following language in subsection 106.800(b):

"Parties. The person filing the petition for authorization must be named the petitioner and the Agency must be named the respondent."

In the event the Board receives a petition under the Regulation of Phosphorus in Detergents Act, the Agency intends to provide any assistance to the Board that it has the staff expertise and resources to provide. Because water quality impacts are not one of the factors the Board is directed to consider in these proceedings, it is possible the Agency will not have the necessary expertise to advise the Board on how to proceed. In most cases, the Petitioner would be presenting evidence regarding the adequacy of substitute cleaning agents or the economic hardship imposed by the statute, without regard to potential negative environmental impacts. For these reasons, the Agency agrees with the Board's decision to require service of the Petition upon the Agency and to allow the Agency the opportunity to file a response and request a hearing. However, the Regulation of Phosphorus in Detergents Act does not specifically provide for the designation of the Agency as a respondent in these proceedings and the Agency is concerned about the potential implications of the Board's language making the Agency a necessary party in any proceeding initiated under the Regulation of Phosphorus in Detergents Act. Therefore, the Agency requests the Board delete the phrase "and the Agency must be named the respondent" from proposed 35 Ill. Adm. Code 106.800(b). PC 1 pp. 3-4.

The Second Notice Order

The Board's June 3, 2010 second notice order made the rule change as requested by the Agency. Sections 4 and 5 of the Environmental Protection Act respectively set out the rights and responsibilities of the Agency and the Board under that Act. 415 ILCS 5/4 and 5 (2008). But, regarding the Regulation of Phosphorus in Detergents Act, nothing in Section 4 of the Act specifically requires the Agency to participate in this type of proceeding, and nothing in Section 5 of the Act specifically allows the Board to require such participation. At second notice, the Board amended proposed 35 Ill. Adm. Code 106.800(b) as follows (deleted language is lined through):

Parties. The person filing the petition for authorization must be named the petitioner and the Agency must be named the respondent.

But, in so doing, the Board observed that the Agency's participation in these proceedings is more than welcome, noting the Agency's statement that " the Agency intends to provide any assistance to the Board that it has the staff expertise and resources to provide." PC 1 at 3. The Board further observed that the Agency may be taking too narrow a view of the applicable factors for Board decision in cleaning agent authorization proceedings. Section 5(d) provides that:

The Illinois Pollution Control Board may authorize the use of additional cleaning agents that contain phosphorus of an amount exceeding 0.5% by weight upon finding that there is no adequate substitute for that cleaning agent or that compliance with this Section would otherwise be unreasonable or create a significant hardship on the user. The Illinois Pollution Control Board shall promulgate rules for the administration and enforcement of the provisions of this Section. 415 ILCS 92/5(d) (2008).

The Board did not construe this language as equiring the Board to make a decision "without regard to potential negative environmental impacts" as the Agency suggested. *See* PC 1 at p. 3. Similar to the situation in variance and adjusted standard cases, the level of the showing necessary for a petitioner to prove "unreasonable or significant hardship" would likely depend on the phosphorus loading of any particular cleaning agent for which authorization is sought. *Compare* 415 ILCS 92.5 (d) above with the 415 ILCS 5/35 (a) "arbitrary or unreasonable hardship" standard for variances and the 415 ILCS 5/28.1 (c)(1)-(4) justification factors for adjusted standards.

Next, the Board made an additional non-substantive change to the introductory phrase of Section 101.682 to remedy inadvertent omission of a part number as follows: "The definitions of 35 Ill. Adm. Code.<u>101</u>Subpart B".

JCAR Requested Changes to Second Notice Proposal

No additional changes were made at JCAR request as a result of its second notice review on July 13, 2010. The Board adopts the final rules as set out below.

<u>ORDER</u>

The Board adopts the final rules as set out below. The Board directs the Clerk to cause them to be filed with the Secretary of State and published as final rules in the *Illinois Register*, to become effective upon filing with the Secretary of State. New language is indicated by underlining, and language to be deleted by strike-through.

TITLE 35: ENVIRONMENTAL PROTECTION SUBTITLE A: GENERAL PROVISIONS CHAPTER I: POLLUTION CONTROL BOARD

PART 106 PROCEEDINGS PURSUANT TO SPECIFIC RULES OR STATUTORY PROVISIONS

SUBPART A: GENERAL PROVISIONS

Section 106.100 Applicability 106.102 Severability 106.104 Definitions

SUBPART B: HEATED EFFLUENT, ARTIFICIAL COOLING LAKE, AND SULFUR DIOXIDE DEMONSTRATIONS

Section

- 106.200 General
- 106.202 Petition Requirements
- 106.204 Additional Petition Requirements in Sulfur Dioxide Demonstrations
- 106.206 Notice
- 106.208 Recommendation and Response
- 106.210 Burden of Proof

SUBPART C: WATER WELL SETBACK EXCEPTION PROCEDURES

Section

- 106.300 General
- 106.302 Initiation of Proceeding
- 106.304 Petition Content Requirements
- 106.306 Response and Reply
- 106.308 Hearing
- 106.310 Burden of Proof

SUBPART D: REVOCATION AND REOPENING OF CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMITS

Section

- 106.400 General
- 106.402 Definitions
- 106.404 Initiation of Proceedings
- 106.406 Petition Content Requirements
- 106.408 Response and Reply
- 106.410 Hearing
- 106.412 Burden of Proof
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- 106.416 USEPA Review of Proposed Determination

SUBPART E: MAXIMUM ACHIEVABLE CONTROL TECHNOLOGY DETERMINATIONS

Section

- 106.500 General
- 106.502 Definitions
- 106.504 Initiation of Proceedings
- 106.506 Petition Content Requirements
- 106.508 Response and Reply

106.510	Hearing
106.512	Burden of Proof

106.514 Board Action

SUBPART F: CULPABILITY DETERMINATIONS FOR PARTICULATE MATTER LESS THAN OR EQUAL TO 10 MICRONS (PM-10)

Section

- 106.600 General
- 106.602 Initiation of Proceedings
- 106.604 Petition Content Requirements
- 106.606 Response and Reply
- 106.608 Hearing
- 106.610 Burden of Proof

SUBPART G: INVOLUNTARY TERMINATION OF ENVIRONMENTAL MANAGEMENT SYSTEM AGREEMENTS (EMSAs)

- Section
- 106.700 Purpose
- 106.702 Applicability
- 106.704 Termination Under Section 52.3-4(b) or (b-5) of the Act
- 106.706 Who May Initiate, Parties
- 106.707 Notice, Statement of Deficiency, Answer
- 106.708 Service
- 106.710 Notice of Hearing
- 106.712 Deficient Performance
- 106.714 Board Decision
- 106.716 Burden of Proof
- 106.718 Motions, Responses
- 106.720 Intervention
- 106.722 Continuances
- 106.724 Discovery, Admissions
- 106.726 Subpoenas
- 106.728 Settlement Procedure
- 106.730 Authority of Hearing Officer, Board Members, and Board Assistants
- 106.732 Order and Conduct of Hearing
- 106.734 Evidentiary Matters
- 106.736 Post-Hearing Procedures
- 106.738 Motion After Entry of Final Order
- 106.740Relief from Final Orders

SUBPART H: AUTHORIZATIONS UNDER THE REGULATION OF PHOSPHORUS IN DETERGENTS ACT

Section106.800General106.802Definitions

106.804	Initiation of Proceeding
106.806	Petition Content Requirements
106.808	Response and Reply
106.810	Hearing
<u>106.812</u>	Burden of Proof
106.APPEND	IX A Comparison of Former and Current Rules (Repealed)

AUTHORITY: Implementing and authorized by Sections 5, 14.2(c), 22.4, 26, 27, 28, 28.1, 28.1, 35, 36, 37, 38, 39.5 and 52.3 of the Environmental Protection Act (the Act) [415 ILCS 5/5, 14.2(c), 22.4, 26, 27, 28, 28.1, 28.5, 35, 36, 37, 38, 39.5 and 52.3], and Section 92.5 of the Regulation of Phosphorus in Detergents Act [415 ILCS 92.5].

SOURCE: Filed with Secretary of State January 1, 1978; amended at 4 Ill. Reg. 2, p. 186, effective December 27, 1979; codified at 6 Ill. Reg. 8357; amended in R85-22 at 10 Ill. Reg. 992, effective February 2, 1986; amended in R86-46 at 11 Ill. Reg. 13457, effective August 4, 1987; amended in R82-1 at 12 Ill. Reg. 12484, effective July 13, 1988; amended in R88-10 at 12 Ill. Reg. 12817, effective July 21, 1988; amended in R88-5(A) at 13 Ill. Reg. 12094, effective July 10, 1989; amended in R88-5(B) at 14 Ill. Reg. 9442, effective June 5, 1990; amended in R93-24 at 18 Ill. Reg. 4230, effective March 8, 1994; amended in R93-30 at 18 Ill. Reg. 11579, effective July 11, 1994; amended in R99-9 at 23 Ill. Reg. 2697, effective February 16, 1999; old Part repealed, new Part adopted in R00-20 at 25 Ill. Reg. 550, effective January 1, 2001; amended in R04-24 at 29 Ill. Reg. 8817, effective June 8, 2005; amended in R10-19 at 34 Ill. Reg. ________.

SUBPART A: GENERAL PROVISIONS

Section 106.100 Applicability

- a) This Part applies to adjudicatory proceedings pursuant to specific rules or statutory provisions. Specifically, the Part applies to heated effluent, artificial cooling lake and sulfur dioxide demonstrations, water well setback exception procedures, revocation and reopening of CAAPP permits, maximum achievable control technology determinations, culpability determinations for particulate matter less than or equal to 10 microns, and the involuntary termination of environmental management system agreements, and authorization of use of cleaning agents under the Regulation of Phosphorus in Detergents Act [415 ILCS 92].
- b) This Part must be read in conjunction with 35 Ill. Adm. Code 101 which contains procedures generally applicable to all of the Board's adjudicatory proceedings. In the event of a conflict between the requirements of 35 Ill. Adm. Code 101 and those of this Part, the provisions of this Part apply.

(Source: Amended at 34 Ill. Reg. _____, effective_____)

SUBPART H: AUTHORIZATIONS UNDER THE REGULATION OF PHOSPHORUS

IN DETERGENTS ACT

Section 106.800 General

- a) Description. This Subpart applies to any person who files a petition for Board authorization to use cleaning agents that contain phosphorus of an amount exceeding 0.5% by weight as provided in Section 5(e) of the Regulation of Phosphorus in Detergents Act [415 ILCS 92/5(e)].
- b) Parties. The person filing the petition for authorization must be named the petitioner and the Agency must be named the respondent.
- c) Filing and Service. The filing and service requirements of 35 Ill. Adm. Code 101.Subpart C will apply to the proceedings of this Subpart.

(Source: Added at 34 Ill. Reg. _____, effective_____)

Section 106.802 Definitions

The definitions of 35 Ill. Adm. Code.<u>101</u> Subpart B and Section 5 of the Regulation of Phosphorus in Detergents Act will apply to this Subpart unless otherwise provided, or unless the context clearly indicates otherwise. If there is a conflict, the definitions of Section 5 of the Act will apply.

(Source: Added at 34 Ill. Reg. _____, effective_____)

Section 106.804 Initiation of Proceeding

The petitioner must file the petition for authorization with the Clerk of the Board and must serve one copy upon the Agency.

(Source: Added at 34 Ill. Reg. _____, effective_____)

Section 106.806 Petition Content Requirements

The petition must contain the following information:

- a) <u>A written statement, signed by the petitioner or an authorized representative,</u> concerning the cleaning agent containing excess phosphorus for which authorization is sought and outlining a description of the cleaning agent and its phosphorus content, the duration of, the reasons for, and the basis of the authorization sought, consistent with the burden of proof stated in Section 106.812 of this Part;
- b) The nature of the petitioner's operations;

c) Any other information that may be required by Section 5 of the Regulation of Phosphorus in Detergents Act.

(Source: Added at 34 Ill. Reg. _____, effective_____)

Section 106.808 Response and Reply

- a) Within 21 days after the filing of a petition, the Agency may file a response to any petition in which it has not joined as co-petitioner. The response must include the comments concerning potential Board action on the petition.
- b) The petitioner may file a reply within 14 days after the service of any Agency response.

(Source: Added at 34 Ill. Reg. _____, effective_____)

Section 106.810 Hearing

The Board will hold a public hearing in an authorization proceeding only if a hearing is requested by the petitioner, the Agency, or any other person within 14 days after the filing of any reply under Section 106.808(b). The hearing officer will schedule the hearing. The Clerk will give notice of hearing in accordance with 35 Ill. Adm. Code 101. The proceedings will be in accordance with 35 Ill. Adm. Code 101.Subpart F.

(Source: Added at 34 Ill. Reg. _____, effective_____)

Section 106.812 Burden of Proof

The burden of proof is on the petitioner. The petitioner must demonstrate that:

- a) There is no adequate substitute for that cleaning agent for which authorization is sought; or
- b) <u>Compliance with the requirements of Section 5 of the Regulation of Phosphorus</u> in Detergents Act would otherwise be unreasonable or create a significant hardship on the user. [415 ILCS 92/5(e)]

(Source: Added at 34 Ill. Reg. ____, effective____)

IT IS SO ORDERED.

I, John Therriault, Assistant Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above opinion and order on July 15, 2010, by a vote of 5-0.

In T. Thereaut -

John Therriault, Assistant Clerk Illinois Pollution Control Board