



February 18, 2011

Pollution Control Board
Attn: Clerk
100 West Randolph Street
James R. Thompson Center, Suite 11-500
Chicago, Illinois 60601-3218

RE: Stericycle Inc. Testimony on Amendments to 35 Ill. Adm. Code Part 229:
HMIWIW

Dear Clerk,

Stericycle, Inc. (Stericycle) owns and operates a hospital/medical/infectious waste incineration facility located in Clinton, Illinois. Stericycle is subject to the Illinois regulations (to 35 Ill. Adm. Code Part 229 Hospital/Medical/Infectious Waste Incinerators) that were developed to comply with the US EPA "*Emission Guidelines for Existing Hospital, Medical and Infectious Waste Incinerators (HMIWI)*" (40 CFR Part 60, Subpart Ce). Stericycle understands that the Illinois Environmental Protection Agency (IEPA) is amending 35 Ill. Adm. Code Part 229 to incorporate the revisions to 40 CFR Part 60, Subpart Ce (promulgated October 6, 2009).

Headquartered in Lake Forest, Illinois, Stericycle is a publicly traded company (SRCL) which employs over 5000 people in the United States and over 8000 worldwide. Stericycle is the leading provider of compliant healthcare waste services to over 400,000 customers, including local health departments and public facilities. Within the state of Illinois, Stericycle employs approximately 600 employees with 1 treatment facility in Clinton, 2 corporate function facilities in the Chicago area and 2 transportation facilities. Currently Stericycle operates 6 incineration treatment locations operating 8 incinerator units throughout the U.S., including the Clinton facility.

Stericycle understands that IEPA will hold public meetings on March 22, 2011 and April 20, 2011. In order to provide comments on 35 Ill. Adm. Code Part 229, Stericycle must provide comments via a pre-filed testimony. The pre-filing deadlines for the public meetings are February 22, 2011 and April 4, 2011, respectively. This letter and attachment serve as Stericycle's pre-filed testimony for the March 22, 2011 public meeting. We appreciate the opportunity to comment on the current proposed rule changes.

Compliance Schedule

In the proposed amendments to 35 Ill. Adm. Code Part 229, specifically in Section 229.115, IEPA establishes a January 1, 2014 compliance date with provisions for extension requests, as follows:

Section 229.115 Compliance Schedules for HMIWIs That Will Continue to Operate

b) On and after January 1, 2014, each owner or operator of an HMIWI, as defined in Section 229.110 (a)(1) or (a)(2) of this Part, and subject to the emissions limits under Section 229.125(c) or (e) of this Part, as applicable, or Section 229.126(c) of this Part, shall comply with the applicable provisions of this Part according to the following schedules:

1) Except as provided in paragraph (2) of this subsection and unless another date is specified in the provisions of this Part, all owners or operators of HMIWIs shall comply with all of the provisions of this Part by January 1, 2014.

2) Except as provided in paragraph (3) of this subsection, the owner or operator of an HMIWI may have until October 6, 2014, to comply with this Part. To avail themselves of this extended compliance timeframe, the owner or operator of an HMIWI shall do all of the following:

A) Submit its CAAPP application to the Agency, on or before January 1, 2013, requesting an extended compliance schedule, pursuant to Section 39.5(5)(d) of the Act, [415 ILCS 5/39.5(5)(d)]. This compliance schedule shall include documentation supporting the need for an extension, a final control plan for the HMIWI and incremental steps to be taken toward compliance with this Part that, at a minimum, meet the increments of progress specified in subsection (b)(2)(B) of this Section;

B) Meet the following increments of progress by the dates indicated:

i) Finalize all contracts for the purchase of either pollution control equipment, process modification or control systems by July 1, 2011;

ii) Commence the implementation of either the process modifications or the necessary construction or installation of air pollution control devices for the HMIWI by April 1, 2012;

iii) Complete either the process modifications or the installation or construction of the new air pollution control equipment by January 1, 2013;

- iv) Perform initial startup of the retrofitted HMIWI by July 1, 2013; and
- v) Complete the initial performance test in accordance with Section 229.142 of this Part within 180 days after initial startup.

For a number of reasons as discussed below, Stericycle will be applying for an extension request. In reviewing the deadlines for submittal of the CAAPP application to request an extended compliance schedule and the increments of progress, Stericycle would like to offer the following comments:

1. The July 1, 2011 deadline to finalize contracts for purchase of either pollution control equipment, process modification or control systems does not take into account the time required for:
 - Stericycle to develop and submit a construction permit application,
 - IEPA to review the application and develop a permit,
 - The public participation process, etc.

All of these activities, which could span 15+ months, must occur prior to Stericycle being allowed to finalize contracts for purchase of pollution control equipment, process modification or control systems. The deadline of July 1, 2011 is out of sync with these necessary elements of compliance. Depending on the outcome of the construction permit application and the approvals received, there will be modifications made which will change these contracts. It is not reasonable to finalize contracts before approvals of the equipment are granted.

2. The other increments of progress will also be affected by the timeline discussed above. Additionally, the requirement to (1) Perform initial startup of the retrofitted HMIWI by July 1, 2013; and (2) Complete the initial performance test in accordance with Section 229.142 of this Part within 180 days after initial startup requires completion of the initial performance test by January 1, 2014 and essentially doesn't provide for an extension of the January 1, 2014 compliance date to the October 6, 2014 date referenced in 35 Ill. Adm Code 229.115 (b)(2).

Stericycle proposes the alternate schedule below that identifies a final compliance date of August 1, 2014.

Increments of progress	Stericycle Proposed Date
i) Finalize all contracts for the purchase of either pollution control equipment, process modification or control systems	August 1, 2012
ii) Commence the implementation of either the process modifications or the necessary construction or installation of air pollution control devices for the HMIWI	March 1, 2013
iii) Complete either the process modifications or the installation or construction of the new air pollution control	September 1, 2013

equipment	
iv) Perform initial startup of the retrofitted HMIWI	February 1, 2014
v) Complete the initial performance test in accordance with Section 229.142 of this Part	within 180 days after initial startup (i.e., August 1, 2014).

Stericycle is a commercial treatment and disposal company that owns and operates eight (8) HMIWIs located at six (6) locations throughout the United States. Air pollution control equipment upgrades and equipment modifications will be required at each HMIWI in order to comply with the new emission standards. Stericycle is seeking the alternate schedule to account for the following considerations:

1. The time required to perform the requisite retrofit activities at the Clinton facility as outlined in the alternate schedule. The new HMIWI regulations will require very significant reductions in emissions from medical waste incinerators. U.S. EPA's new limits are so stringent that there is not an existing commercial HMIWI in operation anywhere in the U.S. that has demonstrated the ability to meet all of the new emission standards. As such, substantial air pollution control equipment changes and data acquisition system improvements/changes are going to be required at all HMIWI to comply with the new emission limits.
2. U.S. EPA identified three different air pollution control (APC) systems that would be employed to meet the new emission limits. Most HMIWI are currently equipped with some variation of these three systems; however, equipment upgrades, improvements, reconfiguration, etc. will still be required for these systems to reliably and consistently comply with the new limits. U.S. EPA acknowledges this fact and further encourages States to adopt the full implementation schedule in the preamble to the rule as follows:

“The proposed amendments... would allow existing HMIWI to demonstrate compliance with the amended standards within 3 years from the date of approval of a State plan or 5 years after promulgation of the revised standards, whichever is earlier. Consistent with CAA [Clean Air Act] section 129, EPA expects states to require compliance as expeditiously as practicable. **However, because we believe that many HMIWI will find it necessary to retrofit existing emission control equipment and/or install additional emission control equipment in order to meet the proposed revised limits, EPA anticipates that States may choose to provide the maximum compliance period allowed by CAA section 129(f)(2).** (emphasis added). Federal Register / Vol. 73, No. 231 / Monday, December 1, 2008, Page 72974.

3. The time required to develop and to submit the construction permit application for the retrofit activities and then adequate time to allow IEPA to review the application and issue the resulting air permit must be accounted for. There are tasks beyond Stericycle's control that will have an impact on the implementation

schedule, and the feasibility of meeting the time frames. Specifically, the administrators of the State Plans (such as IEPA) will need time to review and approve designs and construction plans/permit applications, as well as test results. In addition, the public will have an opportunity for review and comment. Stericycle recognizes that certain construction/retrofit activities may not be started without the requisite agency approvals and/or permits. Based on Stericycle's past experience with implementation of the 1997 HMIWI Rule, the time required for these events to occur will be significant, regardless of how quickly the actual work to install the upgrades is accomplished. The January 1, 2014 deadline is insufficient time to allow for these events, and the upgrade work, to occur.

4. The anticipated shortage of external engineering and air pollution control vendors and the extended delivery times due to a drain on these industries associated with U.S. EPA regulatory deadlines including the HMIWI regulations and Boiler MACT. The HMIWI industry will be competing for engineering and air pollution control resources with other industrial sectors that will influence the availability and lead time for equipment and services. Other Federal air quality rules (e.g., Boiler MACT/CISWI) have similar compliance schedules and will put a significant demand on engineering and APC resources. The large industrial sectors impacted by those rules (e.g. utilities, industrial manufacturing sources) have a larger market share and "buying power" than the HMIWI sector, and Stericycle may be pushed to "the back of the pack" when attempting to contract for these resources.
5. The time required to efficiently plan and stage the equipment and personnel to retrofit eight (8) HMIWI across the U.S. while maintaining the ability to service Stericycle customers.
6. Any individual improvements made to an HMIWI APC to positively impact the emissions of one pollutant, may actually have an opposite effect and negatively impact the emissions of another pollutant. As such, an appropriate implementation schedule is not only necessary to upgrade/install/improve the APC systems as a whole, but to evaluate the performance of these systems and ensure reliable, consistent compliance with all of the emission limits.

The APC evaluation will require pre-testing to confirm proper system operation and the ability to demonstrate compliance with the new limits. Actual testing of the HMIWI with retrofit APC will include scheduling a testing company, performing a test, receiving results, and possibly re-evaluating or making minor system adjustments as necessary to demonstrate future compliance. This is especially true with the very low emission limits associated with the new rule. Reliable compliance with these limits will likely require a lengthy shakedown period.

As a result, Stericycle must plan for contingency time to perform the shakedown of the new equipment at the Clinton facility in advance of conducting the Initial Performance Test.

Thank you for your consideration of Stericycle's testimony. Stericycle looks forward to working with IEPA as 35 Ill. Adm. Code Part 229 is finalized. Should you have any questions in the interim, please do not hesitate to contact me at shoboy@stericycle.com or 847-943-6685.

Sincerely,
Stericycle, Inc.

A handwritten signature in black ink, appearing to read 'Selin Hoboy', with a stylized flourish at the end.

Selin Hoboy
VP- Legislative and Regulatory Affairs
Stericycle, Inc

Cc: Rick Gabey, Stericycle
Jim Nold, Stericycle
Wade Van Zee, Stericycle
Kristin Gordon/William Straub, All4 Inc.