ILLINOIS POLLUTION CONTROL BOARD

December 20, 1973

NASHUA CORPORATION	)	
	)	
Petitioner,	)	
	)	
vs.	)	PCB 73-419
	)	
ENVIRONMENTAL PROTECTION AGENCY,	)	
	)	
Respondent.	)	

OPINION AND ORDER OF THE BOARD (by Mr. Seaman):

On October 2, 1973, Petitioner, Nashua Corporation, filed its Petition requesting a variance until April 30, 1974, from Rule 205(f) of the Air Pollution Control Regulations (effective January 1, 1974) in order to allow operation of its Pressure Sensitive Tape Coating Operation at its Industrial Tape Division Plant located at 7800 South Woodlawn Avenue, Chicago, County of Cook, Illinois.

Petitioner also requested, therein, a variance from Rules 103(b)(2) and 103(b)(1) in order to allow the operation of said Pressure Sensitive Tape Coating Operation and of new air pollution control equipment without an Agency operating permit. By a Motion dated December 4, 1973, Petitioner withdrew its request for a variance from Rules 103(b)(1) and 103(b)(2).

Petitioner's principal place of business is in Nashua, New Hampshire. Petitioner manufactures and sells, nationally and internationally, electrostatic copy paper, label papers, pressure sensitive tapes and computer disk packs, and petitioner, additionally, is in the photo-finishing business and engages in various other operations outside the United States.

In 1970, Petitioner acquired a plant at 7800 South Woodlawn Avenue, in Chicago, Illinois, which had been constructed many years previously (such plant being now known as the Industrial Tape Division Plant and hereinafter referred to as the "Plant"). Petitioner has since operated the Plant to produce pressure sensitive tape and pressure sensitive label papers. A total of 200 hourly employees

and 65 salaried employees are employed at the Plant, representing an annual payroll of approximately $3.5 million. The annual sales volume of products manufactured at the Plant is approximately $17 million; and approximately $11 million thereof represents pressure sensitive tape and pressure sensitive label papers processed through the aforementioned Pressure Sensitive Tape Coating Operation (hereinafter referred to as the "Coating Operation") at the Plant.

The Coating Operation is only one of the various production facilities utilized at the Plant for production of the finished products there manufactured. The Coating Operation is located in a large enclosed area of the Plant. The production equipment consists, essentially, of a series of machines called "coaters". The adhesive coating liquid used is produced at the Plant through earlier production steps and consists, principally, of rubbers (natural and synthetic), resins, solvents, pigments, plasticizers, and special property chemicals. The Plant operates on a 24-hour day schedule for five days a week, plus frequent overtime operations.

In the coating process, in an average 24-hour day operation, approximately 88,000 pounds of raw material are utilized in the production process consisting of approximately 40,000 pounds of web material and about 48,000 pounds of adhesive coating liquid made up of approximately 30,000 pounds of solvents, 14,000 pounds of rubber compounds, 4,000 pounds of resins, 50 pounds of pigments, 50 pounds of plasticizers and 200 pounds of special property chemicals. The solvents used, and the average approximate daily use thereof, are: naptha - 18,000 pounds; toluene 6,000 pounds; hexane - 3,000 pounds; and heptane - 3,000 pounds.

There is no measurable emission of particulate matter from the Coating Operation. Approximately 98 percent of the solvents in the aforementioned adhesive coating liquid are removed by evaporation in the Coating Operation. Of the solvents involved, only toluene is a photochemically reactive material as that term is defined in Rule 201 of the Board's Air Pollution Control Regulations. The estimated hourly emission of toluene in the course of an average daily operation of the Coating Operation is approximately 250 pounds. The average hourly emission of organic material represented by the other solvents in an average daily operation of the Coating Operation is approximately 1,000 pounds. The emission of solvents from the Coating Operation does not involve an odor nuisance and, therefore, under

the terms of Rule 205(f), the limitations of Rule 205(f) apply only to the photochemically reactive material, to wit, the toluene. The estimated rate of discharge of toluene of 250 pounds per hour is clearly far in excess of the prescribed limitation in Rule 205(f) of eight pounds per hour. Petitioner alleges that in all other respects the Coating Operation is and will be in compliance with the Illinois Environmental Protection Act and the rules and regulations of the Board thereunder, as is true of the other operations at Petitioner's Plant. There is no substantial emission of solvents from any other operation at the Plant.

At present, there is no air pollution control equipment in place for the controlling of the emission of solvents from the Coating Operation.

On December 20, 1972, Petitioner filed with the Agency its application for a construction permit for the construction of an air pollution control facility at the Coating Operation consisting of three carbon absorption units designed to remove about 95 per cent of all the solvents emitted by the Coating Operation and thereby to comply with the standards for emission of organic materials set forth in Rule 205(f) as effective January 1, 1974. Petitioner concurrently filed with the EPA a compliance plan relating to such air pollution control equipment, and a project completion schedule for the installation of the system. The costs are presently projected at $730,000 for equipment and $656,000 for installation, in addition to which engineering costs in connection with the particular project are projected at approximately $135,000, or a total projected cost of $1,521,000. In addition, the installation of this air pollution control equipment has required the expansion of the existing boiler house facilities at the Plant at an overall cost of approximately $700,000.

The initially scheduled date for completion of installation of the air pollution control equipment was December 1, 1973 and the initially scheduled date for placing the same in full operation was December 31, 1973. On February 1, 1973, the EPA issued to Petitioner its permit for the construction of said air pollution control equipment.

Petitioner alleges that it has pursued with all diligence the procurement and installation of such air pollution control equipment, but, for reasons allegedly beyond its control, Petitioner has encountered delays which

prevent Petitioner from meeting the aforesaid scheduled dates for completion and operation of said equipment.

Petitioner alleges that subsequent to the filing of the construction permit application, the project completion schedule and the project compliance plan, ongoing more detailed engineering and design study and analysis revealed substantial, unanticipated design problems in two principal areas. First, such study and analysis showed the need for major structural changes in the building housing the Coating Operation in order to accommodate the air pollution control system. Second, such study and analysis showed the necessity to expand the existing boiler house facility in order to generate sufficient steam capacity to handle the additional requirements of steam for the adsorption system. The emergence of these two factors in turn expanded the necessary design work of Petitioner's consulting engineers about threefold and this in turn increased the time needed for completion of the design work by about eight weeks. This time delay in turn allegedly caused corresponding delay in the execution of construction contracts and the commencement of construction work on the project.

In its Recommendation, the Agency states that the construction permit was granted because the Agency believes that Petitioner's proposed control program will bring the Coating Operation into compliance with Rule 205(f). Petitioner alleges that denial of the requested variance would cause an arbitrary and unreasonable hardship since it would necessitate closing down the coating operation which would result in the layoff of 190 employees, loss of $210,000 of production per week, and loss of business to competitors. The Agency feels that the hardship that Petitioner would suffer if the variance from Rule 205(f) is not granted coupled with Petitioner's diligence in establishing a control program, outweighs any possible harm to the public which would result from Petitioner's violation of Rule 205(f) for four months after its effective date.

We are disposed to grant the variance as requested by the Petitioner and as recommended by the Agency. However, this has been a most difficult decision. The discharge of 250 pounds of toluene per hour over a period of four months cannot conceivably be characterized as having negligible or insignificant impact on the quality of our environment.

As in similarly difficult cases in the past, we have reached our decision by an analysis and balancing of the respective hardships. We emphasize to Petitioner that although this Board have given it the right to operate for the period

of the variance, Petitioner must recognize what is at least a moral duty to exercise the utmost diligence to complete its control program as quickly as possible.

This Opinion constitutes the findings of fact and conclusions of law of the Board.

ORDER

IT IS THE ORDER of the Pollution Control Board that Petitioner, Nashua Corporation, be granted a variance from Rule 205(f) of the Air Pollution Regulations until April 30, 1974, for its Pressure Sensitive Tape Coating Operation, subject to the following conditions:

1. Petitioner shall obtain all necessary operating permits from the Agency;

2. Petitioner shall notify the Agency upon completion of its control program.

I, Christan L. Moffett, Clerk of the Illinois Pollution Control Board, certify that the above Opinion and Order was adopted on the 20th day of December, 1973 by a vote of 5 to 0.

Christan L. Moffett