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March 5, 2010

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Environmental Quality Board
P.O. Box 8477
Harrisburg, PA 17105-8477

ENVIRONMENTAL QUALITY BOARD

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INDEPENDENT REGULATORY
REVIEW COMMISSION

RE: Proposed Rule for Chapter 92a – NPDES Permitting, Monitoring and Compliance

Appleton Papers Inc. would like to provide comment regarding the proposed rule that would increase NPDES fees and modify monitoring and compliance requirements for point sources in Pennsylvania.

Appleton Papers has been 100% employee owned since 2001. The Roaring Spring Mill, located in Roaring Spring, Pennsylvania, is part of Appleton's Technical Papers Division. The Technical Papers Division has locations in Wisconsin, Ohio, and Pennsylvania. The Roaring Spring Mill has been an integral part of the community since it opened during the 1860s. With an employment of 466, Appleton is also a major employer in Blair County and a considerable, positive economic impact on the region.

Our business, like many in the United States, has been forced to lay off employees as we struggle to battle some of the worst economic conditions we have ever faced. Fierce competition, both nationally and internationally, has caused prices and profit margins to drop significantly. Recouping increased manufacturing costs through price increases is not a viable option for our company.

The proposed rule significantly increases the NPDES permit renewal cost and adds an additional annual cost to our operations. Our estimate is that the proposed rule change will impact Appleton's environmental costs by \$1,500-\$5,000 (a three to tenfold increase) for renewals in addition to new annual fees of \$1,500-\$5,000. This range is due to the uncertainty of how DEP will classify our facility once the rule is promulgated. Currently we are a 'major' facility (fees at \$5,000), but we are also covered by an ELG (fees at \$1,500). The proposed rule also has a review of the fee structure set for every three years. Can we assume that these rates will increase every three years and by what percent? We presume that storm water renewal and annual fees are not subject to double-dipping; meaning, if you're already paying for an NPDES permit that includes storm water, then you do not have to pay for a separate storm water permit.

Appleton understands the need for nutrient limitations for nitrogen and phosphorus in order to reduce overall loading in the Chesapeake Bay. It is a worthy initiative and Appleton supports the DEP in these efforts. Appleton has no objections to the limit set forth in Chapter 92a.48 (Industrial Waste Permit) for BOD₅ (60 milligrams per liter); but we do object to the TSS monthly average not to exceed 60 milligrams per liter - a forty percent reduction from current permitted limits. We presume there would be no change to the daily maximum or instantaneous values set forth in our current permit. Our concern is that when we have sporadic spikes for these parameters we would be in violation with new daily maximum or instantaneous limits.

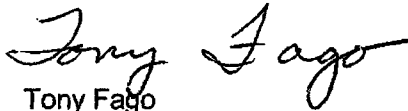
Appleton has enjoyed a good working relationship with the DEP and understands budgetary pressures being felt by State agencies. However, the proposed rule puts an onerous financial burden on facilities with large discharges from their process. The paper industry has already

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been hit extremely hard during these economic times. The NPDES permitting fee increases will result in further hardship to our facility and to our industry and ultimately negatively impact our community as well.

If you need any additional information, please contact me.

Sincerely,



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C: Jerry Stern, State Representative
John Eichelberger, State Senator

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