



Smurfit-Stone Container Corporation

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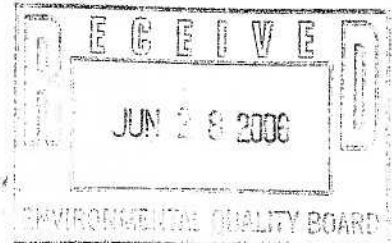
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INDEPENDENT REGULATORY
REVIEW COMMISSION

1035 Longford Road
Phoenixville, PA 19460-1200

June 27, 2006

Environmental Quality Board
Rachel Carson State Office Building,
15th Floor, 400 Market Street,
Harrisburg, PA 17101-2301



To the Board;

I am the General Manager for Smurfit-Stone Container Corporation's Valley Forge facility located at 1035 Longford Road, Oaks, PA. We manufacture folding cartons and currently employ 210 people.

I am writing with regards to changes the Pennsylvania Environmental Quality Board (the "Board") has proposed in: (1) certain definitions for terms in Chapter 121 of the Pennsylvania regulations for the stated purpose of ensuring that reasonably available control technology remains applicable to major stationary sources of NOx and VOCs in Bucks, Chester, Delaware, Montgomery or Philadelphia Counties; and (2) Chapter 127 relating to new source review ("NSR") requirements for major new sources and modifications. As a significant industrial facility that emits more than 25 tons/year of NOx and VOC in Montgomery County, we are impacted by both sets of proposed changes.

The NSR rules are important not only to any future growth of industry in Pennsylvania, but also to maintaining the viability of existing industry. If Pennsylvania is going to maintain industry in the Commonwealth, and if our facility is going to remain competitive, it is critical that Pennsylvania's NSR rules, to the extent compatible with protecting the environment, allow facilities the maximum flexibility to modernize and increase their efficiency without undergoing a lengthy, complex permitting process. Also, given the complexity of environmental regulations, and in particular those related to NSR, Pennsylvania's regulations should mirror the federal regulations except where the necessity for a more stringent regulation is clearly demonstrated. We believe that no such demonstration has been made for the current Pennsylvania NSR proposal.

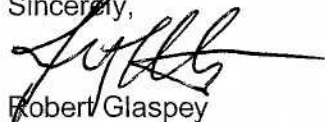
With respect to the specific issues where the Board asked for comment, we offer the following:

1. 5-year vs. 10-year look-back. We urge the Board to follow the federal rule and adopt a 10-year look-back. Unfortunately, business down cycles for certain industries such as ours can extend for more than five years. At a minimum, if the Board does not adopt the 10-year look-back in the federal rule, facilities should be allowed to use a 10-year look-back if the most recent 5-year period is not representative.

2. PALS. We support a 10-year term for PALS and that they be fixed rather than declining. We also support developing PALS based on permitted/ allowable emissions so that existing facilities that have done a good job in reducing their emissions beyond what is required will not be penalized.
3. Even though U.S. EPA has classified the five-county Philadelphia area as moderate nonattainment for ozone, should Pennsylvania continue to regulate facilities in the area as though it were a severe ozone nonattainment area? As an industrial facility located in the five-county Philadelphia area, we ask the Board to carefully reconsider its proposal to continue classifying facilities in this area with the potential to emit 25 tons/year of NOx or VOC as major sources in a severe nonattainment area even though the area is now classified as moderate nonattainment for ozone. U.S. EPA did not consider that this was necessary. Moreover, given the nature of the ozone problem, we do not believe that there is a clear basis for subjecting facilities in the Philadelphia area to more stringent standards than those imposed on Pennsylvania facilities outside that area.
4. Should permit limits reflect the physical and legal capability of a source to operate without any modification (that is, demand growth exclusion)? We support incorporating the demand growth exclusion into permit limits so that facilities are not forced into a cycle of steadily decreasing permit limits.
5. To what extent should the Commonwealth's NSR regulation differ from the federal requirements? As stated above, we believe it is extremely important for industry in Pennsylvania that the Commonwealth track the federal requirements as closely as possible. SSCC has some experience in dealing with this potential change in other state regulations. In at least one case, the state in question asked U.S. EPA their opinion on this change and EPA recommended to them to not delete the language.
6. De minimis aggregation. De minimis emission increases should not be aggregated. Tracking of de minimis increases would be extremely difficult, and aggregating such increases would in most cases overstate any actual increase because minor changes in processes and equipment come and go, generally with no cumulative effect.
7. Advanced clean coal technology for electric utility steam generating units. This does not directly apply to us, but we support measures to encourage use of clean coal technology.

We appreciate the Board's consideration of our comments. Thank you for your attention to this matter.

Sincerely,



Robert Glaspey
General Manager

SSCC Valley Forge Folding Carton Plant