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INDEPENDENT REGULATORY REVIEW COMMISSION

Williamsport Operations

DEC 21 2009

Environmental Quality Board
Rachel Carson State Office Building
16th Floor, 400 Market Street
Harrisburg, PA 17101-2301

ENVIRONMENTAL QUALITY BOARD

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Williamsport, PA 17701
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RE: Comments on Proposed Rulemaking – Increases to Air Quality Fee Schedules

Dear Board Members,

JW Aluminum Company owns a manufacturing facility in Williamsport. The facility employs 156 people to supply intermediate metal parts to the aerospace, pharmaceutical, building, and alternative energy sectors. The processes done at the facility (cold rolling and surface coating) have been performed with pride in Williamsport for more than twenty years. However, JW also operates plants in Arkansas, Missouri and South Carolina. These other plants also have dedicated employees who are capable of performing the operations currently done at the Williamsport plant. The effect of Pennsylvania's proposed fee increases for the air program will exacerbate the interplant cost differences associated with environmental compliance. Below are two specific examples of how the proposed emission fee increases will affect comparative costs at the Williamsport plant.

In the proposed rulemaking, changes to section §127.705 show the emission fees are \$37/ton and will be increased to \$70. It is more complete to note that currently Pennsylvania regulations include an escalator clause for emission fees. The last emission fee paid (FY 2008) in Pennsylvania was \$54/ton. This is compared to current fees between \$22/ton and \$42/ton in the states where plants are located with whom the Williamsport plant competes. Increasing the emissions fees to \$70 per ton will further erode Williamsport's competitive disadvantage.

Secondly, the proposal to erase "any disparity between the [air] program income generated by fees and the cost of administering those programs" will unfairly tax smaller facilities because of the costs proposed to cover the review of source testing activities. The Williamsport facility began small and grew by reinvesting profits. The incremental growth was limited to the justified demand. Today, JW-Williamsport operates six narrow-width coating lines and four foil-rolling mills. Although each piece of production equipment is permitted as an individual source because of the piecemeal installation and the inclusion of dedicated control devices, much of the equipment is virtually identical. Currently, during stack tests, similar equipment is grouped together under a common protocol, the stack tests are performed in succession and reports are included in the same binder for DEP review. Under the proposed fee structure, there is no allowance for the grouping of similar sources in the protocol review, stack test review or source test observation fee structure. As the proposal is written, the biannual stack testing requirements of the facility permit will add \$7,350* to the compliance costs of doing business in the Commonwealth.

In general, the proposed increase to the air emissions program fees sends the message that Pennsylvania is not interested in maintaining a manufacturing base. Specifically, the inimitable emissions fees and the lack of a mechanism to aggregate sources for administrative testing review unfairly targets small businesses with many emission sources.

Jesse Hackenberg
Engineer, Environmental Compliance
JW Aluminum Company – Williamsport Operations

(*Assumes a single representative test protocol will be allowed, \$675. Each of six stack test reports will have to be reviewed separately, although the procedures are similar for each test, 6 x \$1,000 = \$6,000. Hopefully, source test observation will entail only a single day with only a single observer, although testing typically occurs over a three-day period, \$675. \$675 + \$6,000 + \$675 = \$7,350.)