JIM PARDEE
55/7

ENVIRONMENTAL ANALYSIS AND DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT (EIS)
Form 1600-1 Rev. 6-2001

Department of Natural Resources (DNR)

Region or Bureau NER
Type List Designation II

NOTE TO REVIEWERS: This document is a DNR environmental analysis that evaluates probable environmental effects and decides on the need for an EIS. The attached analysis includes a description of the proposal and the affected environment. The DNR has reviewed the attachments and, upon certification, accepts responsibility for their scope and content to fulfill requirements in s. NR 150.22, Wis. Adm. Code. Your comments should address completeness, accuracy or the EIS decision. For your comments to be considered, they must be received by the contact person before 4:30 p.m., Insert Date.

Contact Person: Don C. Faith III
Title: Air Mgt. Engineer
Address: 101 S. Webster; P.O. Box 7921
Madison, WI 53707-7921
Telephone Number (608) 267-3135

Applicant: Appleton Coated, L.L.C.

Address: 540 Prospect Street, Combined Locks, WI 54113-0005

Title of Proposal: No. 7 Paper Machine and Off-Machine Coater Modifications

Location: County: Outagamie City/Town/Village: Combined Locks

Township Range Section(s): Section 24, T21 N, R 18 E

PROJECT SUMMARY

1. Brief overview of the proposal including the DNR action (include cost and funding source if public funds involved)

Appleton Coated, L.L.C. (Appleton Coated), operates a paper manufacturing facility in Combined Locks, Wisconsin. Appleton Coated is proposing to convert a portion of the production on Paper Machine No. 7 (PM #7) from basestock for carbonless and thermal papers to basestock for coated free sheet (CFS) paper.

is proposing to increase its capability to produce CFS grades by rebuilding the off-machine coater.

3. Authorities and Approvals (list local, state and federal permits or approvals required)

An air pollution control permit application was submitted to the WDNR on December 5, 2002. An air pollution control permit must be acquired before commencement of the construction of the proposed project. It is not anticipated that any other environmental permits from the WDNR will be required for the project. Local building and construction permits will also be obtained.

PROPOSED PHYSICAL CHANGES (more fully describe the proposal)

4. Manipulation of Terrestrial Resources (include relevant quantities - sq. ft., cu. yard, etc.)

To accommodate the new equipment, an existing stairwell in the coated free sheet building will be demolished to make room for support equipment for the new off-machine coater. It is anticipated that a new stairwell will be constructed and eventually enclosed. The approximate area of the new stairwell is 242 square feet. A new rail car unloading building is being proposed for the project. The dimensions of the building are 24 feet by 132 feet for a total area of 3,168 square feet. Should these areas require grading prior to construction, any soil removed during the grading will be relocated to a suitable location on Appleton Coated's property or may deposited off-site in an appropriated area. The building will be expanded within the existing facility, and no terrestrial resource impacts are expected as a result of the expansion.

The project will also include improvements to the solids handling capabilities of the facility's Waste Water Treatment Plant (WWTP). A 1,147-square foot building is being proposed to accommodate additional sludge dewatering equipment. As mentioned previously, any soil that is removed during the construction of the building will be relocated to a suitable location on Appleton Coated's property or may deposited off-site in an appropriated area.

5. Manipulation of Aquatic Resources (include relevant quantities - cfs, acre feet, MGD, etc.)

Wastewater

The project is expected to increase the flows to the WWTP, however this increase is within the existing hydraulic capacity of the plant, and no modifications are being planned for the clarifier portions of the treatment facilities. However, the solids loading to the WWTP is expected to increase and additional solids dewatering equipment is being included as part of the project. The additional solids handling equipment includes a sludge dewatering press and associated equipment. A two level, 1,147– square foot building is being proposed to house the new dewatering equipment.

Stormwater

Temporary soil erosion control measures will be provided during the construction of the new buildings. Permanent soil erosion control measures, around the new building expansion will be identical to existing control measures, which consist primarily of gravel pavement and asphalt cover. The temporary and permanent erosion control measures will minimize the discharge of soil sediment to adjacent areas.

The new equipment will be located within enclosed structures, and will therefore not be in contact with rainwater.

6. Buildings, Treatment Units, Roads and Other Structures (include size of facilities, road miles, etc.)

Actual and Potential Emission Summary
Project Sources

Pollutant	Actual (tons/year)	PTE (tons/year)
Particulate matter (PM)	14.2	29.8
PM_{10}	14.2	29.8
Nitrogen oxides (NO_x)	8.9	28.8
Carbon monoxide (CO)	7.6	24.3
Sulfur dioxide (SO_2)	0.1	0.2
Volatile organic compounds (VOCs)	34.2	132.7
Lead (Pb)	0.0	0.0

If maximum emissions from the boilers and Cogeneration unit are considered, potential emissions from the entire project will be as follows:

Actual and Potential Emission Summary
PSD Modified and Affected Sources

Pollutant	Actual (tons/year)	PTE (tons/year)
Particulate matter (PM)	25.8	772.1
PM_{10}	24.9	770.6
Nitrogen oxides (NO_x)	984.7	2195.3
Carbon monoxide (CO)	320.5	593.7
Sulfur dioxide (SO_2)	1125.3	2720.2
Volatile organic compounds (VOCs)	56.2	200.4
Lead (Pb)	0.3	1.0

The potential emissions from the paper machine and OMC will subject the project to NR 405 Prevention of Significant Deterioration (PSD) permitting requirements for VOC emissions. When Appleton Coated's boilers and co-generation unit are included in the project total emissions, the project will be subject to the NR 405 Prevention of Significant Deterioration (PSD) permitting requirements for all criteria pollutants. A summary of the BACT analysis that was performed on the project's modified sources is listed as follows:

Summary of Best Available Control Technology (BACT)
Analysis Sources and Air Contaminants
Appleton Coated L.L.C.
Combined Locks Paper Mill

Source	VOC	PM/PM_{10}	NO_x	SO_2	CO
Paper Machine No. 7 Paper Making (S63, P63)	X	X	---	---	---
Off-Machine Coating Process (S51, P51)	X	---	---	---	---
Off-Machine Coating Dryers (S51, P51)	X	X	X	X	X
Paper Machine No. 7 Trim Handling (S54, P54)	---	X	---	---	---
Coated Free Sheet Broke Handling (S86, P86)	---	X	---	---	---

Notes:
X = Included in the BACT evaluation.
— = Not applicable/included in the BACT evaluation.

With the exception of using two, low-NO_x, infrared dryer burners on the OMC, the BACT analyses that were performed on the project's modified sources, indicate that the cost for add-on emission control equipment is higher than the level that can be considered economically feasible. In addition, the proposed project will result in increases in stack-vented emissions of a limited number of hazardous air pollutants (HAPs), including the following:

- Ammonia (7664-41-7)
- Benzene (71-43-2)
- Diethanolamine (111-42-2)
- Formaldehyde (50-00-0)
- Ethyl glycol (107-21-1)
- Glycol ethers
- Toluene (108-88-3)

All HAP emissions are less than the corresponding NR 445 regulatory thresholds. Emissions of HAPs attributed to natural gas combustion are exempt from regulation pursuant to s. NR 445.04, Wisconsin Administrative Code.

Attachment Figure 1 USGS topographic map

Attachment Figure 2 Plant map

AFFECTED ENVIRONMENT (describe existing features that may be affected by proposal)

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10. Information Based On (check all that apply):

☐ Literature/correspondence (specify major sources)

☐ Personal Contacts (list in item 26)

Field Analysis By: ☐ Author ☐ Other (list in item 26)

Past Experience With Site By: Appleton Coated and RMT personnel

☐ Other (list in item 26)

11. Physical Environment (topography, soils, water, air)

Appleton Coated is located in Combined Locks, Wisconsin, and in an area that has an industrial zoning classification. The facility is located in Outagamie County, which is in attainment with National Ambient Air Quality Standards (NAAQS).

12. Biological Environment (dominant aquatic and terrestrial plant and animal species and habitats including threatened/endangered resources, wetland amounts, types and hydraulic value)

Land Cover

The land immediately surrounding the facility consists of the Fox River, grass cover, weeds, asphalt, and concrete. The entire project will be located within Appleton Coated's existing facility. No known threatened or endangered plant species are known to exist in the proposed expansion area.

The area around the facility is primarily residential. These areas will not be significantly affected by the proposed project.

Waterways/Wetlands

The proposed modifications will not impact any off-site waterways and wetlands.

Animals

Wildlife in the area includes fish, rabbits, squirrels, mice, and various types of birds. No known threatened or endangered animal species are known to exist at the proposed site.

13. Cultural Environment

None are known

ENVIRONMENTAL CONSEQUENCES (probable adverse and beneficial impacts including indirect and secondary impacts)

15. Physical (include visual if applicable)

The proposed project will result in the clearing of approximately 4,557 square feet of a grass, asphalt or gravel paved area within the facility's current property boundaries to accommodate the enclosures for the project.

An air quality analysis completed for the proposed project indicated that predicted impacts will be below applicable state and national air quality standards for NO_x.

16. Biological (including impacts to threatened/endangered resources)

Land Cover
No other known or anticipated adverse biological impacts are anticipated as a result of the proposed action.

17. Cultural

a. Land Use (including indirect and secondary impacts)

The site is currently an industrial facility. The proposed modifications will not change the status of Appleton Coated's facility or the use of the land. In addition, the building expansions will occur on Appleton Coated's property

b. Social/Economic (including ethnic and cultural groups, and zoning if applicable)

Since Appleton Coated's Paper Mill is an existing facility, no related industrial growth is expected to accompany the proposed project. Similarly, only a minimal increase in traffic on local roads owing to additional deliveries of supplies, hauling of waste treatment plant solids, and shipments of finished products is expected. A temporary increase in traffic is expected during the construction of the proposed modifications.

c. Archaeological/Historical

Since the proposed modifications will occur at the existing facility where the ground has been disturbed in the past, no impact is anticipated.

18. Other Special Resources (e.g., State Natural Areas, prime agricultural lands)

The proposed action is not anticipated to significantly affect the surrounding environment, since all modifications will occur within Appleton Coated's property boundaries.

Air quality analyses have been completed. The predicted impacts were found to be below applicable state and national air quality standards.

alter the air quality. No other substantial physical, biological, or socioeconomic changes are anticipated.

b. Discuss which of the primary and secondary environmental effects listed in the environmental consequences section are effects on geographically scarce resources (e.g. historic or cultural resources, scenic and recreational resources, prime agricultural lands, threatened or endangered resources or ecologically sensitive areas).

The proposed project is not anticipated to have significant short-term, long-term, or secondary effects on geographically scarce resources, scenic and recreational resources, prime agricultural lands, threatened or endangered species, or ecologically sensitive areas.

c. Discuss the extent to which the primary and secondary environmental effects listed in the environmental consequences section are reversible.

The small amount of site clearing associated with the project will not be easily reversible. The air quality impacts are likely reversible once the air emissions cease.

21. Significance of Cumulative Effects

Discuss the significance of reasonably anticipated cumulative effects on the environment (and energy usage, if applicable). Consider cumulative effects from repeated projects of the same type. Would the cumulative effects be more severe or substantially change the quality of the environment? Include other activities planned or proposed in the area that would compound effects on the environment.

The area surrounding the Appleton Coated facility is currently considered in "attainment" of air quality for all criteria air pollutants. If a large number of new sources (having emissions equivalent to those potential emissions associated with the proposed modifications for this facility) were to locate in the immediate surrounding area, air quality in the area would eventually decline. In general, the project may result in similar or slightly higher air emissions to the area. However, the required air quality analyses for this project and for any additional projects of Appleton Coated or other facilities in the area would serve to prevent the degradation of air quality to levels below applicable air quality standards.

22. Significance of Risk

a. Explain the significance of any unknowns that create substantial uncertainty in predicting effects on the quality of the environment. What additional studies or analysis would eliminate or reduce these unknowns?

Unknowns associated with environmental impact analyses do exist. These unknowns create uncertainty in predicting the effects that a proposed project has on the environment. However, the techniques used to complete the air quality analyses are considered "state of the science," so the significance of these unknowns is not believed to be substantial for the proposed project. No additional studies or analyses should be required.

b. Explain the environmental significance of reasonably anticipated operating problems such as malfunctions, spills, fires or other hazards (particularly those relating to health or safety). Consider reasonable detection and emergency response, and discuss the potential for these hazards.

A malfunction in a baghouse (*e.g.*, a hole in one or more bags, etc.) could result in a reduction in control efficiency of the baghouse and the release of increased stack-vented emissions of PM, and PM_{10}. Appleton Coated will monitor and record the pressure drop across the new baghouse to ensure that it is operating within permitted limits. In the event that the pressure drops (below the permit limit), Appleton Coated will implement the procedures outlined in a malfunction prevention and abatement plan (MPAP) for the new baghouse. Such a plan will be

Discuss the effects on the quality of the environment, including socio-economic effects, that are (or are likely to be) highly controversial, and summarize the controversy.

None are known.

ALTERNATIVES

25. Briefly describe the impacts of no action and of alternatives that would decrease or eliminate adverse environmental effects. (Refer to any appropriate alternatives from the applicant or anyone else.)

No Action

The no action alternative would result in downtime for the PM #7 owing to changing market conditions. The current demand for the products produced on PM #7 is decreasing, and there is no indication that this trend will change. Note that this will not eliminate the air emissions (though they may decline somewhat over time), and would prevent the establishment of Best Available Control Technology (BACT) requirements.

Off-Site Production

Off-site production of the materials produced on the equipment is not possible. If possible, it would simply shift emissions to another locale.

Modified Project

Installing an alternative to the proposed project would adversely affect the economic benefit of the project and likely result in the cancelation of the projectproject, again with the result that the air emissions from the existing operation would continue but would not be subject to meeting BACT.

Air Pollution Control Equipment

The various BACT analyses performed indicate the best available air pollution controls will be employed by the project. In this case, the application of pollution prevention, wet cyclones and baghouses where appropriate will be employed by the project and that the project will meet all of the requirements for permit issuance.

SUMMARY OF ISSUE IDENTIFICATION ACTIVITIES

26. List agencies, citizen groups and individuals contacted regarding the project (include DNR personnel and title) and summarize public contacts.

Project Name: Appleton Coated CFS County: Outagamie

DECISION (This decision is not final until certified by the appropriate authority)

In accordance with s. 1.11, Stats., and Ch. NR 150, Adm. Code, the Department is authorized and required to determine whether it has complied with s.1.11, Stats., and Ch. NR 150, Wis. Adm. Code.

Complete either A or B below:

A. EIS Process Not Required [X]

The attached analysis of the expected impacts of this proposal is of sufficient scope and detail to conclude that this is not a major action which would significantly affect the quality of the human environment. In my opinion, therefore, an environmental impact statement is not required prior to final action by the Department.

B. Major Action Requiring the Full EIS Process [ ]

The proposal is of such magnitude and complexity with such considerable and important impacts on the quality of the human environment that it constitutes a major action significantly affecting the quality of the human environment.

Signature of Evaluator	Date Signed
Don C. Fallon	6/25/03

Number of responses to news release or other notice:

Certified to be in compliance with WEPA	
Environmental Analysis and Liaison Program Staff	Date Signed
Jean O'Reilly	8/7/03

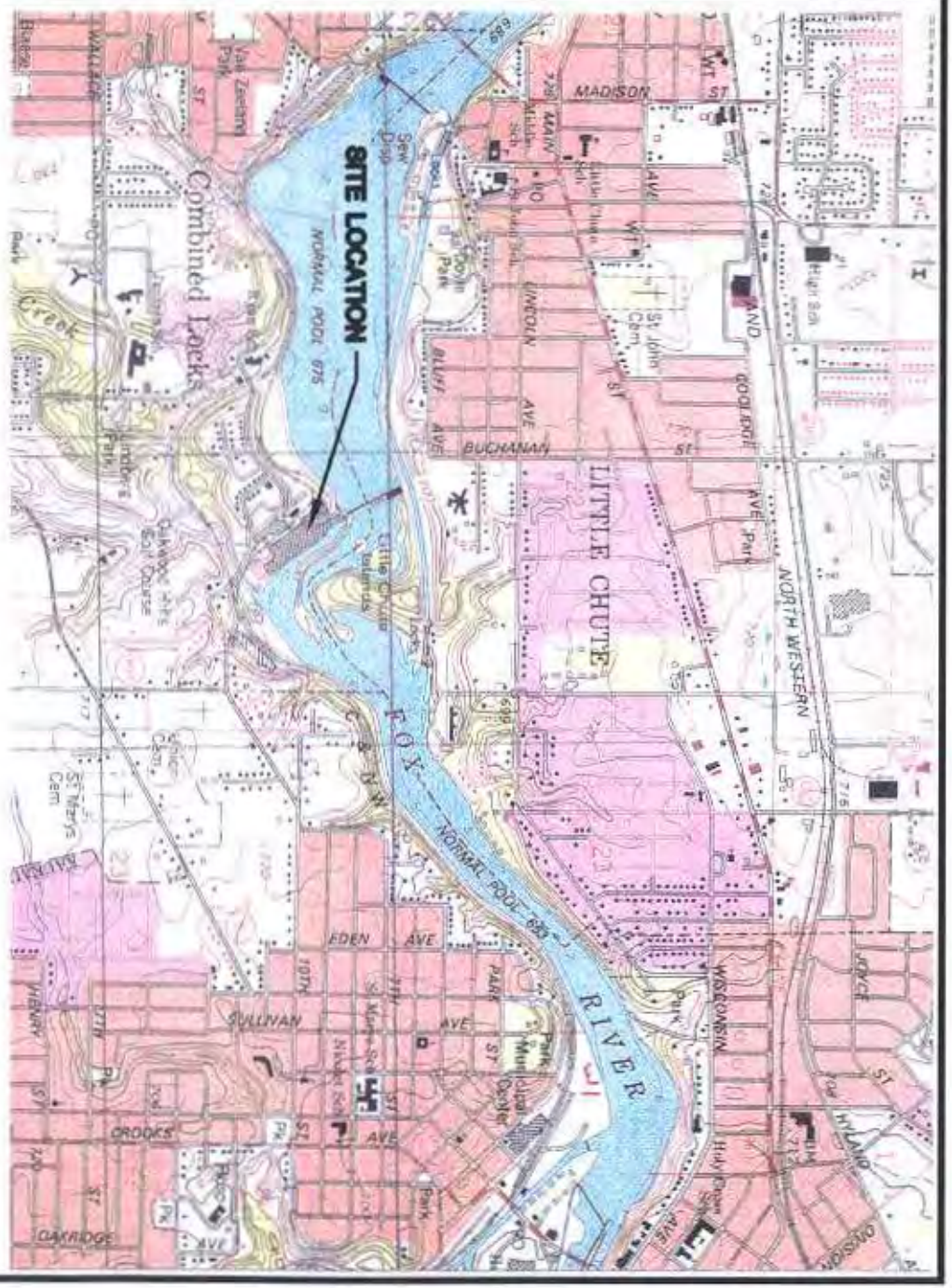
NOTICE OF APPEAL RIGHTS

If you believe that you have a right to challenge this decision, you should know that Wisconsin statutes and administrative rules establish time periods within which requests to review Department decisions must be filed.

For judicial review of a decision pursuant to sections 227.52 and 227.53, Stats., you have 30 days after the decision is mailed, or otherwise served by the Department, to file your petition with the appropriate circuit court and serve the petition on the Department. Such a petition for judicial review shall

Scale: 1"=1'
Dwg Size: 69777 Bytes
Plot Date: Thursday, March 20, 2003

Plot Time: 09:46.60 AM
Attached Xref's: No xref's attached.
Attached Image's: No images attached



STATE OF WISCONSIN } SS.
OUTAGAMIE COUNTY }

BEFORE THE DEPARTMENT OF NATURAL RESOURCES AIR MANAGEMENT PROGRAM

Wisconsin Department of Natural Resources, Air Management Program, Preliminary Determination on an Air Pollution Control Permit to Construct and Permit to Operate an Air Contaminant Source at Combined Locks, Outagamie County, Wisconsin.

Air Pollution Construction and Operation Permit Nos. 02-DCF-170 and 02-DCF-170-OP / 445031290-P02

Appleton Coated LLC - Combined Locks Mill, 540 Prospect Street has submitted to the Department of Natural Resources (DNR) permit applications including plans and specifications for the modification of Paper Machine #7 (incl. trim handling), Off machine coating, Broke handling.

The Northeast Region Air Program of the DNR has analyzed these materials and has preliminarily determined that the project should meet applicable criteria for permit approval as stated in s. 285.63, Wis. Stats, including both the emission limits and the ambient air standards and should, therefore, be approved.

The issuance of a construction permit allows the construction or modification and initial operation of a source. An operation permit allows continued operation of a source. An operation permit may be issued after the permittee demonstrates compliance with the applicable requirements.

The permit application is reviewed under the Prevention of Significant Deterioration (PSD) Program (ch. NR 405, Wis. Adm. Code) for Volatile Organic Carbon (VOC's), Nitrogen Oxides (Nox), Carbon Monoxide, Sulfer Dioxide (SO2) and Particulate Matter (PM). The proposed project and the existing facility will consume the following increments:

PM10 - 24 hr; 20.5 ug/m3 out of 30.0 ug/m3. (68.3%)
PM10 - annual; 3.2 ug/m3 out of 17.0 ug/m3 (18.8%)
NOx - annual; 5.1 ug/m3 out of 25.0 ug/m3 (20.4%)
SO2 - 3 hr; 86.9 ug/m3 out of 512.0 ug/m3 (17.0%)
SO2 - 24 hr; 19.5 ug/m3 out of 91.0 ug/m3 (21.4%)
SO2 - annual; 1.5 ug/m3 out of 20.0 ug/m3 (7.5%)

In addition, the DNR has prepared an Environmental Assessment in accordance with ch. NR 150, Wis. Adm. Code and has made a preliminary determination that an Environmental Impact Statement will not be required before a final decision is made on the proposed project. The DNR has determined that the proposed project will not cause significant adverse environmental effects. This preliminary determination does not constitute approval from the Air Management Program or any other DNR sections which may also require a review of the project.

The DNR hereby solicits written comments from the public

Patricia A. Plamann being duly sworn on her oath, says that she is an employee of The Post-Crescent, a newspaper published by The Post Crescent, Division of Gannett Midwest Publishing Inc., a Corporation organized under and by virtue of the laws of Wisconsin, whose principal place of business is at Appleton, Wisconsin, and that as such employee she makes this affidavit in its behalf and is authorized so to do;

That the said corporation, is the publisher and printer of The Post-Crescent, a newspaper published and printed in the city of Appleton, Outagamie County, State of Wisconsin, and that the notice of which the annexed is a copy, taken from the paper in which it was published, was published in the said newspaper on the following days or days:

June 28, 2002

$130.55

Pardee, James D

From: Faith III, Don C
Sent: Friday, April 04, 2003 12:41 PM
To: Pardee, James D
Cc: Rao, Rajesh
Subject: FW: EA for GP - Fort James, Green Bay mill

The public comment period for this EA is over No comments were received regarding the EA.

(I'm leaving a copy of the info at your desk).

Tnx, DCF3