



Fact Sheet on Amending the June 7, 2007 Extension of the Environmental Cooperative Agreement between Northern Engraving Corporation and Wisconsin Department of Natural Resources

Following a public comment period, the Wisconsin Department of Natural Resources (DNR) will determine whether or not to amend the 2007 Extended Environmental Cooperative Agreement with Northern Engraving Corporation (NEC) and its Sparta, West Salem and Holmen facilities. The original 2002 and 2003 Agreements as well as the 2007 extension and proposed amendment were developed under Wisconsin's Environmental Cooperation Pilot Program pursuant to Section 299.80, Wis. Statutes. Information on where to get more information and how to comment on the amended agreement is found at the end of this fact sheet.

I. Background

A. The Facility

Northern Engraving Corporation is an active and dedicated steward of the environment. Internally, an environmental policy commits the company to reducing waste, continually improving processes, and doing no harm to the environment. All facilities are registered to the international environmental standard, ISO 14001, and receive annual audits from one of the company's third-party registrars. The environmental management system gives the plants the tools needed to analyze environmental impacts, set objectives and targets, develop supporting programs, review results and redirect efforts. By using these tools and developing employee involvement, each facility has experienced remarkable success.

B. The Original Agreement

The initial Environmental Cooperative Agreement between NEC and DNR that was signed in June 2002, and the subsequent amendment in June 2003, focused on the utilization of a robust Environmental Management System in achieving on-going environmental improvement. DNR and NEC had agreed to include an innovative air pollution control permit that allowed more flexibility, removed time and record keeping constraints, and established facility-wide caps on volatile organic compounds (VOCs) and hazardous air pollutants (HAPs). The permit also incorporated preconditions to construct and operate in order to reduce the amount of unnecessary permit writing, and a commitment to a shortened turn around time on issuing the permits, all saving valuable time and money for both parties. As a safety measure both parties agreed that NEC would notify DNR immediately if the company approached within 85% of the established caps in order to address any concerns or conditions that may be occurring at the facility. In concurrence with the United States Environmental Protection Agency (USEPA) the company provided a 6 month report on 12 month rolling averages of emissions occurring at the facilities. The Agreement also included the establishment of an interested persons group to encourage oversight and information sharing about the results of NEC's annual reports and on-going practices. This group consisted of individuals from the geographic areas surrounding the participating facilities.

C. Results from the Original Agreement

NEC and DNR agree that the company has successfully met all conditions established under the initial June 10, 2002 and June 23, 2003 Agreement that included, among other things, specific conditions and flexibilities written into the Air Pollution Construction and Operations Permits found in Part A. 1 of the Specific Permit Conditions for each facility.

During the five years of the initial Agreement, NEC achieved significant success in reducing the amount of VOC, HAPs, solid and hazardous waste, water usage, and energy. In addition to providing information on numerical reductions, NEC met the requirements of the Cooperative Environmental Agreements by providing the following:

- Baseline Reports for 2002 and 2003 Agreements.
- Annual Reports on the companies EMS system approach, progress toward the economic, social and environmental impacts of their operations.
Each report included at a minimum:
 - Results of the objectives and targets established in the previous year and any objectives identified for the next report.
 - Information on meetings with Interested Persons Group and participation.
 - Results of internal audits.
 - Violations discovered during the audits.
 - Time saved in reporting.
 - Environmental achievements related to air, water, energy, and waste and an explanation of any shortfalls.
 - Overall assessment of the program.
 - Met annually with DNR staff to evaluate progress.
 - Implemented EMS for all facilities and obtained ISO 14001 certification.
 - Conducted annual audits by an accredited third party auditor.
 - 6-month rolling average reports to both DNR and EPA on air emissions occurring at the facilities.
 - Annual reports were put on DNR website for public viewing.

1). Excerpt from Northern Engraving Annual Report (Collective Summary of 2006)

Data from calendar year 1996 (Baseline) through calendar year 2006 show that plant emissions of volatile organic compounds (VOC) and hazardous air pollutants (HAP) from the three Cooperative Agreement facilities decreased 63% (192 tons) and 94% (109 tons), respectively. In comparing the three facilities' 2006 emissions to 2005, VOCs and HAPs were reduced 7% (8.1 tons) and 31% (3.3 tons), respectively.

In 2006, these facilities used 74% less water than in 1996. This yearly reduction of 88,591,000 gallons also represents a 229% improvement in the sales to water used efficiency ratio.

During the 1996-2006 period, the three Cooperative Agreement facilities' generation of hazardous and solid wastes decreased 69% (40,860 gallons) and 78% (1,409 tons), respectively. Reformulation of sprays from a solvent base to water base significantly reduced hazardous waste generation while increasing the quantity of wastewater treated as non-hazardous. Similarly, oil absorbents were removed from the solid waste stream, managed as non-hazardous waste and recycled.

2). Some of NEC's activities which lead to results during the 5 year Agreement

- Conversion from a traditional flow-through, non-contact, cooling system to a chilled water closed-loop system to save water.

- Recycling and reuse of oil absorbents.
- Centrifuging and recapture of solvent rags.
- Reformulation of sprays from a solvent base to water base.
- Reduction in water pressures, reconfiguration and replacement of nozzles and reuse of water in washers.
- Increased plastic recycling.
- Conversion from VOC containing primers to a new UV primer that is free of VOCs.
- Distillation and reuse of waste solvent.
- Improved ink management.
- In 2005, instituted an energy management program with assistance from Focus on Energy.
- In 2006 the installation of variable frequency drives on air make-up units has the potential of reducing more than 2,830 MMBTUs of natural gas and 188,588 KWH of electricity per year.

II. Amendment to the June 2007 Extended Agreement

On June 7, 2007 after providing an opportunity to the Joint Committee on Finance to hold a hearing for review, DNR Secretary Scott Hassett signed a 5 year extension to the original Agreement.

NEC and DNR are now proposing to amend this Agreement to include the necessary changes and renewal of the air pollution control permits as allowed in the enabling legislation. DNR and NEC will incorporate into the Air Pollution Control Permits (Part I A.), for each participating facility, the requirements necessary for NEC to construct and operate under the flexibilities afforded the company. NEC will continue to provide the information outlined in I. (C) of this Fact Sheet, to the DNR and abide by all requirements established in Part A I. of the Specific Permit Conditions for each participating facility under the Agreement. The company will continue to engage and build on their interested persons group in the communities where they operate.

A. Changes to the June 2007 Extended Agreement

There are two main changes. First, in concurrence with USEPA, Northern Engraving will no longer be required to provide a 6 month report on actual emissions to EPA. USEPA has concurred with DNR that the requirement to report actual VOC and HAP emissions every 6 months could be removed from the Agreement and associated Air Pollution Control Operation Permits, as the permits issued under the Amended Agreement meet USEPA's requirements for the "Formula Based Approach" by specifying how Northern Engraving is required to calculate their actual VOC and HAP emissions.

Second, on a case-by-case basis NEC will be allowed an additional period of time to commence construction and/or modification of proposed projects requiring a permit under ch. NR 406, Wis. Adm. Code.

In reviewing DNR's procedures on this matter it was found that the Department does allow longer periods of time to commence construction and/or modification in the case of large, phased projects. Because longer periods of time are allowed in other cases, the Department will allow Northern Engraving to request periods for commencing construction and/or modification that are longer than 18 months on a case-by-case basis when they submit construction permit applications. Extended timeframes may help to reduce unnecessary permit writing by both parties and might give the company the flexibility and timeframe to construct and operate in a manner conducive to better environmental performance and economic stability.

B. Ongoing Requirements under the Amended Agreement -- Key Efforts Will Continue as Before

NEC and DNR will continue to meet annually to discuss the annual report and/or in cases where the company informs the DNR that they have reached 85% of the limits established under the Agreement. NEC commits to continued efforts to reduce the impact of their facilities on the environment. West Salem will operate under the conditions of the June 7, 2007 Extended Agreement (Part I. A. Specific Permit Conditions for West Salem) until such time that they submit an Air Pollution Control Permit application, the permit has been public noticed for 30 days, and approval has been granted by the DNR. (Note: NEC's West Salem Air Pollution Control Permit under the current Agreement expires on June 10 2008.)

Important environmental protection safeguards and community involvement efforts will continue as before under the amended agreement. NEC will provide Annual Reports to the DNR on their progress.

III. For More Information

To get a copy of the proposed Amended Agreement:

▶ Visit DNR's website:

<http://dnr.wi.gov/org/caer/cea/ecpp/index.htm>

Click on "Agreements", and then click on the link for Northern Engraving Corporation.

▶ Go to the local library in Sparta, Holmen or West Salem.

▶ Contact Mark Harings, DNR, 715-831-3263, Mark.Harings@wisconsin.gov

▶ Contact Mary Oleson, DNR, 608-789-5544, mary.oleson@wisconsin.gov

▶ Contact Bruce Corning, NEC, 608-269-6911, ext 385, Bcorning@norcorp.com.

Public Hearing

Tuesday, July 17, 2007

10:30 a.m. – 12:30 p.m.

Monroe County Courthouse

112 S. Court Street, Sparta, WI 54656

DNR and NEC will provide information, answer questions and take comments on the proposed amendment to the Agreement.

IV. Opportunity for public to comment

There is a 30-day public comment period for the public to provide written comments to the DNR about the proposed Amendment and the Air Pollution Control Permits included as part of the extension to the Environmental Cooperative Agreement. This comment period ends July 25, 2007. Please submit comments regarding the Agreement to Mark Harings, DNR, 1300 W. Clairemont Ave, P.O Box 4001, Eau Claire, WI 54702-4001 or email mark.harings@wisconsin.gov or fax 715-839 - 6076. Please submit additional comments on the Air Pollution Control Permits included in the Agreement to Mary Oleson, DNR, 3550 Mormon Coulee Road, La Crosse WI 54601 or e-mail mary.oleson@wisconsin.gov .