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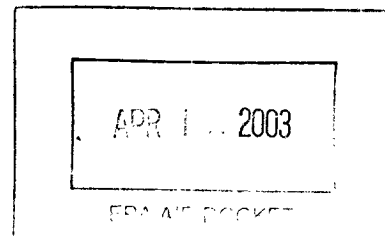
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AF&PA RMRR Hearing Testimony



Good Afternoon. My name is Garry Griffith. I am Director Environmental Technical Support for Georgia-Pacific Corporation. I am pleased to be here today to comment on EPA's "routine maintenance, repair and replacement" ("RMRR") proposal on behalf of Georgia-Pacific and the American Forest and Paper Association (AF&PA).

We very much support EPA's initiative in proposing these reforms. These reforms will address certain problems with New Source Review in a way that will encourage energy efficiency and innovation, and result in greater emissions reductions. The proposal would fine-tune a small part of the Clean Air Act, while maintaining other tough provisions that have and continue to improve our nation's air quality. Ultimately, the reforms will return the NSR program to its original focus of controlling real emissions increases from new and expanding industrial plants.

We support most elements of EPA's proposal, which, when finally promulgated, will make it much easier to keep our plants in good working order, improve operating reliability, and make our industry more efficient and globally competitive in an ever-changing marketplace. In fact, New Source Review affects every large industrial facility in the country, such as pulp and paper mills, and so the efficiencies to be gained from the proposed reforms will be widespread.

That will be good for both the economy and the environment. Our facilities are heavily regulated under the Clean Air Act and spend millions of dollars each year on environmental programs. Over the last 20 years, our industry's emissions have gone

down dramatically -- SO₂ emissions by 66% per ton of pulp and 30% for NO_x -- even as our energy use has increased by 21 percent.

It is important to realize that the new reforms will not increase emissions beyond permitted levels. They will simply provide a clearly defined, workable program that allows companies the flexibility to operate efficiently and maintain their plants to stay competitive. In the past, EPA's overly complex and ambiguous approach to RMRR has discouraged companies from undertaking many projects that most people would agree were both economically and environmentally beneficial.

EPA has proposed two separate, complementary approaches to RMRR reform -- the "equipment replacement" approach and the "maintenance allowance." I will comment briefly on each of these approaches, and AF&PA's written comments will discuss in far more detail.

First, we support the promulgation of **both** the equipment replacement approach and the maintenance allowance approach. We believe that the equipment replacement approach is likely to prove very useful to sources by quickly identifying and excluding from NSR widely recognized maintenance activities. It will be easy to promulgate and administer. We believe the maintenance allowance approach based on IRS's guidelines for repair allowances percentages used for depreciation purposes (IRS publication 534) is also a reasonable starting point for the forest products industry to minimize confusion as to what constitutes RMRR versus a major plant expansion project.

Second, on the "equipment replacement" approach, we believe EPA's proposal to forbid any change that increases unit "design specifications" for fuel or raw material input is flawed, as it could exclude some efficiency-increasing changes as RMRR. We

believe EPA should drop the test and allow any change that did not increase the achievable hourly emissions of a process unit to qualify as RMRR as long as all of the other equipment replacement conditions were met.

Finally, we support EPA's proposal to allow use of the equipment replacement test for any change that does not cost more than 50% of the replacement cost of a process unit. Given the other conditions on the equipment replacement test – the bar on building a new process unit, or changing function, we believe that a 50% test is sufficient to prevent abuse of the exclusion.

Thank you for the opportunity to comment here today.