

MEMORANDUM

DATE:

TO: Missouri Air Conservation Commission

FROM: Kyra L. Moore, Director
Air Pollution Control Program

SUBJECT: Variance Extension Request – F&S Printing

F&S Printing is a printing company formed in 1989 and located in St. Louis County, Missouri. Its only function is to provide printing services to its affiliated company Checker Bag Company, which makes cellophane, propylene and polyethylene bags for the food services industries. Together, F&S Printing and Checker Bag Company employ approximately 80 people. The companies operate from two nearby locations on Midwest Industrial Boulevard in St. Louis County.

F&S Printing owns three presses; a two-color press, a six-color press and an eight-color central impression press. Materials that are manufactured by Checker Bag, with printing by F&S Printing, are sold into a number of markets, including the market for advertising and tradeshow materials, bakeries, candy, chemical, food, and ice applications.

St. Louis County, as part of the St. Louis Ozone Non-attainment Area, is subject to the St. Louis Metropolitan Area Rules. As such, F&S Printing is subject to Missouri Air Conservation Commission Regulation 10 CSR 10-5.340, “*Control of Emissions from Rotogravure and Flexographic Printing Operations*,” (the rule) which was revised August 30, 2011.

F&S Printing’s printing and compliance activities cause an excursion of Volatile Organic Compound (VOC) emissions, in violation of the rule. To comply with the rule, a facility meeting the applicability requirements must either install control equipment or use low solvent technology to reduce volatile organic compound emissions.

F&S Printing reported that installing control equipment would force them to raise product prices, which would greatly reduce their ability to compete with other businesses. They requested a variance to allow them to continue to achieve compliance through low solvent technology.

On March 27, 2014, the Missouri Air Conservation Commission granted F&S Printing a one (1) year variance. F&S Printing was required to come into compliance with the rule by March 2015.

Since, March 27, 2014, F&S Printing has been unable to create or find an ink that will meet the durability and print quality standards set by their customers. On January 23, 2015, F&S Printing submitted a request to the Air Pollution Control Program to extend the variance for an additional year to complete an engineering study for design and installation of control equipment. Given their considerable efforts over the past year and commitment to achieve compliance with the rule by March 2015, we agree that a variance extension is in order. F&S Printing will continue to provide monthly progress reports to the Air Pollution Control Program and St. Louis County Health Department Air Program and will continue to be held to a limit of 70 tons of VOC emissions in any 12-month rolling period. As a condition of the extension, we recommend that the April 2015 monthly progress report contains findings and recommendations from the current engineering study along with a schedule of milestones for the project, to include installation of control equipment by March 2016.

The Commission may grant a variance extension, pursuant to state law, Section 643.055 and 643.110, RSMo, if certain conditions are met. The Department has reviewed each of these conditions and compared them with the facts of this situation. State law authorizes the Commission to grant a variance extension if the person applying for the variance can show that compliance with the rule:

- “would cause economic hardship” (643.055.2(1), RSMo);
- “is physically impossible” (643.055.2(2), RSMo);
- “is more detrimental to the environment than the variance would be” (643.055.2(3), RSMo);
- “is impractical or of insignificant value under the existing conditions” (643.055.2(4), RSMo);
- “will result in taking of property without just compensation” (643.110.1, RSMo); or
- “in the closing and elimination of any lawful business, occupation, or activity, without sufficient corresponding benefit or advantage to the people” (643.110.1, RSMo).

The Air Pollution Control Program believes F&S Printing has adequately shown that the request for variance extension from 10 CSR 10-5.340 meets the conditions of 643.055.2(1) and 643.110.1, in that it would cause economic hardship to comply with this rule immediately and could result in the closing and elimination of a lawful business without sufficient corresponding benefit to the people.

Thank you for your consideration of this recommendation.

KLM:jrv

**Missouri Department of Natural Resources' Director's Recommendation to
The Missouri Air Conservation Commission on
F&S Printing
Variance Extension Petition and Order**

Introduction

F&S Printing is located in St. Louis, St. Louis County, Missouri. F&S Printing provides printing services to its affiliated company Checker Bag Company, which makes cellophane, propylene and polyethylene bags for the food services industries. They employ approximately 80 people.

On January 2, 2014, the Missouri Department of Natural Resources' Air Pollution Control Program (APCP) received a request from F&S Printing asking for a variance to comply with Missouri Air Conservation Commission Regulation 10 CSR 10-5.340 "*Control of Emissions from Rotogravure and Flexographic Printing Operations.*" To attain compliance with the rule, the facility would be required to install control equipment, which they found cost prohibitive.

On March 27, 2014, the Missouri Air Conservation Commission approved the variance request for F&S Printing and established a one-year expiration date as recommended by the APCP. The variance allowed F&S Printing to continue research without installing control equipment and to be held to a limit of 70 tons of Volatile Organic Compounds (VOC) emissions in any 12-month rolling period.

Since March 27, 2014, F&S Printing continued exploring the use of alternative inks but was unable to find a suitable replacement that would ensure compliance with the rule. Therefore, on January 23, 2015, F&S Printing submitted a request to extend the variance for one additional year to complete an engineering study for design and installation of control equipment. Pursuant to Section 643.055 and 643.110, RSMo, the Department supports the extension request for one additional year.

Background

Since being informed of the stricter requirements during an August 24, 2012, compliance inspection, F&S Printing has been in discussions with the APCP and the St. Louis County Health Department concerning this matter. F&S Printing has continued efforts to attain compliance by pursuing the low solvent technology alternative provided for in 10 CSR 10-5.340. The standard they must meet is specific to businesses located in St. Louis City and in Jefferson, St. Charles, Franklin, and St. Louis Counties. Other businesses, located in other areas, using the same inks in the same quantities would not be considered in violation, which puts F&S Printing at an economic disadvantage to their competitors in the state.

Essentially, 10 CSR 10-5.340, as it relates to this facility, requires that F&S Printing install control equipment because it has the potential to emit 25 tons or more of VOCs in any 12-month rolling period. F&S Printing appears to operate consistently, emitting approximately 60 tons of VOCs in any 12 month rolling period, and has been struggling to find a way to meet the revised rule, which requires the facility to either reduce potential emissions or install expensive control equipment. Before the revision of 10 CSR 10-5.340 on August 30, 2011, the rule only required facilities with the potential to emit 100 tons of VOCs in a 12-month rolling period to meet certain requirements. F&S Printing was found in compliance with the rule prior to August 30, 2011.

Since March 2014, F&S Printing has reported limited success and concluded low solvent based inks are not a suitable substitute to meet their product requirements. Therefore, F&S Printing has turned its efforts to investigating the technical and financial feasibility of installing control equipment.

Based upon the fact that F&S Printing emits low amounts of air contaminants, the Department is of the opinion this variance will result in no substantial negative impact on air quality. Accordingly, the Department supports this request for a variance extension. The Department suggests the variance extension be granted for one year beyond the date it is heard and approved by the Missouri Air Conservation Commission.

The Commission may grant a variance extension, pursuant to state law, Section 643.055 and 643.110, RSMo, if certain conditions are met. The Department has reviewed each of these conditions and compared them with the facts of this situation. State law authorizes the Commission to grant a variance extension if the person applying for the variance can show that compliance with the rule:

- “would cause economic hardship” (643.055.2(1), RSMo);
- “is physically impossible” (643.055.2(2), RSMo);
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- “in the closing and elimination of any lawful business, occupation, or activity, without sufficient corresponding benefit or advantage to the people” (643.110.1, RSMo).

The APCP believes F&S Printing has adequately shown that the request for variance extension from 10 CSR 10-5.340 meets the conditions of 643.055.2(1) and 643.110.1, in that it would cause economic hardship to comply with this rule immediately and could result in the closing and elimination of a lawful business without sufficient corresponding benefit to the people.

Furthermore, the Commission is legally precluded from granting a variance extension “where the effect of the variance extension will permit the continuance of a health hazard” (643.110.1, RSMo.) The APCP is of the opinion that granting of this variance extension will not result in a health hazard.

Recommendation

The Director of the program recommends the Commission grant a variance extension to Missouri State Rule 10 CSR 10-5.340 as it pertains to F&S Printing. The net effect of this variance extension will be to provide additional time for F&S to attain compliance by completing an engineering study to design and install appropriate control equipment to manage emissions from its process. The Director of the program also recommends that F&S Printing continue to provide monthly progress reports to the APCP and St. Louis County Health Department Air Program and maintain compliance with the current variance limit of 70 tons of VOC emissions in any 12-month rolling period. The APCP further recommends that the April 2015 monthly progress report contain findings and recommendations from the current engineering study along with a schedule of milestones for the project, to include installation and operation of control equipment by March 2016.