EQC Agenda Items, November 19, 1976

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OREGON
ENVIRONMENTAL QUALITY
COMMISSION MEETING
MATERIALS

DEQ

State of Oregon
Department of Environmental Quality

Environmental Quality Commission Meeting

November 19, 1976

Room 602, Multnomah County Courthouse

1021 S.W. Fourth Avenue

Portland, Oregon

9:00 a.m.

A. Minutes of October 15, 1976 EQC Meeting

B. Monthly Activity Report for September 1976

C. Tax Credit Applications

PUBLIC FORUM - Opportunity for any citizen to give a brief oral or written presentation on any environmental topic of concern. If appropriate the Department will respond to issues in writing or at a subsequent meeting. The Commission reserves the right to discontinue this forum after a reasonable time if an unduly large number of speakers wish to appear

D. Waste Water Discharge Permit Fees - Request Authorization for Public Hearing to Consider Amending OAR, Chapter 340, Section 45-070

E. Requests for Hardship Relief from Waste Water Discharge Permit Fees, OAR, Chapter 340, Section 45-070(2)

10:00 a.m.

F. Air Permit Fees - Public Hearing on Proposed Revisions to OAR, Chapter 340, Sections 14-040 and 20-033

11:00 a.m.

G. Martin Marietta - Public Hearing on Application for Modification of Martin Marietta's Air Contaminant Discharge Permit for The Dalles Aluminum Plant

H. Board Products Industry Open Burning Rules - Deletion of Sections 25-320(4) and 25-325(5), OAR, Chapter 340

I. Norway Street (Silverton - Marion County) Health Hazard Annexation Certification of Plans for Sewerage System

J. Variance Request - McCall Oil & Chemical Corporation

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Because of the uncertain time spans involved, the Commission reserves the right to deal with any item, except Items F & G, at any time in the meeting.

The Commission will breakfast at 7:30 a.m. at the Trees Restaurant (Hilton Hotel) and any of the items above may be discussed. Lunch will be at the Hilton Trees.

MINUTES OF THE EIGHTIETH MEETING

of the

Oregon Environmental Quality Commission

November 19, 1976

At 9:00 a.m. on Friday, November 19, 1976, the eightieth meeting of the Oregon Environmental Quality Commission convened in Room 602 of the Multnomah County Courthouse, 1021 S.W. Fourth Avenue, Portland, Oregon.

Present were all Commission members. Those present were Mr. Joe B. Richards, Chairman; Dr. Morris Crothers, Vice Chairman; Dr. Grace S. Phinney; Mrs. Jacklyn Hallock; and Mr. Ronald M. Somers. Present on behalf of the Department were its Director, Mr. Loren (Bud) Kramer and several members of the Department's staff.

MINUTES OF OCTOBER 15, 1976 EQC MEETING

There was some discussion regarding the new format of the minutes. Some Commissioners thought they were too brief and did not give enough detail regarding each agenda item.

The Director stated that he had made the decision to cut down on preparation of the minutes because of staff time to prepare them.

After some discussion it was decided there should be a brief synopsis of each agenda item as before.

It was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the minutes of the October 15, 1976 meeting be approved.

MONTHLY ACTIVITY REPORT FOR SEPTEMBER, 1976 AND TAX CREDIT APPLICATIONS

It was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be adopted with regard to both the Program Activity Report for September and the Tax Credit Applications.

WASTE WATER DISCHARGE PERMIT FEES - REQUEST AUTHORIZATION FOR PUBLIC HEARING TO CONSIDER AMENDING OAR, CHAPTER 340, SECTION 45-070

It was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be approved to authorize a public hearing to be held, relative to the proposed changes, before a hearings officer and at a time and place to be set by the Department.

REQUESTS FOR HARDSHIP RELIEF FROM WASTE WATER DISCHARGE PERMIT FEES, OAR CHAPTER 340, SECTION 45-070(2)

It was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be adopted whereby the annual determination fee for Cloverdale Sanitary District be

suspended for the fiscal year ending July 1, 1977. The Sanitary District should be directed to include an annual compliance determination fee in future operating budgets for it will be expected to pay in subsequent years.

It was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be adopted that no action be taken at this time on the William Smith placer mine, since pending modifications to the fee schedule will solve the problems.

VACANCY IN DIRECTORSHIP

The Chairman said that this matter had been discussed in the media and at the EQC breakfast meeting, and that it is the statutory authority of the Commission to appoint the Director.

After several comments by the Commissioners, it was MOVED by Commissioner Somers, seconded by Commissioner Phinney and unanimously carried that Mr. William H. Young be appointed as the new Director of the DEQ.

PUBLIC FORUM

No one wished to speak on any subject.

BOARD PRODUCTS INDUSTRY OPEN BURNING RULES - DELETION OF SECTIONS 25-320(4) AND 25-325(5), OAR, CHAPTER 340

Mr. Al Burkart from the staff summarized the staff report which has been made a part of the permanent files.

Commissioner Somers asked if there had been a hearing on this item.

Mr. Burkart replied that there had been a public hearing held on November 1 in which one person appeared to testify.

After some discussion it was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be adopted that the Environmental Quality Commission delete Sections 25-320(4) and 25-325(5) from Oregon Administrative Rules (OAR), Chapter 340.

NORWAY STREET (SILVERTON - MARION COUNTY) HEALTH HAZARD ANNEXATION CERTIFICATION OF PLANS FOR SEWERAGE SYSTEM

Mr. Clarence Hilbrick of the staff summarized the staff report which has been made a part of the permanent files.

Commissioner Somers stated that after reviewing the record he is satisfied that provisions of Chapter 222 have been complied with and that the Health Division entered the appropriate order for a hearing, gave the two-weeks notice and the 30-days elapsed after the 2-weeks publication in the paper and the hearing was held. He stated with that in mind he was satisfied to vote on this item at this time.

It was MOVED by Commissioner Hallock, seconded by Commissioner Crothers and unanimously carried that the Director's recommendation be adopted for the Commission to approve the proposal and certify said approval to the City of Silverton.

VARIANCE REQUEST - McCALL OIL AND CHEMICAL CORPORATION, MULTNOMAH COUNTY AND STANDARD OIL COMPANY OF CALIFORNIA

Mr. Tom Bispham from the staff summarized this agenda item. He also stated that the staff has had a similar request from Standard Oil Company of California, and that the Commission should consider this variance request for both McCall Oil and Standard Oil. Mr. Bispham stated that due to the fact Standard Oil Company will not be able to meet the 1.75% sulfur limitation for their #6 fuel oil, they are requesting a variance which will allow them to import number six fuel oil with up to 2% sulfur for a 6-months period. Standard's estimate of its Oregon customers' use during the next 6 months is 400,000 barrels. This they believe represents approximately 6% of the State's estimated annual residual fuel oil requirement and 9.5% of the State's number six oil requirement.

Standard Oil Company has asked for a 6-months variance because they believe that at the end of that period they will be out of the peak demand situation and that the Alaskan North Slope crude will start to become available for refining. Standard believes that when their refinery starts processing the Alaskan crude they will be able to produce number six oil with less than 1.75% sulfur during peak periods.

After discussion by the Commission, it was MOVED by Commissioner Crothers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be approved for the Commission to make a finding that strict compliance would result in substantial curtailment or closing down of a business, and that a variance from OAR 340-22-010(2) from December 1, 1976 through June 1, 1977 be granted to allow McCall Oil and Standard Oil to sell, distribute and make available for use in the area residual fuel oil up to 2% sulfur content (and for the customers to use such delivered fuel oil), subject to the following conditions:

1. During the subject variance period, from December 1, 1976 through June 1, 1977, the Company shall make every effort to comply with the sulfur content of fuel regulation (OAR 340-22-010(2)).

2. On or before March 1, 1977 McCall Oil and Standard Oil shall submit a written progress report outlining the efforts made and/or accomplished in developing a long-range plan for compliance with the subject regulation.

AIR PERMIT FEES - PUBLIC HEARING ON PROPOSED REVISIONS TO OAR, CHAPTER 340, SECTIONS 14-040 AND 20-033

Mr. Ed Woods of the Department summarized the guidelines and fee schedule of the staff report. He stated that guidelines a, b, c, d and e in the staff report are the criteria the Department intends to apply to a source to determine whether it will be included in the minimal category. Mr. Woods stated that OAR Chapter 340, Section 14-015(2) establishes a maximum duration for permits

of five years. The Department proposes to modify that section to allow ten years duration for permits, because the permits change very little and the workload would be decreased. He said that the Air Permit Task Force proposed a method which the Department used in determining these fees whereby the annual compliance determination fee amounts are based upon the relative time spent on the particular categories of sources.

Mr. Tom Donaca legal counsel for Associated Oregon Industries and Chairman of the Air Permit Task Force, said the Task Force had spent about 400 man hours on the report that was done between January and July and that the Task Force is in general agreement with the staff report. He stated that he would like to make one comment that was not made in the staff report and which he thought is quite important with regards to those minimal sources which will be extended and not looked at more than once in 5 years. That is, that these minimal sources are subject to visual violations and that the compliance and enforcement staff will take a close look at them. If there is a problem he wants to make sure the source will be found in violation and made to comply.

Mr. Donaca said another point of concern is that the burden is a little bit greater than expected on the larger sources, as far as the permit fees are concerned. He stated that there should be reasonable factors considered, such as average time spent on the source and the dollar amount spent when equated with those hours.

In conclusion Mr. Donaca requested that this issue be reviewed again in about another year and the Commission agreed to this.

It was MOVED by Commissioner Crothers, seconded by Commissioner Hallock and unanimously carried that the Director's recommendation be adopted that OAR Chapter 340, Sections 14-015 and 20-033 be amended as proposed herein, with such further amendments as may be deemed necessary after consideration of the information developed as a result of this public hearing.

It was MOVED by Commissioner Somers, seconded by Commissioner Hallock and unanimously carried that the Director reconvene the Air Permit Task Force on this issue on or after July 1, 1977.

RESIGNATION OF DIRECTOR

Mr. Kramer stated that being director of the DEQ was the finest position he had ever had and that he had enjoyed working with the Commission and with the staff. He said he believed Oregon's present laws and the national rules that are administered are basically sound and are certainly sufficient for the time being, and he would like to see the Department do the more than adequate job that should be done on the present laws before searching for additional activities. Mr. Kramer said this is the challenge he leaves to the Department and the Commission and with that he tendered his resignation.

It was MOVED by Commissioner Crothers, seconded by Commissioner Somers and unanimously carried that the Director's resignation reluctantly be accepted.

INTRODUCTION OF NEW DIRECTOR

The Chairman introduced Mr. William H. Young, the new director of the DEQ, stating that the Commission was very grateful he had made himself available to accept the directorship.

Mr. Young thanked the Chairman and the Commissioners for his appointment, stating that he is looking forward to working with the Commission and the staff of the DEQ.

BUDGET

Mr. George Lee from the staff gave the Commission a briefing on the budget for the DEQ for the fiscal year 1977-79.

NORTHWEST ENVIRONMENTAL DEFENSE CENTER VERSUS RUSSELL TRAIN AND DEQ

Mr. Ray Underwood, legal counsel, said that he had just received a notice from the Ninth Circuit Court that an opinion had been reached in the case of the Northwest Environmental Defense Center versus Russell Train and the DEQ, and that the opinion would reverse the approval by the EPA Administrator of Oregon's NPDES program. Mr. Underwood stated that the Department does have an opportunity as a party to file a petition for rehearing. Also, the DEQ would have the alternative of seeking review by the Supreme Court of the United States.

This case involved a challenge to Oregon's NPDES plan for issuing NPDES permits through approval of the Environmental Protection Agency. The challenge was to some of the Department's rules with regards to procedures in issuing permits. The Department conceded certain points in the challenge, made changes in its rules and felt that these changes were significant elements and the others were not, Mr. Underwood said.

The Chairman asked Mr. Underwood to please hit the high points for the Commission, after he does get a copy of the opinion, so that this item can be placed on the agenda at a later date for discussion.

Mr. Chris Kittel representing the Northwest Environmental Defense Center said he believed this is a very simple case and should not have gone this far. Mr. Kittel stated that one procedure the Center has deals with public hearings and the discretion of the Director to call a public hearing. He said the Center envisioned a situation where a so-called environmentalist director would not call a hearing at his discretion because he felt it would not satisfy the rules. He said that in their brief and before the court they argued that they would like to have a stay in the decision reversing the appeal to give the Commission sufficient time to come into compliance. In conclusion Mr. Kittel said he thought these mandatory procedures will provide a very sound across the board fair play for both industry and citizens, and will let both know what the Commission and the Department are going to do with a NPDES permit.

MARTIN MARIETTA - PUBLIC HEARING ON APPLICATION FOR MODIFICATION OF MARTIN MARIETTA'S AIR CONTAMINANT DISCHARGE PERMIT FOR THE DALLES ALUMINUM PLANT

Mr. John Kowalczyk of the Department's staff, gave a brief synopsis of the staff report. He said this topic deals with whether SO_2 controls should be required in response to the Department's highest and best practicable treatment and control rule. The three issues in question he said are 1) whether the addition of an SO_2 scrubber would improve air quality in the area; 2) whether technology actually existed to reduce SO_2 emissions from an aluminum reduction plant; and 3) what would be the costs for equipment if it were available and whether the company could afford it.

Mr. Kowalczyk said that with regards to the cost of the sulfur dioxide scrubber as quoted by EPA, which they said would cost around $400,000, EPA has now revised its estimates upwardly to around one to four million dollars, depending upon the type of system chosen. The efficiency expected could range from 70% to 95%.

Mr. Kowalczyk said all this information had been received so late that the staff had not had a chance to go through it. He said the staff would like a chance to go over the material in depth, discuss it and then formulate a Department position as to whether an SO_2 scrubber should be required in light of the Department's highest and best practicable treatment control rule.

Dr. David McDaniel, Ophthalmologist from The Dalles stated that he is concerned by the top level policies of Martin Marietta which he feels are insensitive to its plant's effects on the agriculture and health of the community and to some policies of DEQ which have not established what he considers adequate controls over the emissions from the plant. Dr. McDaniel said the present system consists of monitoring the emissions at the plant itself for only three days each month and it is only human nature that the officials at the plant would choose the three best days of the month when all the scrubbers are working and there is the least pollution. He said the other main source of information is from one monitoring station in an orchard. The others are not consistently checked for information.

Dr. McDaniel does not feel that the Commission or the staff has adequate or valid data upon which to make a rational or valid decision. He believes: 1) there should be a full-time DEQ staff member monitoring and gathering all the information and that Martin Marietta should pay for this, since they expect to save $50,000 or more each month by operating only dry scrubbers; 2) samples should be collected from the overnight inversion layer. This could be done by Dr. Timothy Facteau of Oregon State University who is presently stationed in Hood River; 3) samples should be taken adjacent to the plant 24 hours a day, 365 days a year; and 4) there should be multiple monitors in many different locations in The Dalles and at different elevations. He believes only after such controls are established will there be valid data and the Commission able to make a proper decision as to whether Martin Marietta should be allowed to put more sulfur dioxide into the air surrounding The Dalles.

Mr. Douglas Ragen, attorney for Martin Marietta, stated that the company had hoped and expected the staff to be prepared to recommend issuance of a permit as requested by the company at the October 15 hearing. He said Martin Marietta believes that the staff now has all the information requested of it and that Martin Marietta welcomes the December 9 hearing. Mr. Ragen said the questions Martin Marietta has entertained from the DEQ since the October 15 meeting have centered on two subjects. The assumptions, techniques and results of the plume dispersion analyses, assuming first a dry scrubber configuration and second a dry scrubber configuration with a 70% efficient wet scrubber. He said that Martin Marietta wishes to point out that no matter which assumptions and models are used in analyzing these plume dispersions, that DEQ and Martin Marietta agree that the results have one thing in common - the projected SO_2 impacts in the orchards with or without a wet scrubber are well below state and federal air quality standards.

The second subject that the DEQ and Martin Marietta had addressed was economic consideration of six different configurations of control systems. Mr. Ragen said that Martin Marietta hoped the information process which occurred over the last several months had served to inform the Commission and the staff as to what the pertinent issues are with respect to issuance of a permit. He said those issues can be framed by the following questions: a) What is the cost of a 70% dry scrubber and what is the operating cost of such a scrubber? b) By what amount is it projected that a 70% efficient scrubber will reduce the amount of SO_2 in the orchards, compared to a dry scrubber without an SO_2 wet scrubber?

Mr. Don Bailey, representing the Wasco County Fruit League as chairman of its Research and Pollution Commission, said that the League's concern today is that the only consideration Martin Marietta is giving is to the 70% control level of SO_2; whereas, in fact the 95% control level has been deemed the highest and best practicable use and was presented to the Commission previously. He said that it does not appear in the latest letter from the DEQ that the 95% control efficiency is being discussed or required, and that the growers in the area are very concerned.

Mr. Bailey stated The Dalles is now adding to its problem by having across the river a proposal for an additional industrial development which would be air polluting. The Department of Ecology (DOE) of the State of Washington has before it applications from Western Zirconium to build a plant similar to the one at Albany. Dow Chemical already has a permit and they are awaiting construction - all in the same air basin. He said the DOE is considering making the companies increase their control efficiency to reduce it from the proposed good level of control of 120 tons of sulfur dioxide per year to only 20 tons. Mr. Bailey said the Fruit Growers League believes the Oregon DEQ and EQC should make similar requirements on the Oregon side of the river.

Mr. Bailey said that standards do not provide protection. He said the standard for hydrogen fluoride is so much per ton of aluminum produced. It has nothing to do with what level of hydrogen fluoride produces damage in the ambient air. He said it is not known what level of SO_2 produces damage in that area.

Chairman Richards concluded the public testimony on Martin Marietta and the Commission and staff were in recess on the Martin Marietta hearing until the next phase of the hearing before a hearing officer on December 9.

There being no further business, the meeting was adjourned.

ROBERT W. STRAUB
GOVERNOR

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

MEMORANDUM

To: Environmental Quality Commission

From: Director

Subject: August 27, 1976 Minutes

Due to the gravity of the Alkali Lake situation it is recommended that the August 27, 1976 minutes Page 1, Line 23 be corrected from:

"stabilizing them with one to five inches of crushed rock"

To:

"stabilizing the earth cover with six inches of crushed rock of one to five inch size".

11/15/76

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

MEMORANDUM

To: Environmental Quality Commission

From: Director

Subject: Agenda Item B, November 19, 1976, EQC Meeting

September Program Activity Report

Discussion

Attached is the September 1976 Program Activity Report.

ORS 468.325 provides for approval or disapproval of Air Quality plans and specifications by the Environmental Quality Commission. Water and Solid Waste facility plans and specifications approvals or disapprovals and issuance, denials, modifications and revocations of permits are prescribed by statutes to be functions of the Department, subject to appeal to the Commission.

The purposes of this report are to provide information to the Commission regarding status of the reported program activities, to provide a historical record of project plan and permit actions, and to obtain the confirming approval of the Commission of actions taken by the Department relative to air quality plans and specifications.

Recommendation

It is the Director's recommendation that the Commission take notice of the reported program activities and give confirming approval to the Department's actions relative to air quality project plans and specifications as described on page 14 of the report.

LOREN KRAMER
Director

RLF:ee
11/1/76

Department of Environmental Quality
Technical Programs

Permit and Plan Actions

September 1976

DEPARTMENT OF ENVIRONMENTAL QUALITY
TECHNICAL PROGRAMS

MONTHLY ACTIVITY REPORT

Air, Water and Solid Waste Management Divisions (Reporting Unit) — September 1976 (Month and Year)

SUMMARY OF PLAN ACTIONS

	Plans Received		Plans Approved		Plans Disapproved		Plans
	Month	Fis.Yr.	Month	Fis.Yr.	Month	Fis.Yr.	Pending
Air							
Direct Sources	6	29	8	29	1	1	19
Total	6	29	8	29	1	1	19
Water							
Municipal	132	354	134	271			68
Industrial	16	34	14	32	1	1	7
Total	148	388	148	303	1	1	75
Solid Waste							
General Refuse	4	15	7	20	1	1	9
Demolition		2		2			1
Industrial	2	8	2	10			3
Sludge		2		2			
Total	6	27	9	36	1	1	13
Hazardous Wastes		2		2			
GRAND TOTAL	160	446	165	370	3	3	107

DEPARTMENT OF ENVIRONMENTAL QUALITY

TECHNICAL PROGRAMS

MONTHLY ACTIVITY REPORT

Water Quality Division — September 1976

Plan Actions Completed - 148

Municipal Sources - 134

		County	Name of Source/Project/Site and Type of Same	Date Rec'd	Date of Action	Action	Time to Complete Action
S		23 ONTARIO	SS STERRA SD	071676	08/02/76*	PROV APP	17
S		22 LEBANON	SS @DOWNING ADDITION@	073076	08/05/76*	PROV APP	06
S		30 PENDLETON	SS SE 8TH & SE ISAAC	072076	08/10/76*	PROV APP	21
S		34 WASHINGTON CO	LOWER TUALATIN INTERCEPT	081176	08/17/76*	PROV APP	06
S		20 SPRINGFIELD	SS PROJ # SP-206 S&P	081176	08/18/76*	PROV APP	07
S		24 SALEM	SS 7TH AVE SUP CT AREA SE	080476	08/19/76*	PROV APP	15
S	18	10 WINSTON	ST & SS IMPVMNTS GLEN CT	072776	08/27/76*	PROV APP	31
S	99	03 WILSONVILLE	TRUNK SEW EXT	072276	08/31/76*	PROV APP	40
S		34 TUALATIN	SS SPRUCE MEADOWS SD	081376	08/31/76*	PROV APP	18
S		34 TIGARD	SS PATHFINDER #2-188	081176	08/31/76*	PROV APP	02
S		03 CANBY	SS PITTS ADD	081176	09/01/76	PROV APP	20
S		06 COOS BAY SS I	MP N 7TH ST	081176	09/01/76	PROV APP	20
S		26 GRESHAM	SS CHILDREN@S WORLD	081276	09/01/76	PROV APP	19
S		34 HILLSBORO	BRIAN PK #2&3 SS 7.30-10-297	072976	09/01/76	PROV APP	33
S		34 HILLSBORO	SS EXT JONESFIELD 2 PHASE 2	072276	09/01/76	PROV APP	40
S		36 MCMINNVILLE	SS BARNSLEY MEADOWS IMPVMTS	082476	09/01/76	PROV APP	06
S		36 NEWBERG	SS PIONEER VIEW	081176	09/01/76	PROV APP	20
S		20 EUGENE	SS CROSS PL FRM CR ST-400@N	082376	09/02/76	PROV APP	10
S		20 EUGENE	DELTA HY FRM GOODPASTURE ISL	082576	09/02/76	PROV APP	08
S		20 EUGENE	S & STORM SEW PEPPERTREE	082576	09/02/76	PROV APP	08
S		20 EUGENE	SS-ST SEW ALEX-A SD ON ROBIN	082576	09/02/76	PROV APP	08
S		36 MCMINNVILLE	SS BARNSLEY MEADOWS SD IMPVS	082676	09/02/76	PROV APP	07
S	99	03 WILSONVILLE	SS EDWARDS BUSINESS IND PK	083076	09/02/76	PROV APP	02
S		20 EUGENE	SS MCLEAN FM DURBIN TO WHITB	072276	09/02/76	PROV APP	41
S		20 EUGENE	SS CONCORD PLAT	070876	09/02/76	PROV APP	55
S		03 MIL/CCSD#1	SS IMP SUNDIAL CT	082076	09/03/76	PROV APP	14
S	25	03 CLACKAMAS CO	SS SUNBURST SD	081776	09/03/76	PROV APP	17

* Omitted from August Report

DEPARTMENT OF ENVIRONMENTAL QUALITY
TECHNICAL PROGRAMS

MONTHLY ACTIVITY REPORT

Water Quality Division — September 1976

Plan Actions Completed (148 - con't)

		County	Name of Source/Project/Site and Type of Same	Date Rec'd.	Date of Action	Action	Time to Complete Action
S	49	36	MCMINNVILLE P. S. BENNETT ADDN	070276	09/03/76	PROV APP	04
S	49		MCMINNVILLE BENNETTE ADD CULVERT&PUMP S	083176	09/03/76	PROV APP	03
S	15	27	MONMOUTH SS MARR SD	090276	09/08/76	PROV APP	06
S		26	PORTLAND SS NE 21ST & RIVERSIDE WAY	081376	09/08/76	PROV APP	26
S		30	PORTLAND SS SE 108TH & ELASSER LANE	081676	09/08/76	PROV APP	23
S		30	PORTLAND SS N PRINCETON	081776	09/08/76	PROV APP	22
S		30	PORTLAND SS 37TH SW	081776	09/08/76	PROV APP	22
S		26	PORTLAND SS SE WOODWARD & 60TH AVE	082076	09/08/76	PROV APP	19
S		26	PORTLAND SS SW 19THS OF EVANS ST SSSY	082076	09/08/76	PROV APP	19
S		26	PORTLAND NW 21ST TRNK SEW RECONST PRO	072176	09/08/76	PROV APP	46
		22	LEBANON FERNVIEW PARK ADD	090976	09/09/76	PROV APP	02
S		22	LINN CO PIONEER VILLA STP	090276	09/09/76	PROV APP	07
S		36	NEWBERG SS EXT-BARN DOOR TAVERN	082776	09/09/76	PROV APP	12
S		36	NEWBERG SS IMP PLANS SITKA AVE	083076	09/09/76	PROV APP	10
S		36	NEWBERG SS GREENBROOK	083176	09/09/76	PROV APP	09
S	82	24	STAYTON SS SLUDGE IRRIGATION-#346S-3	083176	09/09/76	PROV APP	09
S	99	03	WILSONVILLE SS EDWARDS BS - INDUSTRIAL PA	090176	09/09/76	PROV APP	08
			LEBANON FERNVIEW PK REVISED SHEETS*	090776	09/09/76	PROV APP	02
		26	TROUTDALE PEARL HEIGHTS	090776	09/10/76	PROV APP	34
S	04	12	CANYON CITY SS IMP JOHN DAY-CANYON CITY	081376	09/10/76	PROV APP	03
S		24	SALEM SS BALDWIN ADDITION@JO#466	080576	09/10/76	PROV APP	36
S	96	03	OAKLODGE SD RIVER OAK MAJ LND PARTION	081876	09/10/76	PROV APP	23
S	96	03	OAK GROVE SS RIVER OAK MAJ LND PARTION	081876	09/10/76	PROV APP	23
S		34	USA/BEAVERTN SEQUOIA PARK	082576	09/12/76	PROV APP	18
S		36	NEWBERG SS OLD HYW #99W	081876	09/13/76	PROV APP	26
S		26	PORTLAND SS N PTD RD N FORCEMEX B#9*	083076	09/13/76	PROV APP	14
S		24	SALEM SS MACRAY SD & WATER SYS	081376	09/13/76	PROV APP	31

DEPARTMENT OF ENVIRONMENTAL QUALITY
TECHNICAL PROGRAMS
MONTHLY ACTIVITY REPORT

Water Quality Division — September 1976

Plan Actions Completed (148 - con't)

		County	Name of Course/Project/Site and Type of Same	Date Rec'd.	Date of Action	Action	Time to Complete Action
	93 34	USA BEAV	ROCK CREEK N-SOMERSET WEST	091076	09/13/76	PROV APP	03
S	34	DURHAM	SS TORRYVIEW #2-187	081176	09/13/76	PROV APP	33
S	34	USA/SOMERS W	ROCK CREEK NORTH	082576	09/13/76	PROV APP	19
S	34	USA/SOMERSTW	SS SPRINGRIDGE	082076	09/13/76	PROV APP	24
	21	WALDPORT	BALL BLVD. BRIDGEWOOD ACRES1	090776	09/13/76	PROV APP	06
S 20	26	PORTLAND	SS SW VACUNA & 55TH MULT CO	072176	09/13/76	PROV APP	53
S	24	SALEM	SS MARION ESTATES EAST	080576	09/13/76	PROV APP	39
S 57	30	UMATILLA	SS CONFORTHOS ADD	082776	09/13/76	PROV APP	17
S	34	USA/SOMERS W	ROCK CR HIGHLNDS NO 6	082576	09/13/76	PROV APP	19
		USA/DURHAM	SW VACUNA ST & SW 55TH AVE	091076	09/14/76	PROV APP	04
S 51	15	MEDFORD	SS IMPRV PLNS ROGUE VAL PK 2	072276	09/14/76	PROV APP	53
S 51	08	HARBOR	HONAKER SUBDN SS	080976	09/14/76	PROV APP	33
S	10	MYRTLE CREEK	SS SEALY HEIGHTS	082576	09/15/76	PROV APP	23
S 82	24	SALEM	SS DEER PARK ESTATES	081076	09/15/76	PROV APP	26
S 82	24	SALEM	SS BALDWIN ADD-NE SALEM	082376	09/15/76	PROV APP	23
S	03	SANDY	SS FRANKLIN HEIGHTS SD	081876	09/15/76	PROV APP	28
S 61	20	SPRINGFIELD	SS BUNKER HILL	081676	09/15/76	PROV APP	30
S 61	20	SPRINGFIELD	SS NORTH TOWNE	081676	09/15/76	PROV APP	30
S	20	SPRINGFIELD	SS MAJ PART #459 N OF GATEWAY	081976	09/15/76	PROV APP	27
S	20	SPRINGFIELD	SS GRANADA SD-SP-189 S	090276	09/15/76	PROV APP	34
S 61	20	SPRINGFIELD	SS ILEX PLATT - 3RD ADD	090276	09/15/76	PROV APP	34
	34	USA BEAV	SUN VALLEE	090976	09/15/76	PROV APP	06
S	34	USA/BEAVERTN	SS HALL BLVD #2	090176	09/15/76	PROV APP	14
		ATHENA	KNOWLTONS ADD	091476	09/16/76	PROV APP	02
	3	CCSD#1	BRAMBLE HILL	091376	09/16/76	PROV APP	03
	3	CCSD #1	MALLARD PARK-SE DUCKEY LANE	090776	09/16/76	PROV APP	09
S 25	03	CL CO SER #1	SS TAX LOT 200	090176	09/16/76	PROV APP	15

DEPARTMENT OF ENVIRONMENTAL QUALITY
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MONTHLY ACTIVITY REPORT

Water Quality Division — September 1976

Plan Actions Completed (148 - con't)

	County	Name of Source/Project/Site and Type of Same	Date Rec'd.	Date of Action	Action	Time to Complete Action
S 51	15 CENTRAL PT	SS JACKSON CO FAIRGROUNDS	082576	09/16/76	PROV APP	22
S 25	03 GLADSTONE	SS MERRYHILL ESTATES-15 LOTS	090176	09/16/76	PROV APP	15
	20 FLORENCE	24TH STREET REDWOOD TOSPRUCE	090776	09/16/76	PROV APP	09
S	10 GREEN SAN DI	SS EXT SAN MARTA&SAN BARBARA	082076	09/16/76	PROV APP	27
S 19	24 SALEM	CHANGE ORDER NO.	083076	09/16/76	PROV APP	17
S	30 GRESHAM	SS EBERS PARK ESTATES	082776	09/17/76	PROV APP	21
S	BOARD MAN	SS COLUMBIA TERR 8REVISION*	083176	09/20/76	PROV APP	20
S 62	24 SALEM	SS MISSION PK	090376	09/20/76	PROV APP	17
	18 BONANZA	STP-BID DOCUMENTS - ONE SET	090876	09/20/76	PROV APP	12
	CLATSKANIE	CLATS HS-MH3 THRU. MH8	092076	09/21/76	PROV APP	01
	20 EUGENE	NAOMI CT OFF CLINTON DR	091576	09/21/76	PROV APP	06
	34 USA/DURHAM	SHULTZ SEWER EXT - TIGARD	091576	09/21/76	PROV APP	06
	34 USA/DURHAM	NORTH DAKOTA STREET LID	091476	09/21/76	PROV APP	07
	34 USA ALOHA	WINDOLPH PARK L.I.D.	090976	09/21/76	PROV APP	12
	34 USA/DURHAM	ROSEWOOD/72ND AVE LID	091476	09/21/76	PROV APP	07
	10 GREEN S.D.	LINNELL AVE	091676	09/22/76	PROV APP	06
	24 SALEM	GILBERT STREET	091676	09/22/76	PROV APP	06
	24 SALEM	WILBUR ST TO HOWARD ST S.E.	091676	09/22/76	PROV APP	06
S	34 USA/FORESTGR	SS 24TH AVE NO#10,212	082476	09/22/76	PROV APP	08
	21 LINCOLN CITY	INDIAN SHORES-PHASE II	090776	09/22/76	PROV APP	10
S	GREENSAN DI	SS CHANDLER DEV LINNELL ST	083076	09/22/76	PROV APP	22
	10 REEDSPORT	SOUTH HILL DRIVE	090776	09/23/76	PROV APP	16
	36 MCMINNVILLE	FRIEDRICH ADD. @CITY ENGR*	091476	09/24/76	PROV APP	10
S	10 REEDSPORT	SS RANCH RD&FERN ACRES SD	090276	09/24/76	PROV APP	22
	MOLALLA	COLE STREET	092176	09/24/76	PROV APP	03
	36 MCMINNVILLE	MOBILE WEST - 1ST ADDITION	092276	09/24/76	PROV APP	02
S	22 ALBANY	SS PERIWINKLE SD WHEELER ST	081876	09/24/76	PROV APP	35

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Water Quality Division — September 1976

Plan Actions Completed (148 - con't)

	County	Name of Source/Project/Site and Type of Same	Date Rec'd.	Date of Action	Action	Time to Complete Action
	16	CULVER CITY CULVERRIDGE 1ST ADDITION	090876	09/24/76	PROV APP	16
	36	MCMINNVILLE PROJ 1976-6 BLING,MCCULLOUGH*	091476	09/24/76	PROV APP	10
S	10	DOUGLAS CO GLIDE SS CONTRACT DOCUMENTS	080276	09/26/76	COMMENTS	55
		CCSD NO 1 VISTA VIEW VILLAGE	091776	09/27/76	PROV APP	10
	20	FLORENCE 11TH ST-RHODODENDRON & WEST	090776	09/27/76	PROV APP	20
	30	HERMISTON SE 9TH STREET	091076	09/27/76	PROV APP	17
		PORTLAND C.O. NO.1 SCHMEER II-PACKARD	092176	09/27/76	APPROVED	06
		PORTLAND C.O. NO.2 SCHMEER I-PACKARD	092076	09/27/76	APPROVED	07
		PORTLAND C.O. NO.3 SCHMEER I-PACKARD	092176	09/27/76	APPROVED	06
		PORTLAND C.O. NO. 5 PAMCO	092176	09/27/76	APPROVED	06
		PORTLAND EXTRA BILL NO.8-B.B.CONTRACT	092176	09/27/76	APPROVED	06
S	26	PORTLAND ADD. NO.1 THRU 3-TRYON STP	090376	09/27/76	APPROVED	24
S	26	GRESHAM SS BRAMBLEMEAD TWO	090276	09/27/76	PROV APP	25
S	49 09	SUNRIVER SS SYSTM AT VILLAGE & 3 SS	071276	09/27/76	PROV APP	75
S	30	HERMISTON SS MARSHALLS ADD UTIL PLAN	072776	09/27/76	PROV APP	60
S	49	SUN RIVER SS MT. VILLAGE WEST SUN RIVER	090176	09/27/76	PROV APP	26
S	26	GRESHAM SS MERIDITH PARK SD	081976	09/28/76	PROV APP	37
S	26	GRESHAM SS SPENCE ACRES	082776	09/28/76	PROV APP	31
S	26	GRESHAM SS CYNTHIA ADD SD	081076	09/28/76	PROV APP	18
	34	HILLSBORO-#1 EAST SIDE EXT & NE THIRD ST.	090676	09/28/76	PROV APP	22
S	26	PORTLAND SS SE RAMONA E OF SE 92 AVE	083176	09/28/76	PROV APP	11
	26	PORTLAND N.ENDICOTT-COL.BLVD/TRENTON	090776	09/28/76	PROV APP	21
	20	VENETA DN FIFTH FROM BROADWAY 250FT	091476	09/28/76	PROV APP	14
	26	GRESHAM RED OAK SQUARE	091676	09/29/76	PROV APP	16
	3	WEST LINN JAMIE LANE	091076	09/29/76	PROV APP	19
	25	BOARDMAN STP SID DOCUMENTS 83 COPIES*	090776	09/30/76	PROV APP	23

DEPARTMENT OF ENVIRONMENTAL QUALITY
TECHNICAL PROGRAMS

MONTHLY ACTIVITY REPORT

Water Quality Division (Reporting Unit) — September 1976 (Month and Year)

PLAN ACTIONS COMPLETED - (148 - con't)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
INDUSTRIAL WASTE SOURCES - 15			
Linn	Albany - Teledyne Wah Chang. Dissolved solids elimination.	9/1/76	Concept conditionally approved.
Linn	Albany - Teledyne Wah Chang. Final engineering report waste treatment.	9/1/76	Concept conditionally approved.
Multnomah	Portland - Anodizing, Inc. Waste treatment facilities.	9/1/76	Approved
Columbia	St. Helens - Kaiser Cement & Gypsum Corp. Outfall line.	9/7/76	Approved
Clackamas	Oregon City - Bob Alder Farm. Animal waste disposal.	9/9/76	Approved
Washington	Beaverton - Tektronix, Inc. Chrome waste collection modification.	9/13/76	Approved
Washington	Beaverton - Tektronix, Inc. Electrical back-up to waste treatment plant.	9/13/76	Approved
Washington	Beaverton - Tektronix, Inc. Hexavalent chromium monitoring equipment.	9/13/76	Approved
Washington	Sherwood - Frontier Leather. Beam house processing plant.	9/14/76	Not approved
Multnomah	Portland - Pennwalt Corp. Control of ion rich waste waters.	9/21/76	Approved
Polk	Monmouth - Ken Carlsen Hog Farm. Animal waste disposal.	9/21/76	Approved
Polk	Monmouth - Ed Borlin Hog Farm. Animal waste disposal.	9/21/76	Approved

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Water Quality Division (Reporting Unit) — September 1976 (Month and Year)

PLAN ACTIONS COMPLETED (148 - con't)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
INDUSTRIAL WASTE SOURCES - con't.			
Multnomah	Portland - Rhodia, Inc. Final plans.	9/26/76	Approved
Linn	Albany - Teledyne Wah Chang. Ammonia recovery column improvements.	9/29/76	Approved
Linn	Albany - Teledyne Wah Chang. Clarifier sludge pump modification.	9/29/76	Approved

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MONTHLY ACTIVITY REPORT

Water Quality (Reporting Unit) — September, 1976 (Month and Year)

SUMMARY OF WATER PERMIT ACTIONS

	Permit Actions Received				Permit Actions Completed				Permit Actions Pending		Sources Under Permits		Sources Reqr'g Permits	
	Month		Fis.Yr.		Month		Fis.Yr.							
	*	**	*	**	*	**	*	**	*	**	*	**	*	**
Municipal														
New	0	2	0	2	0	1	4	2	2	7				
Existing	0	0	0	0	0	0	0	1	3	5				
Renewals	1	1	7	1	9	0	16	1	39	1				
Modifications	2	0	11	0	8	0	12	0	19	0				
Total	3	3	18	3	17	1	32	4	63	13	294	55	299	67
Industrial														
New	0	0	1	3	1	1	1	2	3	4				
Existing	0	0	0	1	1	6 1/	1	10	4	1				
Renewals	1	0	9	3	3/ 7	0	15	2	19	8				
Modifications	7	1	13	2	2/ 14	0	17	0	23	1				
Total	8	1	23	9	23	7	34	14	49	14	425	80	432	85
Agricultural (Hatcheries, Dairies, etc.)														
New	0	0	0	0	0	0	0	1	3	0				
Existing	0	0	0	0	0	0	0	1	0	0				
Renewals	0	0	0	0	0	0	0	0	0	0				
Modifications	0	0	9	0	1	0	2	0	9	0				
Total	0	0	9	0	1	0	2	2	12	0	61	8	64	8
GRAND TOTALS	11	4	50	12	41	8	68	20	124	27	780	143	795	160

* NPDES Permits
** State Permits

1/ 6 state permit applicants exempted

2/ 2 NPDES modifications dropped

3/ 2 NPDES permit renewals exempted

DEPARTMENT OF ENVIRONMENTAL QUALITY
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MONTHLY ACTIVITY REPORT

Water Quality (Reporting Unit) — September, 1976 (Month and Year)

PERMIT ACTIONS COMPLETED (49)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Municipal (18)			
Tillamook	City of Wheeler Sewage Disposal	10/ 3/76	NPDES Permit Renewed
Jackson	Shady Vista Mobile Park Sewage Disposal	10/ 3/76	NPDES Permit Renewed
Tillamook	Taho Management Company Neskowin Lodge	10/ 3/76	NPDES Permit Renewed
Malheur	Farewell Bend, Inc. Sewage Disposal	10/ 9/76	State Permit Issued
Klamath	City of Klamath Falls Kingsley Field STP	10/ 9/76	NPDES Permit Modified
Klamath	City of Klamath Falls Spring Street STP	10/ 9/76	NPDES Permit Modified
Klamath	South Suburban S. D. Sewage Disposal	10/ 9/76	NPDES Permit Modified
Polk	City of Monmouth Sewage Disposal	10/14/76	NPDES Permit Modified
Tillamook	City of Tillamook Sewage Disposal	10/14/76	NPDES Permit Modified
Polk	City of Independence Sewage Disposal	10/14/76	NPDES Permit Modified
Yamhill	City of Newberg Sewage Disposal	10/14/76	NPDES Permit Modified
Morrow	Department of Transportation Boardman Rest Area	10/14/76	NPDES Permit Modified
Yamhill	City of Amity Sewage Disposal	10/20/76	NPDES Permit Renewed
Yamhill	City of Dayton Sewage Disposal	10/20/76	NPDES Permit Renewed

PERMIT ACTIONS COMPLETED (49 - con't)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Marion	City of Gervais Sewage Disposal	10/20/76	NPDES Permit Renewed
Marion	City of Jefferson Sewage Disposal	10/20/76	NPDES Permit Renewed
Yamhill	City of Sheridan Sewage Disposal	10/20/76	NPDES Permit Renewed
Yamhill	City of Willamina Sewage Disposal	10/20/76	NPDES Permit Renewed
Industrial and Commercial (30)			
Linn	Permaneer Corporation Brownsville Plant	9/ 3/76	NPDES Permit Renewed
Marion	Castle & Cook Foods Dole Company Plant	9/ 3/76	NPDES Permit Renewed
Linn	Publishers Paper Company Sweet Home Division	9/ 3/76	NPDES Permit Renewed
Curry	City of Brookings Filter Plant	9/ 3/76	NPDES Permit Issued
Coos	Coos Bay Timber Operators Kenrock Quarry	9/ 3/76	NPDES Permit Renewed
Josephine	Wayne Mikel Leland Placer Mine	9/ 3/76	NPDES Permit Issued
Multnomah	Liquid Air, Inc. Portland	9/ 3/76	NPDES Permit Renewed
Clatsop	Crown Zellerbach Corporation Wauna Plant	9/ 9/76	NPDES Permit Modified
Marion	Stayton Canning Company Brooks Plant	9/ 9/76	NPDES Permit Modified
Klamath	Burlington Northern Klamath Yard	9/ 9/76	NPDES Permit Modified

MONTHLY ACTIVITY REPORT

Water Quality (Reporting Unit) — September, 1976 (Month and Year)

PERMIT ACTIONS COMPLETED (49 - con't)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Hood River	Moore Orchards, Inc. Fruit Packing	9/ 9/76	NPDES Permit Modified
Coos	Alaska Packers Charleston Plant	9/14/76	NPDES Permit Modified
Clatsop	Alaska Packers Hammond Plant	9/14/76	NPDES Permit Modified
Lincoln	Alaska Packers Newport Plant	9/14/76	NPDES Permit Modified
Clatsop	Bioproducts, Inc. Fish Biproduct Rendering	9/14/76	NPDES Permit Modified
Lincoln	Bumble Bee Seafoods Newport Plant	9/14/76	NPDES Permit Modified
Clatsop	Barbey Packing Union Seafoods Plant	9/14/76	NPDES Permit Modified
Clatsop	Barbey Packing Portway Plant	9/14/76	NPDES Permit Modified
Grant	W. A. Bowes Courgar Gold Mine	9/14/76	State Permit Issued
Multnomah	Rhodia, Inc. Portland	9/20/76	NPDES Permit Modified
Multnomah	Crown Zellerbach Corporation Flexible Packaging Plant	9/28/76	Exempted From NPDES Renewal
Lane	The Murphy Company Swisshome	9/28/76	Exempted From NPDES Renewal
Clackamas	Thorolyte Fiberglass Portland	9/28/76	Modification Dropped
Multnomah	Pennwalt Corporation Portland	9/28/76	Modification Dropped
Multnomah	Pacific Building Materials Portland	9/28/76	Exempted From State Permit

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TECHNICAL PROGRAMS

MONTHLY ACTIVITY REPORT

Water Quality (Reporting Unit) — September, 1976 (Month and Year)

PERMIT ACTIONS COMPLETED (49 - con't)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Columbia	Pacific Building Materials Scappoose	9/28/76	Exempted From State Permit
Baker	John D. Flack Placer Mine	9/28/76	Exempted From State Permit
Baker	LeRoy Vanentine Placer Mine	9/28/76	Exempted From State Permit
Clackamas	Hall Process Company Clackamas	9/28/76	Exempted From State Permit
Clackamas	Hardware & Industrial Tool Colton	9/28/76	Exempted From State Permit
Agricultural (1)			
Tillamook	Dept. of Fish & Wildlife Trask River Salmon Hatchery	9/14/76	NPDES Permit Modified

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MONTHLY ACTIVITY REPORT

Air Quality (Reporting Unit) — September 1976 (Month and Year)

PLAN ACTIONS COMPLETED (9)

(DEQ Log No.) County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Direct Stationary Sources (9)			
Yamhill (706)	McDaniel Grain & Feed, Plant Expansion	9/2/76	Approved
Multnomah (774)	Continental Can, Plant Expansion	7/12/76	Withheld approval until odor control equipment is proposed
Linn (796)	Teledyne Wah Chang, New Chlorinator	8/19/76	Approved
Multnomah (791)	Portland Graphic Arts Center, Precipitator for ovens	8/25/76	Approved
Jackson (798)	Cascade Electric, Motor burn-out oven	9/7/76	Approved
Polk (797)	Boise Cascade, Independence, Scrubbers for veneer dryers	9/8/76	Approved
Crook (784)	Les Schwab Tire Center, Non-conforming incinerator	9/24/76	Incinerator in-activated
Umatilla (803)	Celpril, Inc. Hermiston, Seed coating plant	9/22/76	Approved
Jackson (804)	Rogue Valley Plywood, Burner for dryer heat	10/1/76	Approved conditionally

DEPARTMENT OF ENVIRONMENTAL QUALITY
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MONTHLY ACTIVITY REPORT

Air Quality (Reporting Unit) — September 1976 (Month and Year)

SUMMARY OF AIR PERMIT ACTIONS

	Permit Actions Received		Permit Actions Completed		Permit Actions Pending	Sources under Permits	Sources Reqr'g Permits
	Month	Fis.Yr.	Month	Fis.Yr.			
Direct Sources							
New	1	11	1	9	12		
Existing	2	17	0	22	38		
Renewals	5	14	7	58	43		
Modifications	1	7	0	36	11		
Total	9	49	8	125	104*	2155	2205
Indirect Sources							
New	2	5	2	7	10		
Existing							
Renewals							
Modifications	0	1	0	1	0		
Total	2	6	2	8	10	42	
GRAND TOTALS	11	55	10	133	114	2197	

* Public notices have been issued for 44 pending permit actions.

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TECHNICAL PROGRAMS

MONTHLY ACTIVITY REPORT

Air Quality (Reporting Unit) — September 1976 (Month and Year)

PERMIT ACTIONS COMPLETED (10)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Clackamas	Oregon Ready Mix Co., Inc. 03-2500, Concrete (Renewal)	9/8/76	Permit Issued
Douglas	Roseburg Paving, Inc. 10-0004, Asphalt Plant (Renewal)	9/13/76	Permit Issued
Marion	Sprague High School 24-2319, Boiler (Renewal)	9/8/76	Permit Issued
Marion	North Salem High School 24-5074, Boiler (Renewal)	9/8/76	Permit Issued
Marion	South Salem High School 24-5500, Boiler (Renewal)	9/8/76	Permit Issued
Multnomah	Midland-Ross Corp. 26-1888, Steel Mill (Renewal)	9/8/76	Permit Issued
Multnomah	Columbia Sand & Gravel Co. 26-2020, Concrete (Renewal)	9/8/76	Permit Issued
Portable	North Santiam Sand & Gravel 37-0143, Rock Crusher (New)	9/8/76	Permit Issued

Indirect Sources (2)

Washington	Harewood Planned Unit Development 800 spaces.	9/8/76	Final permit issued.
Multnomah	Downtown Public Short-term Parking Garages, 1303 space parking facilities.	9/16/76	Final permit issued.

DEPARTMENT OF ENVIRONMENTAL QUALITY
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MONTHLY ACTIVITY REPORT

Solid Waste Management (Reporting Unit) — September 1976 (Month and Year)

PLAN ACTIONS COMPLETED (9)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Coos	Fairview Landfill Existing Site Closure Plan	9/7/76	Approved
Linn	Lebanon Landfill Existing Site Development and Operational Plan	9/13/76	Approved
Benton	Coffin Butte Landfill Existing Site Closure Plan	9/13/76	Provisional Approval
Clatsop	Cannon Beach Disposal Site Existing Site Closure Plan	9/16/76	Approved
Jackson	Ken Denman Wildlife Management Area Site New Site Operational Plan	9/17/76	Provisional Approval
Marion	Woodburn Sanitary Landfill Existing Site Operational Plan	9/21/76	Rejected
Clackamas	Sandy Landfill Existing Site Closure Plan	9/24/76	Approved
Josephine	Airport Glue-Waste Disposal Site Existing Site Operational Plan	9/24/76	Approved
Lane	Lane County Volunteer Recycling Center New Site Construction Plan	9/27/76	Approved

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MONTHLY ACTIVITY REPORT

Solid Waste Management (Reporting Unit) — September 1976 (Month and Year)

SUMMARY OF SOLID AND HAZARDOUS WASTE PERMIT ACTIONS

	Permit Actions Received		Permit Actions Completed		Permit Actions Pending		Sites Under Permits	Sites Reqr'g Permits
	Month	Fis.Yr.	Month	Fis.Yr.				
General Refuse								
New		4	1	3	3			
Existing			2	5	46	(*46)		
Renewals	2	4	1	5	5			
Modifications	1	2	3	4				
Total	4	10	7	17	54		194	197
Demolition								
New		2		3				
Existing				1				
Renewals					1			
Modifications								
Total		2		4	1		13	13
Industrial								
New		2	1	3	1			
Existing			2	2	12	(*4)		
Renewals	1	2	1	1	1			
Modifications				1				
Total	1	4	4	7	14		86	91
Sludge Disposal								
New	1	2	2	2				
Existing								
Renewals				2				
Modifications		1		1				
Total	1	3	2	5	0		9	9
Hazardous Waste								
New								
Authorizations	11	27	11	28				
Renewals								
Modifications								
Total	11	27	11	28	0		1	1
GRAND TOTALS	17	44	24	61	69		303	311

*Sites operating under temporary permits until regular permits are issued.

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Solid Waste Management (Reporting Unit) — September 1976 (Month and Year)

PERMIT ACTIONS COMPLETED (24)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
General Refuse (Garbage) Facilities (7)			
Klamath	Fort Klamath Disposal Site Existing facility	8/16/76	Permit issued (Not reported last month)
Marion	Macleay Transfer Station Existing facility	9/10/76	Permit amended
Marion	Woodburn Landfill Existing facility	9/10/76	Permit amended
Wallowa	Wallowa Drop Box Site New facility	9/13/76	Permit issued
Sherman	Sherman County Landfill Existing facility	9/13/76	Permit issued (renewal)
Clatsop	Cannon Beach Disposal Site Existing facility	9/20/76	Permit amended
Malheur	Ontario Landfill Existing Facility	9/20/76	Permit issued
Demolition Solid Waste Facilities (0)			
Sludge Disposal Facilities (2)			
Lincoln	T & L Septic Service New facility	9/9/76	Permit issued
Clatsop	Marshall Sludge Site New facility	9/16/76	Permit denied
Industrial Solid Waste Facilities (4)			
Jackson	Boise Cascade, Medford Existing facility	9/15/76	Permit issued

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MONTHLY ACTIVITY REPORT

Solid Waste Management (Reporting Unit) — September 1976 (Month and Year)

PERMIT ACTIONS COMPLETED (continued)

County	Name of Source/Project/Site and Type of Same	Date of Action	Action
Douglas	Roseburg Lumber, Dillard Existing facility	9/16/76	Permit amended
Jackson	Denman Wildlife Area New facility	9/17/76	Permit issued
Josephine	Airport Glue Waste Site Existing facility	9/23/76	Permit issued
Hazardous Waste Facilities (11)			
Gilliam	Chem-Nuclear, Inc. Existing facility	9/3/76	Two (2) disposal authorizations approved.
Gilliam	Chem-Nuclear, Inc. Existing facility	9/8/76	Disposal authorization approved.
Gilliam	Chem-Nuclear, Inc. Existing facility	9/10/76	Disposal authorization approved.
Gilliam	Chem-Nuclear, Inc. Existing facility	9/14/76	Two (2) disposal authorizations approved.
Gilliam	Chem-Nuclear, Inc. Existing facility	9/15/75	Two (2) disposal authorizations amended.
Gilliam	Chem-Nuclear, Inc. Existing facility	9/22/76	Two (2) disposal authorizations approved.
Gilliam	Chem-Nuclear, Inc. Existing facility	9/23/76	Disposal authorization amended.

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item No. C., November 19, 1976, EQC Meeting

Tax Credit Applications

Attached are review reports on 19 requests for Tax Credit action. These reports and the recommendations of the Director are summarized on the attached table.

Director's Recommendation

It is recommended that the Commission act on the 19 Tax Credit requests as follows:

1. Issue certificates for 19 applications: T-814, T-816, T-819, T-822, T-825, T-826, T-827, T-828, T-829, T-830, T-832, T-833, T-834, T-835, T-836, T-841, T-842, T-844, T-845.

2. Revoke Certificate No. 134 in the amount of $195,663.45 and reissue as requested above (T-845) in the amount of $113,422.02.

LOREN KRAMER
Director

Attachments
Tax Credit Summary
Tax Credit Review Reports

TAX CREDIT SUMMARY

Proposed November 1976 Totals:

Air Quality	$ 378,051.76
Water Quality	453,632.00
Solid Waste	6,094,282.94
	$6,925,966.70

Calendar Year Totals to Date:
(Excluding November totals)

Air Quality	$14,059,874.58
Water Quality	6,683,098.15
Solid Waste	856,694.56
	$21,599,667.29

Total Certificates Awarded (monetary values)
Since Inception of Program (excluding
proposed November certificates)

Air Quality	$112,326,908.80
Water Quality	91,492,367.78
Solid Waste	20,309,727.47
	$224,129,004.05

TAX CREDIT APPLICATIONS

/Plant Location	Appl No.	Facility	Claimed Cost	% Allocable to Pollution Control
s Paper ty	T-814	Hogged fuel boiler	$2,937,203.00	100%
oducts	T-816	3 Dupont osmosis machines 14 Chemical transfer pumps 7 holding and process tanks	60,003.00	100%
od	T-819	Wood waste handling and processing	263,000.00	100%
llamette	T-822	Wet scrubbing system	198,570.81	100%
raft	T-825	Waste wood fired boiler	2,525,325.94	100%
Inc.	T-826	Wood waste handling and processing system and burner	368,727.00	100%
Wah Chang	T-827	Corrosion resistant Zirconium vessel and equipment	136,632.00	100%
Wah Chang	T-828	Adjustment facility for pH of unmixed raw plant effluent	29,507.00	100%
Wah Chang	T-829	Extension of existing boiler house	11,680.00	100%
Wah Chang	T-830	Upgrade distillation column efficiency	51,923.00	100%
Wah Chang	T-832	700 HP Cleaver Brooks package model boiler	40,540.00	100%

t Applications (Continued)

/Plant Location	Appl No.	Facility	Claimed Cost	% Allocable to Pollution Control
Wah Chang	T-833	De-Laval-ATM 48" x 30" centrifuge	$ 50,630.00	100%
Wah Chang	T-834	8,000 gallon acid storage tank	7,287.00	100%
Wah Chang	T-835	Milk of lime slurry tank with electric motor driven agitator	8,019.00	100%
Wah Chang	T-836	Bulk unslated lime storage and lime slaker for pollution control	57,411.00	100%
Wah Chang	T-841	Dual column activated carbon absorption system	9,935.00	100%
Wah Chang	T-842	Wet scrubber	4,270.00	100%
llamette	T-844	Baghouse to capture sanderdust from sander	51,853.93	100%
e Industries	T-845	2 baghouses, 1 wet scrubber to capture sanderdust	113,422.02	100%

Appl. T-814

Date October 6, 1976

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Publishers Paper Co.
419 Main Street
Oregon City, Oregon 97045

The Applicant owns and operates a pulp and paper mill in Newberg, Oregon.

2. Description of Facility

The facility claimed in this application is a waste wood fired boiler. It includes the installed cost of the following:

1.	Hog fuel boiler complete with wet scrubber for air pollution control, including cost of installation.		$1,224,953
2.	Foundations, footings, and site preparation.		
3.	Piping.		207,040
4.	Fuel handling system:		
	Conveyors and reclaim feeder	$420,268	
	115 units day storage bin	164,450	
	Truck-trailer dumper	48,744	633,462
5.	Control room and feeder room.		79,099
6.	Substation.		46,063
7.	Fire protection system.		25,677
8.	Caterpillar Model 980 loader.		95,000
9.	Electrical wiring and installation.		200,330
10.	Engineering and drafting.		34,107
11.	Plant construction labor and materials.		29,833
12.	Unclassified charges under $1,000.		51,076
		Total project cost	2,937,203

The claimed facility was begun in August 1974, placed in operation in December 1974, and completed in May 1976.

Certification is claimed under the 1973 Act amended in 1974 with 100% of the cost allocated to Pollution Control for Utilization of Solid Waste.

Facility costs: $2,937,203.00 (Accountant's certification was attached to application).

3. Evaluation of Application

Publishers Paper Company submitted a Notice of Construction to the Department which was approved on October 24, 1974.

The claimed facility is located at Newberg, Oregon, expands the pulp mill's steam producing capacity and is operated in lieu of existing oil/gas fired boilers. The old boilers are retained for emergency use. The new boiler utilizes solid waste generated 40% on-site and 60% off-site (waste wood, primary treatment sludge from the mill's clarifier, rejected knots, waste chips, waste bark)to produce steam. The solid wastes were previously disposed in local landfills or burned in wigwam burners. At present operating levels, in the range of 120,000-130,000 lb/hr, (the boiler rated capacity is 180,000 lb/hr), consumption is on the order of 7,500 units per month or 90,000 units per year of solid wastes. Based on the assumption that one unit of wood waste is the equivalent of two barrels of #6 fuel, and its sulphur content is 1.5%, present operating levels would require 500 barrels per day and emit 5,040 lbs. of SO_2 per day when burning oil. Savings in terms of fuel oil or natural gas could amount to $450,000 annually.

The Department concludes that the claimed facility meets the requirements of ORS 468.165(1)(b) and is therefore eligible for certification.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued pursuant to ORS 468.165(1)(b) for the claimed facility in Application T-814, such certificate to bear the actual cost of $2,937,230.00.

MS:mm

Appl. T-816

Date 9-14-76

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Winter Products Company
3604 S. W. Macadam Avenue
Portland, Oregon 97201

The applicant owns and operates a furniture hardware manufacturing plant on Macadam Avenue in Portland.

The application was received August 31, 1976.

2. Description of Claimed Facility

The claimed facility consists of three DuPont reverse osmosis machines (two B9's and one B10), fourteen chemical transfer pumps, seven holding and process tanks of various sizes, and associated valves, meters, piping and electrical controls.

The claimed facility was completed and placed into service in April, 1974.

Certification must be made under the 1969 Act and the percentage claimed for pollution control is 100%.

Facility cost: $60,003 (Accountant's certification was provided).

3. Evaluation of Application

Construction of the claimed facility was started in February, 1973. Therefore, the prenotification requirements of ORS 468.175 do not apply. Plans were not approved by the Department. The facilities were required by the City of Portland to meet sewer regulations.

Prior to the installation of the claimed facility, rinse water from the Company's plating operation was discharged untreated to the City of Portland sewerage system. The waste contained significant amounts of zinc, copper and cyanide. With the claimed facility, almost all of the waste is treated and reused. Only infrequent discharges of waste water occur and this is in compliance with City of Portland regulations.

Though the waste is recycled, the savings in reusing the copper and zinc concentrated by the claimed facility is much less than the operating costs. No profit is made by the Company from the claimed facility.

Inspection of the claimed facility shows that it operates well.

T-816
9-14-76

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate bearing the costs of $60,003 with 80% or more of the cost allocated to pollution control be issued for the facility claimed in Tax Application Number T-816.

RJN:ts
11-3-76

Appl. T-819

Date 10/13/76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

SWF Plywood Company
P. O. Box 820
Medford, Oregon 97501

The applicant owns and operates a plywood plant in White City, Jackson County.

2. Description of Facility

The facility claimed in this application consists of a wood waste handling and processing system and a burner to produce hot gases which are injected into veneer dryers. It includes the installed cost of the following:

a.	Two storage units (85 and 60 unit capacity)	$40,500
b.	Two Jacobson P-361 pulverator units	16,882
c.	Soderham SS-26 single deck sawdust shaker screen	9,700
d.	18" X 21" magnetic drum	3,500
e.	One metering bin	4,800
f.	Receiving cyclone with rotary feeder	2,700
g.	Burner section	162,050
h.	Fuel conveyor system	3,168
i.	Electrical and miscellaneous installations	19,700
	Total Project Cost	$263,000

The claimed facility was started in June 1973, was placed in operation and completed in September 1973.

Certification is claimed under the 1973 Act amended in 1974 with 100% of the cost allocated to Pollution Control for Utilization of Solid Waste.

Facility costs: $263,000.00 (Accountant's certification was attached to application.

3. Evaluation of Application

SWF Plywood Company submitted a Notice of Construction to the Department which was approved on April 27, 1973.

The claimed facility is located at White City, Oregon, and it is a complete wood waste storage, preparation and firing system with the incineration of the veneer dryer exhaust gases. Wood waste residues, sander dust and ply-trim are collected from the manufacturing plant and stored in bins. Ply-trims are pulverized and conveyed to the fuel bin along with the sander dust. The wood fuel is metered to the burner on demand. All of the veneer dryer exhaust gases flow through the furnace and any hydrocarbons are burned in the firing chamber along with the wood fuel fed to the burner. The heated gases, after leaving the furnace, are fed back into the veneer dryer for heating purposes or are exhausted to the atmosphere through a reverse flow cinder collector and the furnace stack.

At the present 36 tons of solid waste, previously burned in the wigwam burner, is utilized daily by the claimed facility. Savings in terms of fuel oil or natural gas could amount to $150,000 annually.

The Department concludes that the claimed facility meets the requirements of ORS 468.165(1)(b) and is therefore eligible for certification.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued pursuant to ORS 468.165(1)(b) for the claimed facility in Application T-819, such certificate to bear the actual cost of $263,000.00.

MS:mm

Appl T-822

Date 10-7-76

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Brooks-Willamette Corp.
PO Box 1245
Bend, Oregon 97701

The applicant owns and operates a particle board plant in Bend, Oregon.

2. Description of Claimed Facility

The facility claimed in this application is the wet scrubbing system used to clean the exhaust from the four dryers. The dryers emit fine particles of wood plus blue haze. New wet scrubbers were installed on #1 and #2 dryers, and the existing scrubbers were moved to serve #3 and #4 dryers. The facility costs consist of:

a.	Carothers Company move two wet scrubbers, provide 4 Carothers exhaust fans, provide one Carter-Day dust collector	$98,216.00
b.	Two American Air Filter Type R Size 16 Rotoclone wet scrubbers	32,720.00
c.	Air emission laboratory tests	10,233.23
d.	Catwalks, tops and discharge stacks and shear blades for cyclones	9,329.83
e.	Install piping on scrubbers	7,985.00
f.	Electrical supplies	8,069.00
g.	Contract labor for electrical work	6,944.73
h.	Electric motors	6,305.90
i.	Engineering and design	4,605.52
j.	Two Redco control consols	3,503.90
k.	Other materials and supplies, including freight	8,348.45
l.	Company labor	2,309.25

The claimed facility was begun in May 1974, completed and placed in operation in September 1974. The company submitted plans and received Departmental approval, fulfilling the prior approval requirement of the law.

Certification is claimed under current statutes and the percentage claimed for pollution control is 100%.

Facility costs: $198,570.81 (accountant's certification was provided).

3. Evaluation of Application

The Brooks-Willamette particleboard plant was exceeding the plant-wide particulate emission limit. The individual cyclones serving the dryers were also out of compliance. This claimed facility lowered dryer emissions from 105 lb/hr to 7 lb/hr. This brought the dryers into compliance and helped to bring the plant into compliance.

The wet scrubbers produce a wet slurry which is landfilled as it has no worth.

Therefore, it is concluded that 100% of the project's cost is allocable to air pollution control.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate bearing the cost of $198,570.81 with 80% or more allocated to pollution control be issued for the facility claimed in Tax Credit Application No. T-822.

PBB:mh

Appl. T-825

Date 10/26/76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Western Kraft Group
Willamette Industries, Inc.
3700 First National Bank Tower
Portland, Oregon 97201

The applicant owns and operates a liner board, corrugating medium and paper bag manufacturing plant in Albany, Linn County.

2. Description of Facility

The facility claimed in this application is a waste wood fired boiler. It includes the installed cost of the following:

a.	Hog fuel boiler complete with wet scrubber for air pollution control	$1,033,868.60
b.	Building, foundations, structural steel	217,632.32
c.	Piping	397,138.28
d.	Fuel handling system	451,825.31
e.	Electrical, instrumentation and process control	272,658.64
f.	I.D. Fans, pumps, turbines and miscellaneous installations	152,202.79
	Total Project Cost	$2,525,325.94

The claimed facility was constructed beginning July 1974 and completed in October 1975.

Certification is claimed under the 1973 Act amended in 1974 with 100% of the cost allocated to pollution control for utilization of solid waste.

Facility Costs: $2,525,325.94 (Accountant's Certification was attached to application).

3. Evaluation of Application

Western Kraft Company submitted a Notice of Construction to the Department which was approved on September 10, 1974.

The claimed facility is located at Albany, Oregon and is operated in lieu of existing oil/gas fired boilers. The old boilers are retained for emergency use. The new boiler utilizes wood wastes generated 100% off-site to produce steam. The wood wastes were previously disposed in local landfills or burned in wigwam burners. At the present approximately 730 tons of wood waste is utilized daily by the claimed facility. Of the 730 tons, a little over 1% (10 Tons) of ash per day is being landfilled.

The Department concludes that the claimed facility meets the requirements of ORS 468.165(1)(b) and is therefore eligible for certification.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued pursuant to ORS 468.165(1)(b) for the claimed facility in Application T-825, such certificate to bear the actual cost of $2,525,325.94.

MS:sa

Appl. T-826

Date 11/4/76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Bohemia, Inc.
2280 Oakmont Way
Eugene, Oregon 97401

The applicant owns and operates a particleboard plant at 50 Danebo, Eugene, Lane County.

2. Description of Facility

The facility claimed in this application consists of a wood waste handling and processing system and a burner to produce hot gases which are injected into the particleboard dryer. It includes the installed cost of the following:

a.	Foundations and site preparation	$21,191.87
b.	Wood waste handling and preparation systems	69,287.09
c.	Fuel conveying system	48,616.79
d.	COEN burner with accessories	202,635.81
e.	Electrical and miscellaneous installations	26,995.44
	Total Project Cost	$ 368,727.00

The claimed facility was started in August 1975 and completed in September 1976.

Certification is claimed under the 1973 act as amended in 1974 with 100% of the cost allocated to Pollution Control for Utilization of Solid Waste.

3. Evaluation of Application

Bohemia submitted a Notice of Construction to the Department which was approved on July 23, 1975.

The claimed facility is a complete wood waste storage, preparation and firing system. Hog fuel, sander dust and straw are collected, pulverized, dryed and conveyed to the fuel bin. The wood fuel is metered to the burner on demand. All of the particleboard dryer exhaust gases flow through the furnace and any hydrocarbons are burned in the firing chamber along with the wood fuel fed to the burner. The heated gases, after leaving the furnace, are fed back into the particleboard dryer for heating purposes or are exhausted to the atmosphere.

At the present time, over 800 tons of wood waste, previously burned in the wigwam burner or landfilled, are utilized monthly by the claimed facility. Savings in terms of fuel oil or natural gas could amount to over $200,000.00 annually.

The Department concludes that the claimed facility meets the requirements of ORS 468.165(1)(b) and is therefore eligible for certification.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued pursuant to ORS 468.165(1)(b) for the claimed facility in application T-826, such certificate to bear the actual cost of $368,727.00.

MS:sa

Appl. T-827

Date 10-3-76

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are Zirconium, Hafnium, Tantalum and Nobium.

2. Description of Claimed Facility

The facility is a corrosion resistant Zirconium vessel and equipment used for the concentration of V_3-V_4 effluent streams from V_3-V_4 filters at separations so that the concentrate may be used as liquid fertilizer; and consists of:

a. Primary steam separator tank (Zirconium pressure vessel approximately five feet in diameter by twelve feet long).

b. Secondary steam separator (Zirconium pressure vessel approximately two and one-half feet in diameter by four and one-half feet long).

c. Alterations to existing Zirconium heat exchanger ends.

d. Transition piece between primary and secondary steam separators with tangential entrance, to receive new Zirconium piping from heat exchanger.

e. Zirconium pipe spool to existing carbate pump.

f. Zirconium pipe section (outlet from secondary steam separator with V_3-V_4 inlet flange and outlet to the distillation column.

g. Steel support structures.

h. Electrical controls, instrumentation and equipment erection were also involved.

Construction of the claimed facilities was completed and placed in operation in October, 1975. The project was actually started in 1972, but materials of construction failed and the project had to be redesigned in 1974.

Certification of the redesigned facility, constructed of Zirconium, is claimed with 100% allocated to pollution control.

Facility cost: $136,632 (Accountant's certification was provided). The facility is a necessary part of meeting Waste Discharge Permit No. 1213, dated August 3, 1972. DEQ staff had discussed this project with the permittee and at a meeting of DEQ and Wah Chang personnel, Mr. Steven Yih, President of Wah Chang, discussed plans to eliminate V_3-V_4 streams from the effluent. The meeting was in Albany on August 23, 1972 (DEQ memo dated September 14, 1972). Prenotification of construction was, therefore, given the DEQ.

3. Evaluation of Application

The installation of the total facility for elimination of V_3-V_4 streams, of which this facility is a major part eliminated 1,000 pounds Ammonia Nitrogen or more per day from Wah Chang's effluent. Although the total Fertilizer-Ammonia Distillation plant recovers process chemicals of value, operating cost offset this so that there is a yearly net loss.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility bearing the actual cost of $136,632 with 80% or more allocable to pollution control.

WDL:ts
11-4-76

Appl. T-828

Date 10-20-76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are Zirconium, Hafnium, Tantalum and Nobium.

2. Description of Claimed Facility

The facility's function is to adjust pH of the unmixed, raw plant effluent streams with acid or lime to a set level to comply with permit effluent limitations; and consists of:

a. A five cell concrete and wood waste neutralizing station including concrete catch basin and distributor box.

b. Five agitators and drives.

c. pH control and recording instrumentation.

d. Ancillary electrical control, power and piping.

Construction of the claimed facility was completed and placed in operation in August, 1971.

Certification is claimed under the 1969 act with 100% of the cost allocated to pollution control.

Facility cost: $29,507 (Accountants' certification was attached to the application). The facility is a necessary part of meeting waste discharge permit limits. The DEQ was notified by report accompanying Application for Renewal, received February 16, 1971, that modifications to the pH neutralizing station were being installed. Staff considers that the requirements for prenotification of construction, at the time, were satisfactory.

3. Evaluation of Application

The installation of the claimed facilities brought together many streams that had not previously been treated and established better pH control. No profit, to the company, is derived from adjusting pH to meet water quality limits.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility, bearing the actual cost of $29,507 with 80% or more allocable to pollution control.

WDL:ts
10-20-76

Appl. T-829

Date October 20, 1976

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are Zirconium, Hafnium, Tantalum and Nobium.

2. Description of Claimed Facility

The facility consists of approximately 800 square foot extension of existing boilerhouse at the fertilizer-distillation plant to house an additional 700 horsepower boiler for V_3-V_4 boildown. The building matches the concrete construction of the existing structure. The existing end wall was relocated.

Construction of the claimed facility was completed in August, 1973 and placed in operation in November, 1973.

Certification is claimed under the 1969 act with 100% allocated to pollution control.

Facility cost: $11,680 (Accountant's certification was attached to the application). The V_3-V_4 facility was required by one of the conditions of Waste Discharge Permit No. 1213, dated August 3, 1972; and at a meeting of DEQ and Wah Chang personnel, Mr. Steven Yih, President of Wah Chang, discussed plans to eliminate V_3-V_4 streams (DEQ memo dated September 14, 1972). The staff was kept informed of the progress of the V_3-V_4 boildown project and considers that requirements for prenotification of construction, at the time, were fulfilled.

3. Evaluation of the Application

The facility is required as a part of the V_3-V_4 boildown facilities as another boiler was required to supply energy for the boildown. No profit is derived from the installation of this facility.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility bearing the actual cost of $11,680 with 80% or more allocable to pollution control.

WED:ts
October 27, 1976

Appl. T-830

Date October 22, 1976

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are Zirconium, Hafnium, Tantalum and Nobium.

2. Description of Claimed Facility

The facility upgrades the distillation column efficiency for V_2 stream recycle back to the separations plant. It consists of:

a. Distillation column steel support structure and concrete footings.

b. Construction and installation of new larger capacity 72 inch I.D. packed steam distillation column with liquid distributor plates.

c. Necessary piping, fittings, valves and instrumentation.

d. Electrical wiring and controls.

Construction of the claimed facility was completed and placed in operation in November, 1974.

Certification is claimed with 100% allocated to pollution control.

Facility cost: $51,923 (Accountant's certification of cost was attached to the application).

The facility was required by the discharge limits set for Ammonia Nitrogen after July 1, 1973 of Waste Discharge Permit No. 1213, dated August 3, 1972. Permit No. 1213 also authorized Teledyne Wah Chang Albany to complete and place into effective operation planned process changes and waste recovery systems for better control and greater reduction of wastes.

3. Evaluation of Application

Teledyne Wah Chang claims that 34,000 pounds of NH_4 ion are recycled by the total facility to the separations plant per day (97.5% removal efficiency of V_2 stream pollutants). The addition of the facilities claimed herein resulted in another 2,500 pounds per day removal. This is reflected in monitoring reports for this parameter.

An annual income of $590,000 per year is the reported worth of the 34,000 pounds per day recycled chemicals, but yearly operating costs of $709,500 are reported resulting in a loss of $119,500 for this complete Ammonia recovery facility.

4. Director's Recommendations

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility bearing the actual cost of $51,923 with 80% or more allocable to pollution control.

WDL:ts
October 27, 1976

Appl. T-832

Date October 27, 1976

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are Zirconium, Hafnium, Tantalum and Nobium.

2. Description of Claimed Facility

The claimed facility consists of an additional boiler to supply energy for the V_3-V_4 streams boildown system. It is a 700 horsepower Cleaver Brooks Package Model and required ancillary piping and electrical installation is included.

Construction of the claimed facility was completed and the facility was placed into operation in November, 1973.

Certification is claimed with 100% allocated to pollution control.

Facility cost: $40,540 (Accountant's certification was attached to the application). The facility is a necessary part of meeting Waste Discharge Permit No. 1213 dated August 3, 1972 conditions. DEQ staff had discussed this project with the permittee and at a meeting of DEQ and Wah Chang personnel, Mr. Steven Yih, President of Wah Chang, discussed plans to eliminate V_3-V_4 streams. The meeting was in Albany on August 23, 1972 (DEQ memo dated September 14, 1972). It is considered that prenotification of construction was fulfilled.

3. Evaluation of Application

The installation of the total facility for elimination of V_3-V_4 streams, of which this facility is a part, would eliminate 1,000 pounds of Ammonia Nitrogen per day from Teledyne Wah Chang's effluent. Although the total Fertilizer-Distillation plant recovers process chemicals of value, operating costs offset this so that there is a yearly net loss.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility bearing the actual cost of $40,540, with 80% or more allocable to pollution control.

WED:ts
October 27, 1976

T-833

Date 11/1/76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon - 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are zirconium, hafnium, tantalum and nobium.

2. Description of Claimed Facility

The claimed facility's function is to remove solids from waste water clarifier underflow slurry. The main component of the facility is a De-Laval-ATM, 48 inch by 30 inch centrifuge mounted on an elevated platform. A ten cubic foot drop box under the platform catches the solids discharged from the centrifuge during the cleaning cycle.

The unit is powered by a 60 hp electric motor and is fully automated by an automatic cycle timer.

Installation of the claimed facility was completed and placed in operation in May 1972.

Certification is claimed with 100% of the cost allocated to pollution control.

Facility Cost: $50,630. (accountant's certification was attached to the application.) Condition 5 of Waste Discharge Permit No. 983, dated April 13, 1971, stated that the permittee should proceed to install equipment and initiate a program by not later than December 31, 1971, of dewatering sludge solids and disposing of the solids in an approved manner at a sanitary landfill or by other approved means. Staff was kept informed as to the progress of this facility (Report 12/28/71). The centrifuge was not delivered until December, setting completion back until May 1972. Staff considers that requirements for prenotification of construction at that time were satisfactory.

3. Evaluation of Application

The installation of the claimed facility was in accordance with the Waste Discharge Permit and eliminated storing approximately 17,000 pounds of solids, as slurry, per day in a large pond near Truax Creek at Wah Chang. No profit is derived from the claimed facility.

4. Director's Recommendations

It is recommended that a Pollution Control Certificate be issued bearing the actual cost of $50,630, with 80% or more allocable to pollution control.

WDL:em
11/1/76

T-834

Date 11/1/76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are zirconium, hafnium, tantalum and nobium.

2. Description of Claimed Facility

The facility consists of an 8,000 gallon Acid Storage Tank at the primary pH neutralization station, installed on a concrete slab foundation. Four inch polypropylene pipe and fittings were also required.

Construction of the claimed facility was completed and placed in operation in July 1972.

Certification is claimed under the 1969 act with 100% allocated to pollution control.

Facility Cost: $7,287. (Accountant's certification was attached to the application.) The DEQ was notified by a report accompanying Application for Permit Renewal, received February 16, 1971, that modifications to the pH neutralization station were being made to correct deficiencies in operation. Staff considers that the requirements for prenotification of construction at the time were met.

3. Evaluation of Application

The installation of this acid storage tank increased acid storage capacity to 13,000 gallons. The company claims the additional acid was required for operation during extended periods of high pH. No profit to the company is derived from adjusting pH to meet water quality limits.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility, bearing the actual cost of $7,287, with 80% or more allocable to pollution control.

WDL:em
November 1, 1976

T-835

Date 11/1/76

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metal produced are zirconium, hafnium, tantalum and nobium.

2. Description of Claimed Facility

The claimed facility consists of a milk of lime slurry tank equipped with an electric motor driven agitator. Piping steel and electrical work were part of the installation of this facility.

Construction of the claimed facility was completed and placed in operation in July 1972.

Certification is claimed under the 1969 act with 100% allocated to pollution control.

Facility Cost: $8,019. (Accountant's certification was attached to the application.) The permittee claimed that the tank was necessary to maintain a constant concentration of lime for the ammonia distillation system which recovers ammonia for reuse. The Ammonia Distillation Plant was reported on Application 93466 (received Feb. 10, 1970) for Renewal of Waste Discharge Permit to be in operation as a pollution control facility.

3. Evaluation of the Application

Constant feed of chemicals as well as the waste stream are necessary for any process steady state operation. The company claims that before the installation of this facility difficulties were encountered.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility, bearing the actual cost of $8,019, with 80% or more allocable to pollution control.

WDL:em
11/1/76

Appl. T-836

Date 11-1-76

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Teledyne Wah Chang Albany
Division of Teledyne Industries, Inc.
P. O. Box 460
1600 N. E. Old Salem Road
Albany, Oregon 97321

The applicant owns and operates a facility for the primary production of reactive metals and alloys as mill products. The metals produced are Zirconium, Hafnium, Tantalum and Nobium.

2. Description of Claimed Facility

The facility consists of:

a. An elevated bulk lime storage tank, 200,000 pound capacity, cone bottom with truck feed pipe and vent pipe to mixer tank. The tank is also equipped with an outlet valve, belt feeder and vibrator.

b. Bag filter for pneumatic tank loading system.

c. Lime slacker with piping, controls and safety equipment.

d. Lime surge tank with mixer and level alarm.

e. Two lime slurry pumps and piping to three plant areas (all for pollution control).

f. Concrete foundations, steel tank structure and slacker house.

Construction of the claimed facility was completed and placed in operation in February, 1973.

Certification is claimed under the 1969 act with 100% allocated to pollution control.

Facility cost: $57,411 (Accountant's certification was attached to the application). The permittee claimed that these facilities were necessary for sufficient storage and concentration to supply lime slurry to pollution control facilities in three areas throughout the plant including the Ammonia distillation column. The Ammonia Distillation Plant was proposed on Application 93466 (received February 10, 1970). This system is ancillary to the Ammonia recovery and pH adjustment operations.

T-836
11-1-76

3. Evaluation of Application

Constant feed and concentration of chemicals to the Ammonia recovery and pH adjustment systems are necessary for steady state operation. The company claims that they were capable of better pollution control with the installation of the claimed facility.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate be issued for the claimed facility, bearing the actual cost of $57,411, with 80% or more allocable to pollution control.

WDL:ts
11-3-76

Appl T-841

State of Oregon
Department of Environmental Quality

Date 10/18/76

Tax Relief Application Review Report

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1. Applicant

Teledyne Wah Chang
P. O. Box 460
Albany, Oregon 97321

The applicant owns and operates a rare metals production plant at 1600 N. E. Old Salem Road, near the I-5 Freeway, on the north side of Albany, Oregon.

2. Description of Facility

The facility claimed in this application is a dual-column, activated carbon absorption system used to remove malodorous components, principally from the hafnium process stream.

The claimed costs consist of installation labor, valve costs, etc., aggregating to $9,935. The major components, two 20" dia. by 11"3" long zirconium columns, were in stock and available to the project at no cost.

The applicant began construction on April 12, 1972, completed and placed it in operation on August 1, 1972. This occurred before the prior approval requirement of the tax credit law became effective.

Certification is claimed under the 1969 Act and the percentage claimed for pollution control is 100%.

Facility costs: $9,935 (Accountant's certification was provided).

3. Evaluation of Application

The Mid-Willamette Air Pollution Authority, and since 1975 the Department, have requested odor abatement at the Wah Chang plant. This project is one of the many undertaken to abate the plant's odor. It is the opinion of the technical staffs at both Wah Chang and the Department that the claimed project is effective in reducing odor from the hafnium process.

The activated carbon is replaced approximately monthly. The spent carbon, with the mercaptans and other odors absorbed on it, is landfilled in a section of the Coffin Butte landfill reserved for Wah Chang wastes.

It is concluded that 100% of the claimed cost is allocable to air pollution control.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate bearing the cost of $9,935 with 80% or more allocated to pollution control be issued for the facility claimed in Tax Credit Application T-841.

PBB:h

Appl T-842

State of Oregon
Department of Environmental Quality

Date 10/19/76

Tax Relief Application Review Report

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1. Applicant

Teledyne Wah Chang
P. O. Box 460
Albany, Oregon 97321

The applicant owns and operates a rare metals production plant at 1600 N. E. Old Salem Road, near the I-5 Freeway, on the north side of Albany, Oregon.

2. Description of Facility

The facility claimed in this application is an in-house designed wet scrubber used to capture ammonium sulphate formerly emitted by the crystallizer cyclone at the fertilizer plant.

The costs are composed of labor, a 6' dia. by 12' high scrubber, pipe, controls, etc.

The applicant began construction in June 1971, and completed and placed it in operation in January 1972. This occurred before the prior approval requirements of the tax credit law became effective.

Certification is claimed under the 1969 Act and the percentage claimed for pollution control is 100%.

Facility costs: $4,270 (Accountant's certification was provided).

3. Evaluation of Application

The cyclone was formerly emitting about 10 lbs/day of ammonium sulphate. This was washed off the roof and became a water pollution problem or was carried off the premises by the wind. The scrubber has reduced the amount lost to about 0.5 lb/day.

The ammonium sulphate captured is returned to the process where it is worth about $110 per year. The value recovered is less than the estimated $400 per year annual operating expense for the scrubber.

It is concluded that the claimed facility was installed for air pollution control and can have 100% of its costs allocated to pollution control.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate bearing the cost of $4,270 with 80% or more allocated to pollution control be issued for the facility claimed in Tax Credit Application No. T-842.

PBB:h

Appl T-844

Date 10-28-76

State of Oregon
Department of Environmental Quality

Tax Relief Application Review Report

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1. Applicant

Brooks-Willamette Corp.
First National Bank Tower
Portland, OR 97201

The applicant owns and operates a particleboard plant in Bend, Oregon.

2. Description of Facility

The facility claimed in this application is a baghouse to capture sanderdust from a sander. It consists of:

a.	Carter-Day model #144RJ120 baghouse, installed	$46,559.56
b.	Fire Protection Sprinklers	1,856.00
c.	In-plant labor	1,822.18
d.	Shipping	1,270.80
e.	Miscellaneous supplies	345.39

Construction was started June 30, 1976; the installation was completed and placed in operation on July 13, 1976. The project was submitted to the Department for approval on February 23, 1976. Preliminary certification for tax credit was granted March 18, 1976 by the Department. Therefore the prior approval requirement of the law was fulfilled.

Certification is claimed under current statutes and the percentage claimed for pollution control is 100%.

Facility costs: $51,853.93 (accountant's certification was provided).

3. Evaluation of Application

The Central Region Office of the Department requested better fugitive emission control by Brooks-Willamette. The two flex-kleen baghouses serving this sander had to be hand cleaned about 3 hours per week. During these 3 hours, 23,000 lbs. of dust could be vented to the atmosphere. An additional 4,000 lbs. of sanderdust was contaminated during hand cleaning and had to be land filled. The new Carter-Day baghouse does not plug and is in service continually. The additional 27,000 lbs. per week captured has to be incinerated in the boilers and the steam wasted as there is a surplus of sanderdust fuel. The two flex-kleen baghouses are being moved to lighter service to filter dust from the paint lines board sander and another area of the paint line.

It is concluded that the claimed facility is effective in capturing sanderdust emissions with no monetary return to the plant. Therefore 100% of the claimed cost can be allocated to pollution control.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate bearing the cost of $51,853.93 with 80% or more allocated to pollution control be issued for the facility claimed in Tax Credit Application T-844.

PBB:ve

Appl T-845

State of Oregon
Department of Environmental Quality

Date 10-28-76

Tax Relief Application Review Report

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1. Applicant

Willamette Industries
3800 First National Bank Tower
Portland, OR 97201

The applicant owns and operates the Duraflake particleboard plant located in Millersburg, on the north side of Albany, Oregon, adjacent to I-5.

2. Description of Facility

The facility claimed in this application is a set of two baghouses and one wet scrubber used to capture sanderdust. It consists of:

a.	Two Carter-Day 144 RJ 96 baghouses	$46,650.00
b.	American Air Filter Size 4 Type R Roto-Clone	7,393.00
c.	Carothers Co. explosion vents	2,855.00
d.	Installation contract	41,771.00
e.	In-plant labor	7,974.20
f.	Freight	2,729.12
g.	Miscellaneous material and supplies	4,049.70

Construction was started June 28, 1976; the baghouses were completed and placed in operation on July 12, 1976; the roto clone was completed and placed in operation on August 10, 1976. Plans for the project were submitted to the Department and approval given June 18, 1976. Preliminary certification for tax credit was granted June 24, 1976. Therefore, the prior approval requirement of the law was satisfied.

Certification is claimed under current statutes and the percentage claimed for pollution control is 100%.

Facility costs: $113,422.02 (accountant's certification was provided).

3. Evaluation of Application

The Department requested Duraflake to lessen the fugitive emissions from their plant. This project replaced a six year old Buffalo Forge baghouse. The Buffalo unit experienced periodic plugging which required manual cleaning and the shut down of the air pollution control system. This unit was capturing about 11,000 pounds per hour of wood dust. The Buffalo unit emitted fugitive dust from leaks at the housing, inlet ducts, outfeed screws, and other places. The Buffalo baghouse has been removed from service.

The new Carter-Day baghouses and American Air Filter roto clone have substantially lessened the amount of fugitive dust in this area.

It is concluded that the value of the additional captured wood dust is more than offset by the baghouse operating costs. Therefore, 100% of the projects' cost can be allocated to air pollution control. Because the Buffalo Forge baghouse has been removed from service permanently, its tax credit certificate #134 must be revoked.

4. Director's Recommendation

It is recommended that a Pollution Control Facility Certificate bearing the cost of $113,422.02 with 80% or more allocated to pollution control be issued for the facility claimed in Tax Credit Application T-845. It is also recommended that Pollution Control Facility Certificate No. 134 for $195,663.45 covering the Buffalo Forge baghouse be revoked because it has been removed from service permanently.

PBB:mh

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item D, November 19, 1976, EQC Meeting

Waste Water Discharge Permit Fees - Request Authorization for Public Hearing to Consider Amending OAR, Chapter 340, Section 45-070.

Background

Rules were adopted April 30, 1976 for requiring and implementing a water quality permit fee program. The program consists of fees for filing and processing permit applications and an annual compliance determination fee.

Except for a few minor problems the fee program and fee schedule have been satisfactory. There are a few housekeeping and other minor corrections that need to be made on the Industrial Annual Compliance Determination Fees as follows:

The definition of sources found in category (1) needs to be corrected for clarity as follows:

(1) Major pulp, paper, paperboard, hardboard and other fiber pulping industry discharging process waste water other than log pond overflow.

Category (2) needs to be expanded to include "fruit", which was inadvertently left out of the original draft.

The fee schedule for small placer mining operations (less than 50 cubic yards per year) is too high. A reduced fee for these permittees is proposed by adding a special category (13) as follows:

(13) Small placer mining operations which process less than 50 cubic yards of material per year and which:

(a) discharge directly to public waters - $50
(b) do not discharge to public waters - none

Existing Categories (13), (14), and (15) will be renumbered as Categories (14), (15), and (16).

Director's Recommendation

The Director recommends that the Commission authorize a public hearing to be held relative to the proposed changes before a hearing officer and at a time and place to be set by the Department.

LOREN KRAMER
Director

CKA:em
November 5, 1976

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item E, November 19, 1976 EQC Meeting

Requests for Hardship Relief from Waste Water Discharge Permit Fees, OAR, Chapter 340, Section 45, 070(2).

Background

Rules pertaining to the water quality permit fee program provide that the Environmental Quality Commission can reduce or suspend the annual compliance determination fee in the event of a proven hardship. Some permittees have claimed hardship and have asked that their annual compliance determination fee be reduced or suspended. Most of the requests have been resolved by giving the permittees more time to submit the money. Those remaining are as follows:

Permittee	Fee Amount
Cloverdale Sanitary District	$ 150
Mr. William Smith (placer mine)	$ 50

Discussion

Cloverdale Sanitary District has financial problems and is currently behind on meeting some of its obligations. It received a hardship grant from the Department in order to construct a new sewage treatment plant. The plant is under construction at this time.

The William Smith placer mine is a seasonal operation with no direct discharge to public waters. In an amendment to the permit fee schedule, currently being proposed, the small placer miners with no discharge will be exempt from paying the annual compliance determination fee.

Agenda Item E, November 19, 1976 EQC Meeting

Requests for Hardship Relief from Waste Water Discharge Permit Fees, OAR, Chapter 340, Section 45, 070(2).

Director's Recommendation

The Director recommends that the annual compliance determination fee for Cloverdale Sanitary District be suspended for the fiscal year ending July 1, 1977. The Sanitary District should be directed to include an annual compliance determination fee in future operating budgets for it will be expected to pay in subsequent years.

The Director recommends no action at this time on the William Smith placer mine, since pending modifications to the fee schedule will solve the problems.

LOREN KRAMER
Director

CKA:em
11/2/76

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item No. F, November 19, 1976 EQC Meeting

Public Hearing Regarding Proposed Change to Air Contaminant Discharge Permit Regulations and Fee Schedule

Background

At the October 16, 1976 meeting, the EQC authorized the Department to hold a public hearing to consider changes in the Air Contaminant Discharge Permit regulations.

The Department requested this hearing because the current air permit fee schedule expires December 31, 1976 and the Air Permit Task Force submitted its recommendations which included some changes in Department procedures and fee schedule. The Task Force's recommendations and the Department's responses were included in the staff report requesting authorization for the public hearing. A copy of that staff report is attached (Attachment 3).

Discussion

The Department has proposed a new category for minimal sources in accordance with a Task Force recommendation. If a source is determined to be a minimal source. it would be inspected and invoiced for the annual compliance determination fee once every five (5) years.

The Department intends to use the following guidelines when determining if a source should be classified as a minimal source:

a. Actual particulate emissions are generally less than five (5) tons per year and ten (10) pounds per hour.

b. Operation and emissions are expected to be essentially unchanged allowing for seasonal changes, over a five (5) year period.

c. The facility is in compliance with all Department regulations and free from malodorous emissions or any other nuisance condition.

d. There is no compliance schedule in effect and none required.

e. The Department determines there is no other overriding reason that more than one inspection in five (5) years is needed.

The minimal source category will reduce the financial burden on sources which require very little of the Department's attention. It should also allow the Department to concentrate its efforts on major sources by reducing the time spent on annual inspections for small complying sources. The Department estimates that up to 1000 sources may meet the minimal source criteria. These sources include about 700 small commercial and apartment house boilers.

Duration of Permits

OAR Chapter 340, Section 14-015(2) establishes a maximum duration for permits of five (5) years. The Department proposes to modify Section 14-015(2) to allow ten (10) year duration for permits.

In general, minimal sources would be issued a permit for the maximum duration of ten (10) years. As a Department policy, the major sources would be issued five (5) year permits as is the current practice. Since major sources change emissions, operations and equipment relatively often, a permit issued for ten (10) years probably would be out of date long before it expired. In a few special cases the Department would consider issuing permits for less than five (5) years.

Fee Schedule

The Task Force has recommended and the Department proposes to implement a fee schedule in which the annual compliance determination fee amounts are based upon the relative time spent on the particular categories of sources. With this system, changes in the fee schedule can be more readily made to reflect increases in hourly costs to the Department.

The fee schedule proposed by the Department (Attachment 1) is estimated to generate $246,000 annually. This does not include any fees from minimal sources, filing fees or processing fees. Filing fees and processing fees will generate relatively little revenue as most sources have their initial permit. Minimal sources would be required to pay an annual compliance determination fee once every five (5) years. Until these fees are spread evenly over a five (5) year period, it is difficult to predict an annual income from these sources. However, the minimal sources should generate approximately $85,000 over a five (5) year period based on the proposed fee schedule.

The Department intends to reissue some permits for minimal sources for periods of less than ten years to balance the annual income. After July 1, 1977, sources designated as minimal sources will not be invoiced for an annual compliance determination fee until their permit expiration date.

Director's Recommendation

It is recommended by the Director that OAR Chapter 340, Sections 14-015 and 20-033 be amended as proposed herein, with such further amendments as may be deemed necessary after consideration of the information developed as a result of this public hearing.

LOREN KRAMER
Director

EGW:ds
11/5/76

Attachments

1. Proposed Air Contaminant Discharge Permit Regulation
2. Changes proposed in current regulation
3. Staff report requesting authorization for a public hearing which was presented at the October 16, 1976 EQC meeting which includes the report from the Air Permit System Task Force

ATTACHMENT 1. PROPOSED AIR CONTAMINANT DISCHARGE PERMIT REGULATION

340-20-155 PERMIT REQUIRED

(1) No person shall construct, install, establish, develop or operate any air contaminant source which is referred to in Table A, appended hereto and incorporated herein by reference, without first obtaining a permit from the Department or Regional Authority.

(2) No person shall modify any source covered by a permit under these rules such that the emissions are significantly increased without first applying for and obtaining a modified permit.

(3) No person shall modify any source covered by a permit under these rules such that,

(a) the process equipment is substantially changed or added to or

(b) the emissions are significantly changed without first notifying the Department.

(4) Any source may apply to the Department or Regional Authority for a special letter permit if operating a facility with no, or insignificant, air contaminant discharges. The determination of applicability of this special permit shall be made solely by the Department or Regional Authority having jurisdiction. If issued a special permit, the application processing fee and/or annual compliance determination fee, provided by OAR 340-19-030, may be waived by the Department or Regional Authority.

(5) The Department may designate any source as a "Minimal Source" based upon the following criteria:

(a) Quantity and quality of emissions,

(b) Type of operation,

(c) Compliance with Department regulations, and

(d) Minimal impact on the air quality of the surrounding region.

If a source is designated as a minimal source, the annual compliance determination fee, provided by Section 20-033(6), will be collected in conjunction with plant site compliance inspections which will occur no less frequently than every five (5) years.

340-20-165 FEES

(1) All persons required to obtain a permit shall be subject to a three part fee consisting of a uniform non-refundable filing fee of $25.00, an application processing fee, and an annual compliance determination fee which are determined by applying Table A. The amount equal to the filing fee, application processing fee, and the annual compliance determination fee shall be submitted as a required part of any application for a new permit. The amount equal to the filing fee and the application processing fee shall be submitted with any application for modification of a permit. The amount equal to the filing fee and the annual compliance determination fee shall be submitted with any application for a renewed permit.

(2) The fee schedule contained in the listing of air contaminant sources in Table A shall be applied to determine the permit fees, on a Standard Industrial Classification (SIC) plant site basis.

(3) Modifications of existing, unexpired permits which are instituted by the Department or Regional Authority due to changing conditions or standards, receipts of additional information, or any other reason pursuant to applicable statues and do not require re-filing or review of an application or plans and specifications shall not require submission of the filing fee or the application processing fee.

(4) Applications for multiple-source permits received pursuant to OAR 340-19-025 shall be subject to a single $25.00 filing fee. The application processing fee and annual compliance determination fee for multiple-source permits shall be equal to the total amounts required by the individual sources involved, as listed in Table A.

(5) The annual compliance determination fee shall be paid at least 30 days prior to the start of each subsequent permit year. Failure to timely remit the annual compliance determination fee in accordance with the above shall be considered grounds for not issuing a permit or revoking an existing permit.

(6) If a permit is issued for a period less than one (1) year, the applicable annual compliance determination fee shall be equal to the full annual fee. If a permit is issued for a period greater than 12 months, the applicable annual compliance determination fee shall be pro-rated by multiplying the annual compliance determination fee by the number of months covered by the permit and dividing by twelve (12).

(7) In no case shall a permit be issued for more than five (5) years.

(8) Upon accepting an application for filing, the filing fee shall be non-refundable.

(9) When an air contaminant source which is in compliance with the rules of a permit issuing agency relocates or proposes to relocate its operation to a site in the jurisdiction of another permit issuing agency having comparable control requirements, application may be made and approval may given for an exemption of the application processing fee. The permit application and the request for such fee reduction shall be accompanied by

(a) a copy of the permit issued for the previous location, and

(b) certification that the permittee proposes to operate with the same equipment, at the same production rate, and under similar conditions at the new or proposed location. Certification by the agency previously having jurisdiction that the source was operated

in compliance with all rules and regulations will be acceptable should the previous permit not indicate such compliance.

(10) If a temporary or conditional permit is issued in accordance with adopted procedures, fees submitted with the application for an air contaminant discharge permit shall be retained and be applicable to the regular permit when it is granted or denied.

(11) All fees shall be made payable to the permit issuing agency.

14-015 TYPE, DURATION AND TERMINATION OF PERMITS

(1) Permits issued by the Department will specify those activities, operations, emissions and discharges which are permitted as well as the requirements, limitations and conditions which must be met.

(2) The duration of permits will be variable, but shall not exceed ten (10) years. The expiration date will be recorded on each permit issued. A new application must be filed with the Department to obtain renewal or modification of a permit.

(3) Permits are issued to the official applicant of record for the activities, operations, emissions or discharges of record and shall be automatically terminated:

(a) Within 60 days after sale or exchange of the activity or facility which requires a permit.

(b) Upon change in the nature of activities, operations, emissions or discharges from those of record in the last application.

(c) Upon issuance of a new, renewal or modified permit for the same operation.

(d) Upon written request of the permittee.

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
1. Seed cleaning located in Special Control Areas, Commercial Operations only (not elsewhere included)	0723	25	75	85	185	110	100
2. Smoke houses with 5 or more employees	2013	25	75	100	200	125	100
3. Flour and other grain mill products in Special Control Areas	2041						
a) 10,000 or more T/y		25	250	275	550	300	275
b) Less than 10,000 T/y		25	200	110	335	135	225
4. Cereal preparations in Special Control Areas	2043	25	250	200	475	225	275
5. Blended and prepared flour in Special Control Areas	2045						
a) 10,000 or more T/y		25	250	200	475	225	275
b) Less than 10,000 T/y		25	200	100	325	125	225
6. Prepared feeds for animals and fowls in Special Control Areas	2048						
a) 10,000 or more T/y		25	250	275	550	300	275
b) Less than 10,000 T/y		25	150	110	285	135	175
7. Beet sugar manufacturing	2063	25	300	1325	1650	1350	325
8. Rendering plants	2077						
a) 10,000 or more T/y		25	200	325	550	350	225
b) Less than 10,000 T/y		25	200	225	450	250	225
9. Coffee roasting	2095	25	150	175	350	200	175

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
10.	Sawmill and/or planing	2421						
	a) 25,000 or more bd.ft./shift		25	150	275	450	300	175
	b) Less than 25,000 bd.ft./shift		25	50	175	250	200	75
11.	Hardwood mills	2426	25	50	175	250	200	75
12.	Shake and shingle mills	2429	25	50	175	250	200	75
13.	Mill work with 10 employees or more	2431	25	125	225	375	250	150
14.	Plywood manufacturing	2435 & 2436						
	a) Greater than 25,000 sq.ft./hr, 3/8" basis		25	500	550	1075	575	525
	b) Less than 25,000 sq.ft./hr, 3/8" basis		25	350	325	700	350	375
15.	Veneer manufacturing only (not elsewhere included)	2435 & 2436	25	75	175	275	200	100
16.	Wood preserving	2491	25	125	175	325	200	150
17.	Particleboard manufacturing	2492	25	500	550	1075	575	525
18.	Hardboard manufacturing	2499	25	500	550	1075	575	525
19.	Battery separator manufacturing	2499	25	75	100	200	125	100
20.	Furniture and fixtures	2511						
	a) 100 or more employees		25	150	275	450	300	175
	b) 10 employees or more but less than 100 employees		25	100	175	300	200	125

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
21.	Pulp mills, paper mills, and paper board mills	2611 2621 2631	25	1000	2200	3225	2225	1025
22.	Building paper and building board mills	2661	25	150	175	350	200	175
23.	Alkalies and chlorine manufacturing	2812	25	275	450	750	475	300
24.	Calcium carbide manufacturing	2819	25	300	550	875	575	325
25.	Nitric acid manufacturing	2819	25	200	225	450	250	225
26.	Ammonia manufacturing	2819	25	200	275	500	300	225
27.	Industrial inorganic and organic chemicals manufacturing (not elsewhere included)	2819	25	250	350	625	375	275
28.	Synthetic resin manufacturing	2821	25	200	200	425	225	225
29.	Charcoal manufacturing	2861	25	275	550	850	575	300
30.	Herbicide manufacturing	2879	25	500	2200	2725	2225	525
31.	Petroleum refining	2911	25	1000	2200	3225	2225	1025
32.	Asphalt production by distillation	2951	25	200	275	500	300	225
33.	Asphalt blowing plants	2951	25	200	350	575	375	225
34.	Asphaltic concrete paving plants	2951						
	a) Stationary		25	200	225	450	250	225
	b) Portable		25	200	300	525	325	225

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
35. Asphalt felts and coating	2952	25	200	450	675	475	225
36. Blending, compounding or re-refining of lubricating oils and greases	2992	25	175	225	425	250	200
37. Glass container manufacturing	3221	25	200	350	575	375	225
38. Cement manufacturing	3241	25	625	1650	2300	1675	650
39. Redimix concrete	3273	25	75	110	210	135	100
40. Lime manufacturing	3274	25	300	175	500	200	325
41. Gypsum products	3275	25	150	175	350	200	175
42. Rock Crusher	3295						
a) Stationary		25	175	225	425	250	200
b) Portable		25	175	300	500	325	200
43. Steel works, rolling and finishing mills	3312	25	500	400	925	425	525
44. Incinerators	--						
a) 1,000 lbs/hr. and greater capacity		25	300	175	500	200	325
b) 40 lbs/hr. to 1,000 lbs/hr. capacity		25	100	85	210	110	125
45. Gray iron and steel foundries	3321						
Malleable iron foundries	3322						
Steel investment foundries	3324						
Steel foundries not elsewhere classified	3325						
a) 3,500 or more T/y production		25	500	450	975	475	525
b) Less than 3,500 T/y production		25	125	225	375	250	150

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
46.	Primary aluminum Production	3334	25	1000	2200	3225	2225	1025
47.	Primary smelting of Zirconium or Hafnium	3339	25	5000	2200	7225	2225	5025
48.	Primary smelting and refining of ferrous and nonferrous metals not elsewhere classified	3339						
	a) 2,000 or more T/y production		25	500	1100	1625	1125	525
	b) Less than 2,000 T/y production		25	100	275	400	300	125
49.	Secondary smelting and refining of nonferrous metals	3341	25	225	275	525	300	250
50.	Nonferrous Metals Foundries	3361 3362	25	125	225	375	250	150
51.	Electroplating, polishing and anodizing with 5 or more employees	3471	25	100	175	300	200	125
52.	Galvanizing and pipe coating--exclude all other activities	3479	25	100	175	300	200	125
53.	Battery manufacturing	3691	25	125	225	375	250	150
54.	Grain elevators - intermediate storage only, located in Special Control Areas	4221						
	a) 20,000 or more T/y		25	175	350	550	375	200
	b) Less than 20,000 T/y		25	100	175	300	200	125
55.	Electric power generation	4911*						
	a) Greater than 25MW		25	1000	1100	2125	1125	1025
	b) Less than 25MW		25	350	550	925	575	375

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
56. Gas production and/or manufacturing	4925	25	375	275	675	300	400
57. Grain elevators - Terminal elevators primarily engaged in buying and/or marketing grain--in Special Control Areas	5153						
a) 20,000 or more T/y		25	500	450	975	475	525
b) Less than 20,000 T/yr		25	150	175	350	200	175
Fuel burning equipment within the boundries of the Portland, Eugene-Springfield, and Medford-Ashland Air Quality Maintenance Areas and the Salem Urban Growth Area***	4961**	(Fees will be based on the total aggregate heat input of all boilers at the site.)					
58. Residual oil fired, wood fired or coal fired.							
a) 250 million or more btu/hr (heat input)		25	150	175	350	200	175
b) 5 million or more but less than 250 million btu/hr (heat input).		25	100	100	225	125	125
c) Less than 5 million btu/hr (heat input)		25	25	75	125	100	50
59. Distillate oil fired							
a) 250 million or more btu/hr (heat input)		25	150	175	350	200	175
b) 5 million or more but less than 250 million btu/hr. (heat input)		25	25	75	125	100	50

* Excluding hydroelectric and nuclear generating projects, and limited to utilities.

** Including fuel burning equipment generating steam for process or for sale but excluding power generation (SIC 4911).

*** Maps of these areas are attached. Legal descriptions are on file in the Department.

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
60. Fuel burning equipment outside the boundaries of the Portland, Eugene-Springfield and Medford-Ashland Air Quality Maintenance Areas and the Salem Urban Growth Area.	4961**	(Fees will be based on the total aggregate heat input of all boilers at the site.)					
All wood, coal and oil fired greater than 30×10^6 btu/hr (heat input)		25	100	75	200	100	125
61. New sources not listed above which would emit 10 or more tons per year of any air contaminants including but not limited to particulates, SO_x, NO_x or hydrocarbons, if the source were to operate uncontrolled.		****	****	****	****		****
62. New sources not listed above which would emit significant malodorous emissions, as determined by Departmental or Regional Authority review of sources which are known to have similar air contaminant emissions.		****	****	****	****		****
63. Existing sources not listed above for which an air quality problem is identified by the Department or Regional Authority.		****	****	****	****		****

**** Sources required to obtain a permit under items 60, 61 and 62 will be subject to the following fee schedule to be applied by the Department based upon the anticipated cost of processing and compliance determination.

Estimated Permit Cost	Application Processing Fee	Annual Compliance Determination Fee
Low cost	$100.00 - $250.00	$100.00 - $250.00
Medium cost	$250.00 - $1500.00	$250.00 - $1000.00
High cost	$1500.00 - $3000.00	$1000.00 - $2500.00

As nearly as possible, applicable fees shall be consistent with sources of similar complexity as listed in Table A.

PROCEDURES FOR ISSUANCE, DENIAL MODIFICATION AND REVOCATION OF PERMITS RULE WITH CHANGES NOTED

14-015 TYPE, DURATION AND TERMINATION OF PERMITS

(1) Permits issued by the Department will specify those activities, operations, emissions and discharges which are permitted as well as the requirements, limitations and conditions which must be met.

(2) The duration of permits will be variable, but shall not exceed ten (10) [~~five-(5)~~] years. The expiration date will be recorded on each permit issued. A new application must be filed with the Department to obtain renewal or modification of a permit.

(3) Permits are issued to the official applicant of record for the activities, operations, emissions or discharges of record and shall be automatically terminated:

(a) Within 60 days after sale or exchange of the activity or facility which requires a permit.

(b) Upon change in the nature of activities, operations, emissions or discharges from those of record in the last application.

(c) Upon issuance of a new, renewal or modified permit for the same operation.

(d) Upon written request of the permittee.

AIR CONTAMINANT DISCHARGE PERMIT RULE WITH CHANGES NOTED

340-20-155 PERMIT REQUIRED

(1) No person shall construct, install, establish, develop or operate any air contaminant source which is referred to in Table A, appended hereto and incorporated herein by reference, without first obtaining a permit from the Department or Regional Authority.

(2) No person shall modify any source covered by a permit under these rules such that the emissions are significantly increased without first applying for and obtaining a modified permit.

(3) No person shall modify any source covered by a permit under these rules such that,

(a) the process equipment is substantially changed or added to or

(b) the emissions are significantly changed without first notifying the Department.

(4) Any source may apply to the Department or Regional Authority for a special letter permit if operating a facility with no, or insignificant, air contaminant discharges. The determination of applicability of this special permit shall be made solely by the Department or Regional Authority having jurisdiction. If issued a special permit, the application processing fee and/or annual compliance determination fee, provided by OAR 340-19-030, may be waived by the Department or Regional Authority.

(5) The Department may designate any source as a "Minimal Source" based upon the following criteria:

(a) Quantity and quality of emissions,

(b) Type of operation,

(c) Compliance with Department regulations, and

(d) Minimal impact on the air quality of the surrounding region.

If a source is designated as a minimal source, the annual compliance determination fee, provided by Section 20-033(6), will be collected in conjunction with plant site compliance inspections which will occur no less frequently than every five (5) years.

340-20-165 FEES

(1) All persons required to obtain a permit shall be subject to a three part fee consisting of a uniform non-refundable filing fee of $25.00, an application processing fee, and an annual compliance determination fee which are determined by applying Table A [~~which shall be applicable during the period of January 1 through December 31, 1976~~]. The amount equal to the filing fee, application processing fee, and the annual compliance determination fee shall be submitted as a required part of any application for a new permit. The amount equal to the filing fee and the application processing fee shall be submitted with any application for modification of a permit. The amount equal to the filing fee and the annual compliance determination fee shall be submitted with any application for a renewed permit.

(2) The fee schedule contained in the listing of air contaminant sources in Table A shall be applied to determine the permit fees, on a Standard Industrial Classification (SIC) plant site basis.

(3) Modifications of existing, unexpired permits which are instituted by the Department or Regional Authority due to changing conditions or standards, receipts of additional information, or any other reason pursuant to applicable statues and do not require re-filing or review of an application or plans and specifications shall not require submission of the filing fee or the application processing fee.

(4) Applications for multiple-source permits received pursuant to OAR 340-19-025 shall be subject to a single $25.00 filing fee. The application processing fee and annual compliance determination fee for multiple-source permits shall be equal to the total amounts required by the individual sources involved, as listed in Table A.

(5) The annual compliance determination fee shall be paid at least 30 days prior to the start of each subsequent permit year. Failure to timely remit the annual compliance determination fee in accordance with the above shall be considered grounds for not issuing a permit or revoking an existing permit.

(6) If a permit is issued for a period less than one (1) year, the applicable annual compliance determination fee shall be equal to the full annual fee. If a permit is issued for a period greater than 12 months, the applicable annual compliance determination fee shall be pro-rated by multiplying the annual compliance determination fee by the number of months covered by the permit and dividing by twelve (12).

(7) In no case shall a permit be issued for more than five (5) years.

(8) Upon accepting an application for filing, the filing fee shall be non-refundable.

(9) When an air contaminant source which is in compliance with the rules of a permit issuing agency relocates or proposes to relocate its operation to a site in the jurisdiction of another permit issuing agency having comparable control requirements, application may be made and approval may given for an exemption of the application processing fee. The permit application and the request for such fee reduction shall be accompanied by

(a) a copy of the permit issued for the previous location, and

(b) certification that the permittee proposes to operate with the same equipment, at the same production rate, and under similar conditions at the new or proposed location. Certification by the agency previously having jurisdiction that the source was operated

in compliance with all rules and regulations will be acceptable should the previous permit not indicate such compliance.

(10) If a temporary or conditional permit is issued in accordance with adopted procedures, fees submitted with the application for an air contaminant discharge permit shall be retained and be applicable to the regular permit when it is granted or denied.

(11) All fees shall be made payable to the permit issuing agency.

TABLE A - AIR CONTAMINANT SOURCES AND ASSOCIATED FEE SCHEDULE FOR 1976 CALENDAR YEAR

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
Seed cleaning located in Special Control Areas, Commercial Operations only (not elsewhere included)	0723	25	75	~~150~~ (85)	(185) ~~250~~	(110) ~~175~~	100
Smoke houses with 5 or more employees	2013	25	75	100	200	125	100
Flour and other grain mill products in Special Control Areas	2041						
a) 10,000 or more T/y		25	250	~~300~~ (275)	(550) 575	(300) 325	275
b) Less than 10,000 T/y		25	200	150 (110)	(335) 375	(135) ~~175~~	225
Cereal preparations in Special Control Areas	2043	25	250	200	475	225	275
Blended and prepared flour in Special Control Areas	2045						
a) 10,000 or more T/y		25	250	200	475	225	275
b) Less than 10,000 T/y		25	200	100	325	125	225
Prepared feeds for animals and fowls in Special Control Areas	2048						
a) 10,000 or more T/y		25	250	~~300~~ (275)	(550) 575	(300) 325	275
b) Less than 10,000 T/y		25	150	~~150~~ (110)	(285) 325	(135) ~~175~~	175
Beet sugar manufacturing	2063	25	300	500 (325)	(1650) 825	(350) 525	325
Rendering plants	2077	25	200	~~250~~* (225) ** (225)	(550) 475 (450)	(350) 275 (250)	225 (225)
Coffee roasting	2095	25	150	~~100~~ (175)	(350) 275	(200) 125	175

NOTE: Amounts in brackets () are proposed fee changes.

* 10,000 OR MORE TONS/YEAR

** LESS THAN 10,000 TONS/YEAR

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
10.	Sawmill and/or planing	2421						
	a) 25,000 or more bd.ft./shift		25	150	~~200~~ (275)	(450) ~~375~~	(200) 225	175
	b) Less than 25,000 bd.ft./shift		25	50	~~100~~ (175)	(250) ~~175~~	(200) ~~125~~	75
11.	Hardwood mills	2426	25	50	~~100~~ (175)	(250) ~~175~~	(200) ~~125~~	75
12.	Shake and shingle mills	2429	25	50	~~100~~ (175)	(250) ~~175~~	(200) ~~125~~	75
13.	Mill work with 10 employees or more	2431	25	125	~~100~~ (225)	(375) 250	(250) ~~125~~	150
14.	Plywood manufacturing	2435 & 2436						
	a) Greater than 25,000 sq.ft./hr, 3/8" basis		25	500	500 (550)	(1075) 1025	(575) 525	525
	b) Less than 25,000 sq/ft./hr, 3/8" basis		25	350	350 (325)	(700) ~~725~~	(350) ~~375~~	375
15.	Veneer manufacturing only (not elsewhere included)	2435 & 2436	25	75	~~125~~ (175)	(275) 225	(200) ~~150~~	100
16.	Wood preserving	2491	25	125	100 (175)	(325) 250	(200) ~~125~~	150
17.	Particleboard manufacturing	2492	25	500	500 (550)	(1075) 1025	(575) 525	525
18.	Hardboard manufacturing	2499	25	500	500 (550)	(1075) ~~1025~~	(575) ~~525~~	525
19.	Battery separator manufacturing	2499	25	75	100	200	125	100
20.	Furniture and fixtures	2511						
	a) 100 or more employees		25	150	~~125~~ (275)	(450) 300	(200) ~~150~~	175
	b) 10 employees or more but less than 100 employees		25	100	100 (175)	(300) 225	(200) ~~125~~	125

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
21.	Pulp mills, paper mills, and paper board mills	2611 2621 2631	25	1000	~~2000~~ (2200)	(2225) ~~3025~~	(2225) ~~2025~~	1025
22.	Building paper and building board mills	2661	25	150	~~150~~ (175)	(350) 325	(200) ~~175~~	175
23.	Alkalies and chlorine manufacturing	2812	25	275	~~200~~ (450)	(750) 500	(475) 225	300
24.	Calcium carbide manufacturing	2819	25	300	400 (550)	(875) 725	(575) 425	325
25.	Nitric acid manufacturing	2819	25	200	~~200~~ (225)	(450) 425	(250) 225	225
26.	Ammonia manufacturing	2819	25	200	~~250~~ (275)	(500) ~~475~~	(300) ~~275~~	225
27.	Industrial inorganic and organic chemicals manufacturing (not elsewhere included)	2819	25	250	~~300~~ (350)	(625) 575	(375) 325	275
28.	Synthetic resin manufacturing	2821	25	200	~~175~~ (200)	(425) 400	(225) 200	225
29.	Charcoal manufacturing	2861	25	275	~~200~~ (550)	(850) 500	(575) 225	300
30.	Herbicide manufacturing	2879	25	500	~~500~~ (2200)	(2725) 1025	(2225) 525	525
31.	Petroleum refining	2911	25	1000	2000 (2200)	(2225) 3025	(2225) 2025	1025
32.	Asphalt production by distillation	2951	25	200	200 (275)	(500) 425	(300) 225	225
33.	Asphalt blowing plants	2951	25	200	200 (350)	(575) 425	(375) 225	225

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
34.	Asphaltic concrete paving plants	2951						
	a) Stationary		25	200	225	450	250	225
	b) Portable		25	200	~~275~~ (300)	(525) 500	(325) 300	225
35.	Asphalt felts and coating	2952	25	200	200 (450)	(675) 425	(475) 225	225
36.	Blending, compounding or re-refining of lubricating oils and greases	2992	25	175	~~150~~ (225)	(425) 350	(250) ~~175~~	200
37.	Glass container manufacturing	3221	25	200	200 (350)	(575) 425	(375) ~~225~~	225
38.	Cement manufacturing	3241	25	625	~~625~~ (650)	(900) 1275	(675) 650	650
39.	Redimix concrete	3273	25	75	100 (110)	(210) 200	(135) 125	100
40.	Lime manufacturing	3274	25	300	125 (175)	(500) 450	(200) 150	325
41.	Gypsum products	3275	25	150	150 (175)	(350) 325	(200) 175	175
42.	Rock Crusher	3295						
	a) Stationary		25	175	200 (225)	(425) 400	(250) 225	200
	b) Portable		25	175	~~250~~ (300)	(500) 450	(325) ~~275~~	200
43.	Steel works, rolling and finishing mills	3312	25	500	350 (400)	(925) 875	(425) ~~375~~	525
44.	Incinerators							
	a) 1,000 lbs/hr. and greater capacity		25	300	200 (175)	(500) 525	(200) ~~225~~	325
	b) 40 lbs/hr. to 1,000 lbs/hr. capacity		25	100	~~50~~ (85)	(210) ~~175~~	(110) ~~75~~	125

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
5. Gray iron and steel foundries	3321						
Malleable iron foundries	3322						
Steel investment foundries	3324						
Steel foundries not elsewhere classified	3325						
a) 3,500 or more T/y production		25	500	~~400~~ (450)	(975) ~~925~~	(475) ~~425~~	525
b) Less than 3,500 T/y production		25	125	200 (225)	(375) 350	(250) ~~225~~	150
6. Primary aluminum production	3334	25	1000	2000 (2200)	(3225) ~~3025~~	(2225) ~~2025~~	1025
PRIMARY SMELTING OF ZIRCONIUM OR HAFNIUM	3339	(25)	(5000)	(2200)	(7225)	(2225)	(5025)
7. Primary smelting and refining of ferrous and nonferrous metals not elsewhere classified	3339						
a) 2,000 or more T/y production		25	500	~~350~~ (1100)	(1625) ~~875~~	(1125) ~~375~~	525
b) Less than 2,000 T/y production		25	100	~~75~~ (275)	(400) 200	(200) ~~100~~	125
8. Secondary lead smelting	3341	25	225	~~250~~ (275)	(525) 500	(300) ~~275~~	250
9. Non Ferrous Metals Foundries	3361 3362	25	125	~~200~~ (225)	(375) 350	(250) ~~225~~	150
10. Electroplating, polishing and anodizing with 5 or more employees	3471	25	100	~~100~~ (175)	(300) 225	(200) ~~125~~	125
11. Galvanizing and pipe coating--exclude all other activities	3479	25	100	~~150~~ (175)	(300) 275	(200) ~~175~~	125
12. Battery manufacturing	3691	25	125	~~150~~ (225)	(375) 300	(250) ~~175~~	150
13. Grain elevators - intermediate storage only, located in Special Control Areas	4221						
a) 20,000 or more T/y		25	175	~~400~~ (350)	(550) 600	(375) ~~425~~	200
b) Less than 20,000 T/y		25	100	~~125~~ (175)	(300) 250	(200) ~~150~~	125

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
54.	Electric power generation	4911*						
	a) Greater than 25MW		25	1000	1000 (1100)	(2125) 2025	(1125) 1025	1025
	b) Less than 25MW		25	350	500 (550)	(925) 875	(575) 525	375
55.	Gas production and/or manufacturing	4925	25	375	225 (275)	(675) 625	(300) 250	400
56.	Grain elevators - Terminal elevators primarily engaged in buying and/or marketing grain--in Special Control Areas	5153						
	a) 20,000 or more T/y		25	500	400 (450)	(975) 925	(475) 425	525
	b) Less than 20,000 T/yr		25	150	125 (175)	(350) 300	(200) 150	175
57.	Fuel burning equipment within the boundries of the Portland, Eugene-Springfield, and Medford-Ashland Air Quality Maintenance Areas and the Salem Urban Growth Area***	4961**	(Fees will be based on the total aggregate heat input of all boilers at the site.)					
	a) Residual oil fired, wood fired or coal fired							
	1) 250 million or more btu/hr (heat input)		25	150	100 (175)	(350) 275	(200) 125	175
	2) 5 million or more but less than 250 million btu/hr. (heat input)		25	100	50 (100)	(225) 175	(125) 75	125
	3) Less than 5 million btu/hr (heat input)		25	25	25 (75)	(125) 75	(100) 50	50
	b) Distillate oil fired							
	1) 250 million or more btu/hr (heat input)		25	150	100 (175)	(350) 275	(200) 125	175
	2) 5 million or more but less than 250 million btu/hr. (heat input)		25	25	25 (75)	(125) 75	(100) 50	50

* Excluding hydroelectric and nuclear generating projects, and limited to utilities.

** Including fuel burning equipment generating steam for process or for sale but excluding power generation (SIC 4911).

*** Maps of these areas are attached. Legal descriptions are on file in the Department.

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
Fuel burning equipment outside the boundaries of the Portland, Eugene-Springfield and Medford-Ashland Air Quality Maintenance Areas and the Salem Urban Growth Area.	4961**	(Fees will be based on the total aggregate heat input of all boilers at the site.)					
All wood, coal and oil fired greater than 30×10^6 BTU/hr (heat input)		25	100	~~50~~ (75)	(200) 175	(100) ~~75~~	125
New sources not listed above which would emit 10 or more tons per year of any air contaminants including but not limited to particulates, SO_x, NO_x or hydrocarbons, if the source were to operate uncontrolled.		****	****	****	****		****
New sources not listed above which would emit significant malodorous emissions, as determined by Departmental or Regional Authority review of sources which are known to have similar air contaminant emissions.		****	****	****	****		****
Existing sources not listed above for which an air quality problem is identified by the Department or Regional Authority.		****	****	****	****		****

** Sources required to obtain a permit under items 59, 60 & 61 will be subject to the following fee schedule to be applied by Department based upon the anticipated cost of processing and compliance determination.

Estimated Permit Cost	Application Processing Fee	Annual Compliance Determination Fee
Low cost	$50.00 - $200.00	$50.00 - $150.00
Medium cost	$200.00 - $500.00	$150.00 - $400.00
High cost	$500.00 - $1,000.00	$400.00 - $750.00

As nearly as possible, applicable fees shall be consistent with sources of similar complexity as listed in Table A.

ATTACHMENT 3

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item No. E, October 15, 1976 EQC Meeting

Request for Authorization for Public Hearing on Revisions to the Fee Schedule for Air Contaminant Discharge Permits and Review of Task Force Recommendations

Background

At the December 12, 1975 meeting, the EQC approved the current air permit fee schedule to be in effect through December 31, 1976. As a condition of approval, a Task Force was to be set up to review the operation and costs of the permit system.

After seven months of review and investigation, the Task Force submitted its final report and recommendations on July 20, 1976 (Attachment 1).

As a result of the Task Force recommendations, a new fee schedule and rule changes have been proposed by the Department (Attachment 2). The Department will hear testimony at the hearing and meet with any interested persons concerning the proposed regulation revisions. The Department may modify its proposal based upon the testimony or other information received.

Discussion

The following discussion includes a staff analysis and recommendations for each of the Task Force's recommendations.

Section 1: Minimal Sources

TASK FORCE RECOMMENDATION

The Task Force recommended that sources emitting 10 TPY or less be classified as minimal and minimal sources be inspected and invoiced once every five years. If there would be a problem with a minimal source, a regular permit would be issued.

ANALYSIS

The Task Force recommendation on minimal sources is intended to cut the manpower requirements of the permit system without reducing its effectiveness. The Task Force defined "minimal source" as one emitting less than 10 tons per year. It is the Department's opinion that the 10 ton per year limit would include too many point sources and too complex sources.

The Department's proposal for guidelines to determine "minimal source" will put more restrictions on the candidates for that classification. "Minimal sources" should meet the following criteria:

a. Actual particulate emissions which are generally less than 5 tons per year and 10 pounds per hour.

b. Operation and emissions are expected to be steady state, allowing for seasonal changes, over a 5 year period.

c. The facility is in compliance with all Department regulations and free from malodorous emissions or any other nuisance condition.

d. There is no compliance schedule in effect and none required.

e. The Department determines that one inspection in 5 years is adequate.

Any source which meets the above criteria would be inspected and invoiced for the Compliance Determination Fee once every 5 years. Any regulation regarding "minimal sources" should give the Department the final decision on the applicability of "minimal source" criteria.

Using the above guidelines, the number of minimal sources might be as high as 1,000, the majority of which would be space heating boilers. Sources which could be considered as minimal sources are as follows:

a. Small boilers (675)
b. Smokehouses (4)
c. Electroplating (5)
d. Battery mfg. (5)
e. Seed cleaning (20)
f. Ready mix concrete (70)
g. Rock Crushers (30)
i. Incinerators (40)
j. Millwork (25)
k. Shake & Shingle (20)
l. Hardwood mills (4)
m. Veneer mfg. (10)
n. Small Sawmills (75)
o. Small grain mills (20)

Not all sources in the above categories could be considered minimal. The numbers are estimates of the "minimal sources" in each category.

The guidelines suggested above are proposed to be applied statewide. However, when the results of the Air Quality Maintenance Area studies are available, they may indicate some necessary changes in the permit regulations.

RECOMMENDATION

The Department should designate some sources as minimal and these sources not be inspected or billed annually, but rather every 5 years. An effort should be made to include as many sources as possible under "minimal sources." The above guidelines should be used by the Department to designate "minimal sources."

Section 2 - Proposed Revision of OAR 14-015

TASK FORCE RECOMMENDATION

The Task Force has recommended that OAR 14-015(2), dealing with duration of permits, be revised. The minimum duration of any permit would be 5 years. The maximum duration would be at least 10 years and possibly indefinite for minimal sources.

Also, the Task Force has recommended that OAR 14-015(3), dealing with reasons for termiation of permits, be revised to include "repetition or substantial violations" as a reason for termination of a permit.

ANALYSIS

Ray Underwood of the Attorney General's Office, has interpreted ORS 468.065(1) to require a definite expiration date. It was also suggested that the addition of "repetition or substantial violations" as a cause for termination of a permit is not desirable as termination should be based upon a single, easily definable event. These decisions have ruled out two of the Task Force recommendations.

On several occasions, the Department has issued permits of less than 5 years duration because sources were to cease operation in less than 5 years. For this reason, a minimum duration for permits would hinder the Department's flexibility in dealing with some sources.

Extending the duration of minimal source permits to at least 10 years would not reduce the effectiveness of the Department's permit program. It would reduce manpower requirements by reducing the number of renewals but this saving will not occur until all existing minimal permits have been renewed. This could be 5 years if the Department waits for the expiration of current permits before going to a 10 year permit. For more complex sources or sources which modify their operation frequently, a 10 year permit will not keep up with the actual status of the source.

RECOMMENDATION

The Department should increase the allowable duration for permits to 10 years. However, as an internal guideline, the Department should retain the 5 year limit for major sources. The Department should not adopt a minimum duration for its permits.

Section 3 - Proposal for Permit Program Administration

TASK FORCE RECOMMENDATION

The Task Force made recommendations on general and specific parts of the permit system program as follows:

a. Now that the majority of the permits have been reviewed and issued for at least the first time, the Department should review the manpower needs of the central office and the regional offices due to the shift in workload.

b. The present procedure for processing all applications and renewals through the central office should be continued.

c. Permit forms should have space for date received, fees enclosed and other processing steps to be initiated.

d. Applications for renewals should be processed by the central office and the renewal permit automatically issued unless the regional office indicates a change is necessary within a 30 day notice period.

e. A list showing the sources to be handled by each regional office and the central office should be prepared. The list should be based on each office's ability to handle the specific sources in their area. Regional offices should be responsible for as much of the permit process as possible.

f. Comprehensive guidelines should be prepared for use by the regional offices in processing permit applications.

g. Regional office personnel should be adequately trained so central office review of draft permits is not necessary.

h. Effort should be made to reduce the quantity and volume of quarterly and semi-annual reports to EPA.

ANALYSIS AND RECOMMENDATION

a. The Department is on a program of decentralization and will continue assigning processing steps and sources to the regional offices as each office acquires the ability to handle them.

b. The Department agrees that the centralized recordkeeping and fee accounting systems are necessary for all of the permit reports that the Department is required to make. If the records are centralized, the reports are easier to compile.

c. By recording the date received, fees and other processing steps on the application, the application becomes a complete record of the permit actions for that source. The Department should initiate this procedure as soon as possible.

d. Automatic renewals should be considered by the Department. However, the permit format is still evolving and many renewals are of permits issued by CWAPA and MWVAPA. The Department is considering a tabular format for its permits. When most permits are converted to this format, renewals will be essentially automatic and will reduce the manpower necessary to renew permits. Presently, many renewals are being drafted by the regions in less than the suggested 30 day notice period.

e. A list of sources to be handled by each regional office is advantageous because it defines responsibility for each source. The Department should develop these lists in the near future.

f. The Department is currently using generalized permit formats to assist the regional office in preparing permits. Additional guidelines are being drafted to provide the regions with a written Department policy for various parts of the regulations and permit procedures.

g. Draft permits are currently reviewed by the central office to insure statewide uniformity of policies, procedures and formats. Additional training will be provided the regional offices. The training combined with the written guidelines should allow the gradual phase-out of the review of draft permits by the central office.

h. The Department as well as the Task Force is concerned over the quantity of information, volume of paper and time consumed in preparing quarterly and semi-annual reports to EPA. The Department should continue to negotiate with EPA to reduce reporting requirements.

Section 4 - Replacement of SIC

TASK FORCE RECOMMENDATION

The Task Force has recommended that SIC's no longer be used as a means of determining permit fees. SIC's should be replaced by a system based on the hours required for an average source in each source category.

ANALYSIS

The present schedule is based upon the relative number of hours spent on an average source in each source category. Several categories have different fees based upon the size of the sources in that category. However, SIC's are used only as a definition of the types of sources which fall into each category. The fee schedule proposed by the Task Force uses the same SIC categories, but simply omits the corresponding SIC number. If the SIC is deleted from the regulations, detailed definitions of each category, now provided by SIC's, will have to be written.

The main point the Task Force wishes to make is that there should be more breakdowns by size and complexity. This is possible while retaining SIC classifications. In addition, much of the Department's records and computer programs are based upon SIC's.

RECOMMENDATION

The Department feels that the Task Force misunderstood the purpose of SIC's and recommends that the SIC's be retained, possibly with less emphasis. However, the suggestion of more size differentiations should be pursued.

Section 5 - Proposed Fee Method

TASK FORCE RECOMMENDATION

The Task Force has recommended a fee schedule based upon the average hours spent per source, times the Department cost per hour (an actual cost type of schedule). Also, the Task Force has recommended that the Director have the ability to reduce or waive fees for hardship cases and that the fee schedule be reviewed every two years.

ANALYSIS

The Attorney General's Office has ruled that it would be improper classification or unlawful delegation to give the Director the power to waive or reduce fees in hardship cases.

The Task Force fee schedule recommendation has merit. In order to make a schedule like this work, accurate records must be kept of the time spent on each source. This sort of recordkeeping can be very time consuming. The number of hours in each category given by the Department to the Task Force were estimated based on experience and may need to be adjusted somewhat. This method will hopefully be accurate enough to be accepted in place of more recordkeeping by the Department.

The hours used by the Task Force for determining the fee amounts are based on a definition of "permit system" which is more narrow than the definition presented by the Department in its December 12, 1975 staff report to the EQC. Using the Task Force definition, the Task Force has proposed a fee schedule to recover 100% of the cost of the permit system. The 1975 Legislature directed the Department to recover 50% of the cost of the air program which, according to them, would be approximately $538,000 for this biennium. The schedule proposed by the Task Force will raise approximately the same amount.

The fee schedule proposed by the Task Force is based upon the actual average cost of the annual compliance determination inspection and associated paperwork and overhead for each type of source. This system will allow the Department to take inflation or other added costs into account without reviewing the entire fee schedule each biennium by changing the cost per hour factor.

The fee schedule proposed by the Department will raise approximately $246,080 annually. This does not include any fees from minimal sources. The minimal source category and some fee changes in individual categories have placed the cost of the permit system on the sources where the Department spends the majority of its manpower. The Department has used the method proposed by the Task Force to develop the proposed fee schedule.

RECOMMENDATION

The Department should adopt the fee method proposed by the Task Force to develop a fee schedule. However, the Department should not be required to justify each individual fee.

Summary of Recommendations

The following are recommended actions by the Department as a result of the Task Force Report.

1. Adopt a minimal source category. These sources to be inspected and invoiced once every 5 years.

2. Increase the allowed duration of permits to ten years.

3. Avoid adoption of minimum duration for permits.

4. Continue decentralization and training of personnel.

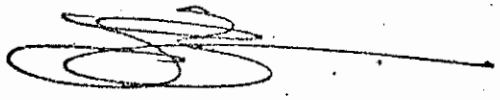
5. Make more divisions in the fee schedule based upon size.

6. Use direct cost method of arriving at fees as proposed by the Task Force.

The Department has proposed regulation changes to institute the recommendations of the Task Force.

DIRECTOR'S RECOMMENDATION

It is the recommendation of the Director that the Commission authorize a public hearing at a time and place to be established to take testimony on the proposed amendments.



LOREN KRAMER

EGW:cs
9/29/76

Attachments

ATTACHMENT 1

July 20, 1976

Mr. Loren Kramer, Director
Department of Environmental Quality
1234 S. W. Morrison Street
Portland, Oregon 97205

Dear Mr. Kramer:

The Task Force on Air Quality Permits, after extensive meetings both as a full committee and in subcommittee meetings, is now ready to report its recommendations and findings. This report is divided into the following sections:

1. Minimal sources.
2. Proposed revisions of OAR 14-015 relating to type, duration and termination of permits.
3. Proposed program for administration of the permit program.
4. Replacement of the standard industrial classifications (SIC) as a basis for determining fees.
5. Proposed fee method and justification therefore.

The following are the recommendations of the Task Force:

1. Minimal Sources. These sources in normal operation do not emit major amounts of air contaminants. They would be characterized as low pressure heating boilers, small high pressure boilers, and other facilities which have low emission rates and limited types and kinds of control equipment. These sources would be generally characterized as being less than 10 ton per year sources.

It is recommended that for these minimal sources that they only be inspected at the time that they are installed and then not more than once every five years thereafter. The compliance fee would be charged in the year in which the compliance check is made. In case of a valid complaint or observed violation of a source classified as minimal, more frequent inspections may be required by the DEQ Director.

This recommendation is made because the number of such minimal sources subject to an annual compliance check create for the agency a costly administrative and a manpower requirement that does not yield corresponding air quality benefit or improvement.

Most minimal sources use the same fuel as residences for which detailed emission data and consumption data is unavailable. Thus annual compliance checks of commercial or industrial sources provide little information that could not be obtained from an annual written report of the type and amount of fuel consumed. Such a written report would provide the emission inventory data needed.

We believe the above recommendation will be more cost effective both for the agency and for the source.

It should be emphasized that while the annual compliance checks are being extended to a five-year basis for these minimal sources, this does not in any way impair enforcement powers when a violation occurs.

2. The Proposed Revision of OAR 14-015. The Committee recommends that OAR 14-015 relating to type, duration and termination of permits be reviewed. We further recommend that all permits be written for a five-year period and those for minimal sources should be rewritten for an indefinite period of time. We believe this will substantially reduce the administrative workload both in the central office and on the field staff.

Accordingly, we would recommend that OAR 14-015(2) be amended to read:

> (2) The duration of permits will be variable, but shall not /exceed/ be less than five (5) years. The expiration date will be recorded on each permit issued. If no expiration date is shown it will be subject to renewal at the request of the Director. A new application must be filed with the Department to obtain a renewal or modification of a permit.

Those permits subject to extension beyond five years, as proposed in the above paragraph, should be granted primarily to minimal sources and such other sources that do not have a significant impact on the ambient air quality. Further, such an extension is subject to review by the Director in any situation requiring DEQ to re-evaluate all permits in a given airshed.

/ORS 468.065(1) states: "Any permit issued by the Department shall specify its duration...". We believe that this language does not require a specific term of years be shown on the permit. We conclude that for these minimal sources you could issue a "permanent" permit. However, if your counsel requires an ending date it should not be less than 10 years./

The conditions contained in Subsection 3 of OAR 14-015 provide for automatic termination under the circumstances listed under Subsection a, b, c and d. In order to provide some additional authority which would require automatic termination of permits, we would suggest that a new Subsection "E" be added which would read: "(e) Repetition or substantial violations."

In addition to the recommendation that sources less than 10 tons/year be issued indefinite permits. The Committee suggests reviewing the program in attainment areas as to whether or not sources under 25 tons/year should also be issued an indefinite permit.

It is the belief of the Committee that not over 300 sources in the State of Oregon are major sources which would be subject to the five-year permits as well as some smaller sources in nonattainment areas. We believe this recommendation will provide DEQ staff the opportunity to more effectively concentrate on major emission sources.

3. Proposed Program for Administration. The DEQ permit program staff and the Task Force reviewed the work of both the central office operations under the Air Quality Division and the field office operation under the Enforcement Division. Obviously, substantial complications were introduced by the demise of the Columbia Willamette and Mid-Willamette Valley Air Pollution Authorities and the process of absorbing their personnel and responsibilities under the statewide implementation plan. These regional agency permit programs were operated differently from those of DEQ and, thus, assimilation by DEQ was made even more difficult. Your staff has made commendable progress in effecting required changes in the DEQ program, both in the central office and in field offices, that were necessitated by the revised operational structure.

We foresee, however, that if our recommendation for sources under 10 tons is adopted, this will substantially reduce the amount of work needed currently on renewals in both your central office and field offices. If the 10 ton/year program is adopted, the DEQ will need to rearrange the times for compliance checks on these sources so that they are staggered over a 5-year period. Such a readjustment of the inspection schedule will help even out the biennial revenue as well as the manpower requirements of the program.

Permit application review has occupied a substantial portion of the activities of the program to date. This activity should now diminish as substantially all outstanding permits have gone through initial plan review. The manpower assigned to this portion of the program should now be reviewed in light of this reduced workload. With the completion of the permit issuing phase of the air permit program substantially completed, the dominate role of the agency becomes one of program maintenance. Very few new permits and a small percentage of modifications are all that can be expected from here on in. This makes the timing opportune for an overall review of the qualifications and staffing requirements in both central and district offices to insure that permit program needs are optimized.

The Task Force members made a number of observations on the present program administration that should be helpful.

(a) The present procedure in processing all permit applications and renewals through Portland central office should be continued. This provides a single bookkeeping channel for handling of monies.

(b) Permit forms should be revised or stamped with a block providing a record of date of receipt and amount of fee enclosed; space for initialing and dating each succeeding step prior to final issue.

(c) Notification of permit renewals should be sent out by computer in central office with a copy to the appropriate regional office. The regional office should be given a limited period (not more than 30 days) to intervene in the renewal process. If notice of intervention is not received by central office from the region within this period, the computer will proceed to automatically complete the permit issuing process; including transmitting a copy to the regional office files.

Where the regional office requests intervention for cause in a renewal, the proposed permit shall be sent to the regional office and the renewal will be completed in the field with a copy of issued permit to central office records.

(d) To expedite application for new or modified air permits the DEQ Director should predesignate by category and subcategory each emission source for the purpose of automatic routing for processing purposes. It is felt that most new and modified permits should be prepared in the appropriate regional office and only predesignated major emission sources be handled by central office.

(e) There is a compelling need for comprehensive guidelines to be prepared for use by regional offices in processing permit applications.

(f) If regional office personnel are experienced and properly trained, there should be no need of central office review before final permit issuance.

The above recommendations (a thru f) are based on the conclusion that the permit program is best administered by regional DEQ staff familiar with the locations and nature of each emission source. It is recognized that not all regions may have the expertise for a particular plan review. However, by drawing a distinction between designated major regional offices as qualified for this purpose and suboffices which are not, the DEQ Director can ensure speedy and efficient permit processing. If the regional administration concept is to function, the maximum of authority must be delegated to the decentralized unit, otherwise a reversion to centralized control is inevitable. The central office function in the air permit program should be limited to handling nonroutine permits and keeping an overview of regional office activity to assure that the regions are complying with overall program guidelines.

The quarterly and semi annual reports to EPA are in fact overwhelming. Much of the information submitted which is supposed to cover only sources 25 tons or over in a nonattainment area and 100 tons or over in attainment areas, does not show any change in status from the prior report. Reporting to EPA only on those sources which show a change from previous emissions would substantially reduce the size of the EPA report and ease the burden of the staff in its preparation. If EPA requires more data on specific sources, they should direct the inquiry to DEQ central office. We believe every effort should be exerted with EPA to reduce the quantity and nature of the reporting, much of which appears to be nonessential, so that they are provided only with that information which they must have to carry out their responsibilities.

4. Replacement of SIC. We recommend that the use of the Standard Industrial Classification (SIC) be replaced because it is no longer an effective or equitable means of determining permit fees. At the inception of the program the SIC classifications were a useful tool in structuring a permit fee program when those permit fees were at much lower rates. Now that the program has become a substantial portion of the revenue base for the DEQ it appears that the use of the SIC classifications is not an equitable means of distributing the permit fee costs among the 2100 permit holders. Major problems are created by the lack of classification by size of source as well as the complexity of the source and the existence of multiple sources at some locations.

It is our recommendation that a new fee schedule should be instituted which is based upon the average number of actual hours required per category of sources to accomplish the compliance and routine surveillance inspection, plus prorated allocation of administrative services and overhead.

We believe that such a new schedule would provide the DEQ with a more fundamental method of determination and utilization of its manpower needs in the implementation of the permit program.

5. Proposed Fee Method. The Task Force and its subcommittees have spent a considerable amount of time and effort in determining an equitable basis for a fee schedule. Essential elements in the deliberations were to provide a sound basis for a fair distribution of permit costs to all sources and to insure that the DEQ can reliably estimate program revenue.

The Task Force has endeavored to meet these responsibilities.

As suggested in Recommendation No. 4, the proposed fee schedule is based on the average number of actual hours required per category of source. In order to support such a fee schedule, it became necessary to ascertain what activities of the DEQ are chargeable under the permit system established by ORS 468.065(2). The Task Force reviewed all aspects of the permit program of the DEQ.

The following short review of the statute and agency activity will indicate the extent to which fees should be, and are being, charged:

ORS 468.065(2) reads as follows: "The permit fees contained in this schedule shall be based upon the anticipated cost of

filing and investigating the application, and
issuing or denying the requested permit, and
an inspection program to determine compliance or non-compliance with the permit."

The statute clearly states what activities of the Department relating to permits should be charged to sources as permit fees. The Department, in carrying out this activity is utilizing its police powers and generally, then, there must be a rational relationship between the regulated activity

and the fees charged for such regulation. Under existing permit procedures, the practical application of the statutory directive is as follows:

(a) New permits are issued.

(b) Modified permits are issued. Where a modification is initiated by the permittee, a fee is charged. If the DEQ is the initiator, no fee should be charged.

(c) Renewals. All permits are now issued to known sources. A flat charge of $25 for each permit period (normally 5 years) is made to cover the cost of processing a permit renewal.

(d) An inspection program to determine compliance. This program consists of on-site inspection and surveillance and is where the majority of the time and effort of the Department is spent to meet the statutory requirements of the permit program.

The Task Force believes that the items outlined in (a) through (d) above are the activities for which fees may be legitimately charged under the statute for permit-related activities.

The attached Exhibit A indicates the schedule format which the Task Force would recommend and is based upon the average time requirements for each class of source as determined by the Department and which the Task Force believes is chargeable under the statutorily mandated permit program. It must be understood that the number of hours derived in time analysis (from DEQ records) for each category are average values and are not intended to specify the number of hours that are actually spent on any given source. The last page of Exhibit A contains the information and assumptions used in arriving at the dollar figures.

Income from the proposed fees for the renewal program and the inspection program to determine compliance are predictable for budgeting purposes. Revenue from the issuance of new permits or modified permits is unpredictable because it relates solely to future decisions on new or existing sources. No "hard" revenue dollars can be predicted from this activity for budget purposes. Thus, Exhibit A contains no income from this activity.

Recommendation No. 1 of this report deals with minimal sources. These sources should be inspected only at the time they are being installed and then only once each 5 years thereafter. This concept is reflected in the proposed fee schedule.

The Task Force would like to make these further recommendations regarding the permit fee program.

(a) There needs to be included a provision for waiving or reducing fees, at the discretion of the DEQ Director, to any applicant for a permit that could demonstrate that a hardship would result. Any individual actions by the Director under this proposal should not materially affect revenue.

(b) In each category, the permit fee schedule should be reviewed every two years. This would provide the flexibility to meet the changing needs and emphasis in the air quality program.

The study has provided all who have been concerned with the permit program new insight into its operations and cost. The Task Force has identified those activities of the agency which are an integral part of the existing permit program which are logically related to the statutory requirements for determining permit fees. The statutory mandates impose manpower time utilization requirements on the agency. These criteria are incorporated in Exhibit A and we recommend that permittees reimburse that portion of the permit program thus identified. The amount of revenue indicated represents 100% of the fees to be raised annually under the statute. Such a fee system would provide a more precise method by which needed modifications in fees can be accomplished to meet, for example, changes in the permit program, changes in operating conditions, such as salary increases, or to accommodate added revenues from the issuance of new or modified permits.

The Task Force still believes that the Legislature was misled by the erroneous figures provided by the DEQ to the Ways & Means Committee of the Oregon Legislature. Nevertheless, if our recommendations are implemented, there does not now seem to be any basis on which to make a request of the Emergency Board for the return of funds to alleviate the permittees payments to the DEQ.

In conclusion we ask your favorable consideration of the proposed method of establishing permit fees.

Your staff has at all times been fully cooperative in providing us information and other assistance without which this report could not have been written. Your staff is to be commended for the spirit of cooperation which they have exhibited in the work of the Task Force.

Respectfully submitted,

AIR QUALITY PERMIT PROGRAM EVALUATION
TASK FORCE

Thomas C. Donaca
Chairman

Joe Bryne
Matt Gould
Tom Guilbert
Doug MacGowan
Chas. Schmidt
Pete Schnell
Stan Sellers
Storrs Waterman
Gary Wildish

AIR CONTAMINANT SOURCES

TIME SPENT FOR ANNUAL COMPLIANCE DETERMINATION

	No. in State	Permit Renewal Fee (1)	New or Modified Permit Fee (2)	Average Hours per Source	Total Hours Statewide	Annual Compliance Determination Fee Existing/Adjusted		Tota Exi
Paper Mills	12	$25.00		111	1,332	$2,000.00	$1,693.00	$24,(
Metal Smelting								
inum	2	$25.00		99	198	$2,000.00	$1,510.00	$ 4,(
r	4	$25.00		110	440	$ 350.00	$1,678.00	$ 1,4
r small	--			--	--	$ 150.00	--	
m Refining								
ning from Crude	0					$2,000.00		
efining, blending ounding	2	$25.00		12	24	$ 150.00	$ 183.00	$
Power Generation								
e-Greater than W	3	$25.00		33	99	$1,000.00	$ 504.00	$ 3,(
1-Less than W						$ 500.00		
oducts								
ticleboard	14	$25.00		34	476	$ 500.00	$ 519.00	$ 7,(
lboard	10	$25.00		24	240	$ 500.00	$ 366.00	$ 5,(
ood Large	50	$25.00		30	1,500	$ 500.00	$ 458.00	$25,(
ood Small	29	$25.00		15	435	$ 350.00	$ 229.00	$10,

AIR CONTAMINANT SOURCES

TIME SPENT FOR ANNUAL COMPLIANCE DETERMINATION

	No. in State	Permit[1] Renewal Fee	New or[2] Modified Permit Fee	Average Hours per Source	Total Hours Statewide	Annual Compliance Determination Fee Existing/Adjusted	Tota Exi
anufacturers	2	$25.00		99	198	$ 625.00 $1,510.00	$ 1,2
errous and us Foundries							
e	13	$25.00		25	325	$ 400.00 $ 382.00	$ 5,2
l	31	$25.00		13	403	$ 200.00 $ 199.00	$ 6,2
ndling and							
e	4	$25.00		20	80	$ 400.00 $ 305.00	$ 1,6
l	15	$25.00		10	150	$ 125.00 $ 153.00	$ 1,8
mal	15	$25.00		10/5	30	$ 125.00 $ 153/5	$ 1,8
11 Products							
e (flour-feeds- al) 10,000 tons	13	$25.00		13	169	$ 300.00 $ 199.00	$ 3,9
l	21	$25.00		6	126	$ 100.00 $ 92.00	$ 1,2
mal	21	$25.00		6/5	25	$ 100.00 $ 92/5	$ 2,1
ar Mfg.	1	$25.00		78	78	$ 500.00 $1,190.00	$ 5

AIR CONTAMINANT SOURCES

TIME SPENT FOR ANNUAL COMPLIANCE DETERMINATION

	No. in State	Permit[1] Renewal Fee	New or[2] Modified Permit Fee	Average Hours per Source	Total Hours Statewide	Annual Compliance Determination Fee Existing/Adjusted	Tota Ex
Mfg.							
icide	1	$25.00		117	117	$ 500.00 $1,785.00	$
ium Carbide	1	$25.00		40	40	$ 400.00 $ 610.00	$
ganic	4	$25.00		30	120	$ 300.00 $ 458.00	$ 1,
hetic Resin	4	$25.00		8	32	$ 175.00 $ 122.00	$
ducts							
e Sawmill ludes large furniture plants) r 100 employees)	196	$25.00		15	2,940	$ 200.00 $ 229.00	$39,
l Sawmill ludes veneers)	80	$25.00		12	960	$ 100.00 $ 183.00	$ 8,
mal	30	$25.00		12/5	72	$ 100.00 $ 183/5	$ 3,
g Plants							
e	8	$25.00		20	160	$ 250.00 $ 305.00	$ 2,
l	7	$25.00		15	105	$ 250.00 $ 229.00	$ 1,
Products							
able Asphaltic rete Paving Plant	34	$25.00		18	612	$ 275.00 $ 275.00	$ 9,
ionary AC Paving t	63	$25.00		12	756	$ 225.00 $ 183.00	$14,
alt Blowing Distillation	4	$25.00		20	80	$ 200.00 $ 305.00	$

AIR CONTAMINANT SOURCES

TIME SPENT FOR ANNUAL COMPLIANCE DETERMINATION

	No. in State	Permit[1] Renewal Fee	New or[2] Modified Permit Fee	Average Hours per Sources	Total Hours Statewide	Annual Compliance Determination Fee Existing/Adjusted	Tot Ex
Products (continued)							
halt Felts and tings	6	$25.00		24	144	$ 200.00 $ 366.00	$ 1
ushing							
table	36	$25.00		18	648	$ 250.00 $ 275.00	$ 9
tionary	115	$25.00		15	1,725	$ 200.00 $ 229.00	$23
oducts							
sum and Lime Mfg.	1	$25.00		12	12	$ 150.00 $ 183.00	$
dy Mix Concrete							
Large Facilities	20	$25.00		13	260	$ 100.00 $ 199.00	$ 2
Small Facilities	57	$25.00		5	285	$ 100.00 $ 77.00	$ 5
Minimal	39	$25.00		5/5	39	$ 100.00 $ 77/5	$ 3
ators							
ge - 1,000 lbs/hr more	3	$25.00		10	30	$ 200.00 $ 153.00	$
11	59	$25.00		5	295	$ 50.00 $ 77.00	$ 2
gf.	1	$25.00		18	18	$ 200.00 $ 275.00	$
ide AQMA's							
Large	5	$25.00		9	45	$ 100.00 $ 138.00	$
Medium	76	$25.00		5	380	$ 50.00 $ 77.00	$ 3
Minimal	318	$25.00		5/5	318	$ 25.00 $ 77/5	$ 7

AIR CONTAMINANT SOURCES

TIME SPENT FOR ANNUAL COMPLIANCE DETERMINATION

	No. in State	Permit Renewal Fee (1)	New or Modified Permit Fee (2)	Average Hours per Sources	Total Hours Statewide	Annual Compliance Determination Fee Existing/Adjusted		Tota Exi
(continued)								
ide AQMA	96	$25.00		5	480	$ 50.00	$ 77.00	$ 4,8
aning in Special Areas	50	$25.00		5	250	$ 150.00	$ 77.00	$ 7,5
Paper and Board Mills	2	$25.00		9	18	$ 150.00	$ 138.00	$ 3
Mfg.								
(Lane Regional)	0	$25.00		85	--	$ 200.00	$1,297.00	$
	1	$25.00		18	18	$ 200.00	$ 275.00	$ 2
uction						$ 225.00		
urces								
e Houses - nal	5	$25.00		10/5	10	$ 100.00	$ 153/5	$ 5
ee Roasting	3	$25.00		10	30	$ 100.00	$ 153.00	$ 3
Preserving	3	$25.00		14	42	$ 100.00	$ 214.00	$ 3
troplating - nal	7	$25.00		10/5	14	$ 100.00	$ 153/5	$ 7
anizing	6	$25.00		12	72	$ 150.00	$ 183.00	$ 9
ery Mgf. - nal	7	$25.00		12/5	17	$ 150.00	$ 183/5	$ 1,0
		(See Note 3)			17,462			$264,1

Basis for Computation

Computation of Hourly Charge: for the purpose of compiling the adjusted cost of the fee program, t figure of $15.25/hour was used throughout. In order to arrive at a conservative estimate, all of t DEQ inspectors and surveying staff are assumed to be earning the equivalent of a principal investig for fiscal '77 at $18,700. This salary figure was multiplied by 1.5 to cover fringe benefits and administrative and clerical overhead. This gave a cost of $28,050 per man year. Assuming four we paid vacation and two weeks equivalent in public holidays, this totals 46 weeks at 40 hours per wee or a total of 1,840 available manhours per year per individual. Divide this number into $28,050 gi the $15.25/hour rate which was used in the computation.

The revised permit and manhours data is the last made available by the staff and contains deletions correct the multiple boiler sources and letter permits.

Notes

1. Fee payable on each renewal of the permit (normally five years).

2. a) Application fee for a permit for a new source is not to exceed two (2) times the annual com

   b) Application fee for modification of a permit is not to exceed the annual compliance fee.

   (fees under a and b above should be based on the time utilization of the staff in processing su permits.)

3. Average annual income from permit renewal fees is $8,055. This figure was arrived at by multip total number of permits (1611) by $25.00 and dividing by 5 (assuming five-year permits).

TD/MG:dj
7-8-76

TABLE A - AIR CONTAMINANT SOURCES AND ASSOCIATED FEE SCHEDULE FOR 1976 CALENDAR YEAR

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
Seed cleaning located in Special Control Areas, Commercial Operations only (not elsewhere included)	0723	25	75	~~150~~ (85)	(185) ~~250~~	(110) ~~175~~	100
Smoke houses with 5 or more employees	2013	25	75	100	200	125	100
Flour and other grain mill products in Special Control Areas	2041						
a) 10,000 or more T/y		25	250	~~300~~ (275)	(550) ~~575~~	(200) ~~325~~	275
b) Less than 10,000 T/y		25	200	150 (110)	(335) ~~375~~	(135) ~~175~~	225
Cereal preparations in Special Control Areas	2043	25	250	200	475	225	275
Blended and prepared flour in Special Control Areas	2045						
a) 10,000 or more T/y		25	250	200	475	225	275
b) Less than 10,000 T/y		25	200	100	325	125	225
Prepared feeds for animals and fowls in Special Control Areas	2048						
a) 10,000 or more T/y		25	250	~~300~~ (275)	(550) ~~575~~	(200) ~~325~~	275
b) Less than 10,000 T/y		25	150	~~150~~ (110)	(285) ~~325~~	(135) ~~175~~	175
Beet sugar manufacturing	2063	25	300	~~500~~ (1325)	(1650) ~~825~~	(1350) ~~525~~	325
Rendering plants	2077	25	200	~~250~~ * (225)	(550) ~~475~~	(250) ~~275~~	225
				** (225)	(450)	(250)	(225)
Coffee roasting	2095	25	150	~~100~~ (175)	(350) ~~275~~	(200) ~~125~~	175

NOTE: Amounts in brackets () are proposed fee changes.

* 10,000 OR MORE TONS/YEAR

** LESS THAN 10,000 TONS/YEAR

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
10.	Sawmill and/or planing	2421						
	a) 25,000 or more bd.ft./shift		25	150	~~200~~ (275)	(450) ~~375~~	(300) 225	175
	b) Less than 25,000 bd.ft./shift		25	50	~~100~~ (175)	(250) ~~175~~	(200) ~~125~~	75
11.	Hardwood mills	2426	25	50	~~100~~ (175)	(250) ~~175~~	(200) ~~125~~	75
12.	Shake and shingle mills	2429	25	50	~~100~~ (175)	(250) ~~175~~	(200) ~~125~~	75
13.	Mill work with 10 employees or more	2431	25	125	~~100~~ (225)	(375) 250	(250) ~~125~~	150
14.	Plywood manufacturing	2435 & 2436						
	a) Greater than 25,000 sq.ft./hr, 3/8" basis		25	500	500 (550)	(1075) 1025	(575) 525	525
	b) Less than 25,000 sq/ft./hr, 3/8" basis		25	350	350 (~~375~~)	(~~750~~) ~~725~~	(~~375~~) 375	375
15.	Veneer manufacturing only (not elsewhere included)	2435 & 2436	25	75	~~125~~ (175)	(275) 225	(200) ~~150~~	100
16.	Wood preserving	2491	25	125	100 (175)	(~~225~~) 250	(~~150~~) 125	150
17.	Particleboard manufacturing	2492	25	500	500 (550)	(~~1075~~) 1025	(~~575~~) 525	525
18.	Hardboard manufacturing	2499	25	500	500 (550)	(1075) ~~1025~~	(575) ~~525~~	525
19.	Battery separator manufacturing	2499	25	75	100	200	125	100
20.	Furniture and fixtures	2511						
	a) 100 or more employees		25	150	~~125~~ (275)	(450) 300	(300) ~~150~~	175
	b) 10 employees or more but less than 100 employees		25	100	100 (175)	(300) 225	(200) ~~125~~	125

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
1.	Pulp mills, paper mills, and paper board mills	2611 2621 2631	25	1000	~~2000~~ (2200)	(3225) ~~3025~~	(2225) ~~2025~~	1025
22.	Building paper and building board mills	2661	25	150	~~150~~ (175)	(350) 325	(200) ~~175~~	175
23.	Alkalies and chlorine manufacturing	2812	25	275	~~200~~ (450)	(750) 500	(475) 225	300
24.	Calcium carbide manufacturing	2819	25	300	400 (550)	(875) ~~725~~	(575) ~~425~~	325
25.	Nitric acid manufacturing	2819	25	200	~~200~~ (225)	(450) ~~425~~	(250) 225	225
26.	Ammonia manufacturing	2819	25	200	~~250~~ (275)	(500) ~~473~~	(300) ~~275~~	225
27.	Industrial inorganic and organic chemicals manufacturing (not elsewhere included)	2819	25	250	~~300~~ (250)	(625) 575	(375) 325	275
28.	Synthetic resin manufacturing	2821	25	200	~~175~~ (200)	(425) 400	(225) 200	225
29.	Charcoal manufacturing	2861	25	275	~~200~~ (550)	(850) 500	(575) 225	300
30.	Herbicide manufacturing	2879	25	500	~~500~~ (2200)	(725) 1025	(2225) 525	525
31.	Petroleum refining	2911	25	1000	2000 (2200)	(3225) 3025	(2225) 2025	1025
32.	Asphalt production by distillation	2951	25	200	200 (275)	(500) 425	(300) 225	225
33.	Asphalt blowing plants	2951	25	200	200 (350)	(575) 425	(375) 225	225

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
34.	Asphaltic concrete paving plants	2951						
	a) Stationary		25	200	225	450	250	225
	b) Portable		25	200	~~275~~ (300)	(525) 500	(325) 300	225
35.	Asphalt felts and coating	2952	25	200	200 (450)	(675) 425	(475) 225	225
36.	Blending, compounding or re-refining of lubricating oils and greases	2992	25	175	~~150~~ (225)	(425) 350	(250) ~~175~~	200
37.	Glass container manufacturing	3221	25	200	200 (350)	(575) 425	(375) 225	225
38.	Cement manufacturing	3241	25	625	~~625~~ (650)	(1200) 1275	(675) 650	650
39.	Redimix concrete	3273	25	75	~~100~~ (110)	(210) 200	(125) 125	100
40.	Lime manufacturing	3274	25	300	~~125~~ (175)	(500) 450	(300) ~~150~~	325
41.	Gypsum products	3275	25	150	~~150~~ (175)	(325) 325	(200) ~~175~~	175
42.	Rock Crusher	3295						
	a) Stationary		25	175	200 (225)	(425) 400	(250) 225	200
	b) Portable		25	175	~~250~~ (300)	(500) 450	(325) ~~275~~	200
43.	Steel works, rolling and finishing mills	3312	25	500	~~350~~ (400)	(925) 875	(475) ~~375~~	525
44.	Incinerators							
	a) 1,000 lbs/hr. and greater capacity		25	300	200 (175)	(500) 525	(200) 225	325
	b) 40 lbs/hr. to 1,000 lbs/hr. capacity		25	100	~~50~~ (85)	(210) ~~175~~	(110) ~~75~~	125

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

	Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
5.	Gray iron and steel foundries	3321						
	Malleable iron foundries	3322						
	Steel investment foundries	3324						
	Steel foundries not elsewhere classified	3325						
	a) 3,500 or more T/y production		25	500	~~400~~ (450)	(975) ~~925~~	(475) ~~425~~	525
	b) Less than 3,500 T/y production		25	125	200 (225)	(375) 350	(250) ~~225~~	150
6.	Primary aluminum production	3334	25	1000	2000 (2200)	(3225) ~~3025~~	(2225) ~~2025~~	1025
	PRIMARY SMELTING OF ZIRCONIUM OR HAFNIUM	3339	(25)	(5000)	(2200)	(7225)	(2225)	(5025)
7.	Primary smelting and refining of ferrous and nonferrous metals not elsewhere classified	3339						
	a) 2,000 or more T/y production		25	500	~~350~~ (1100)	(1625) 875	(1125) ~~375~~	525
	b) Less than 2,000 T/y production		25	100	~~75~~ (275)	(400) 200	(300) ~~100~~	125
8.	Secondary lead smelting	3341	25	225	~~250~~ (275)	(525) 500	(300) ~~275~~	250
9.	Non Ferrous Metals Foundries	3361 3362	25	125	~~200~~ (225)	(375) 350	(250) ~~225~~	150
10.	Electroplating, polishing and anodizing with 5 or more employees	3471	25	100	~~100~~ (175)	(300) 225	(200) ~~125~~	125
11.	Galvanizing and pipe coating--exclude all other activities	3479	25	100	~~150~~ (175)	(300) 275	(200) ~~175~~	125
12.	Battery manufacturing	3691	25	125	~~150~~ (225)	(375) 300	(250) ~~175~~	150
13.	Grain elevators - intermediate storage only, located in Special Control Areas	4221						
	a) 20,000 or more T/y		25	175	~~400~~ (350)	(550) 600	(375) ~~425~~	200
	b) Less than 20,000 T/y		25	100	~~125~~ (175)	(300) 250	(200) ~~150~~	125

In addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
54. Electric power generation	4911*						
a) Greater than 25MW		25	1000	1000 (1100)	(2125) 2025	(1125) 1025	1025
b) Less than 25MW		25	350	500 (550)	(925) 875	(575) 525	375
55. Gas production and/or manufacturing	4925	25	375	225 (275)	(675) 625	(300) 250	400
56. Grain elevators - Terminal elevators primarily engaged in buying and/or marketing grain--in Special Control Areas	5153						
a) 20,000 or more T/y		25	500	400 (450)	(975) 925	(475) 425	525
b) Less than 20,000 T/yr		25	150	125 (175)	(350) 300	(200) 150	175
57. Fuel burning equipment within the boundries of the Portland, Eugene-Springfield, and Medford-Ashland Air Quality Maintenance Areas and the Salem Urban Growth Area***	4961**	(Fees will be based on the total aggregate heat input of all boilers at the site.)					
a) Residual oil fired, wood fired or coal fired							
1) 250 million or more btu/hr (heat input)		25	150	100 (175)	(350) 275	(200) 125	175
2) 5 million or more but less than 250 million btu/hr. (heat input)		25	100	50 (100)	(225) 175	(125) 75	125
3) Less than 5 million btu/hr (heat input)		25	25	25 (75)	(125) 75	(100) 50	50
b) Distillate oil fired							
1) 250 million or more btu/hr (heat input)		25	150	100 (175)	(250) 275	(200) 125	175
2) 5 million or more but less than 250 million btu/hr. (heat input)		25	25	25 (75)	(125) 75	(100) 50	50

* Excluding hydroelectric and nuclear generating projects, and limited to utilities.

** Including fuel burning equipment generating steam for process or for sale but excluding power generation (SIC 4911).

*** Maps of these areas are attached. Legal descriptions are on file in the Department.

NOTE: Persons who operate boilers shall include fees as indicated in items #57 or 58 in addition to fees for any other applicable category.

Air Contaminant Source	Standard Industrial Classification Number	Filing Fee	Application Processing Fee	Annual Compliance Determination Fee	Fees to be Submitted with New Application	Fees to be Submitted with Renewal Application	Fees to be Submitted with Application to Modify Permit
Fuel burning equipment outside the boundaries of the Portland, Eugene-Springfield and Medford-Ashland Air Quality Maintenance Areas and the Salem Urban Growth Area.	4961**	(Fees will be based on the total aggregate heat input of all boilers at the site.)					
All wood, coal and oil fired greater than 30 x 10^6 BTU/hr (heat input)		25	100	~~50~~ (75)	(200) ~~175~~	(100) ~~75~~	125
New sources not listed above which would emit 10 or more tons per year of any air contaminants including but not limited to particulates, SO_x, NO_x or hydrocarbons, if the source were to operate uncontrolled.		****	****	****	****		****
New sources not listed above which would emit significant malodorous emissions, as determined by Departmental or Regional Authority review of sources which are known to have similar air contaminant omissions.		****	****	****	****		****
Existing sources not listed above for which an air quality problem is identified by the Department or Regional Authority.		****	****	****	****		****

** Sources required to obtain a permit under items 59, 60 & 61 will be subject to the following fee schedule to be applied by Department based upon the anticipated cost of processing and compliance determination.

Estimated Permit Cost	Application Processing Fee	Annual Compliance Determination Fee
Low cost	$50.00 - $200.00	$50.00 - $150.00
Medium cost	$200.00 - $500.00	$150.00 - $400.00
High cost	$500.00 - $1,000.00	$400.00 - $750.00

As nearly as possible, applicable fees shall be consistent with sources of similar complexity as listed in Table A.

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item G, November 19, 1976 EQC Meeting.

Public Informational Hearing (continued) Martin Marietta Aluminum Proposed Change in Air Pollution Control System.

At the October 15, 1976 Public Informational Hearing, regarding Martin Marietta's (M. M.) proposed change in its air pollution control system, the EQC directed the Department to further investigate the air quality benefits of adding an SO_2 control system to the proposed primary dry scrubber. Also, the EQC directed the Department to further explore the feasibility and economic impact of requiring such control with M. M. and EPA. A public hearing on a proposed permit was scheduled for the November 19, 1976 EQC meeting on the assumption these analyses would be rapidly completed and point towards a resolution of the issue.

Immediately following the October 15 meeting the Department requested M. M. to provide specific projections of air quality impact in the elevated orchard terrain, with and without a 70% efficient SO_2 scrubber. Also, M. M. was requested to provide a detailed economic analysis of various possible air and water pollution control schemes. EPA was requested to provide documentation on the technical feasibility of achieving 70% SO_2 control at their projected cost of $400,000.

Complete and documented responses from M. M. and EPA have not been received as of November 10, 1976. While several discussions and conferences have been held with M. M. and EPA on this matter it appears M. M. will not submit its complete response until the week of November 15. EPA has indicated the earliest their North Carolina Headquarters can respond is November 12. This response will be verbal with documentation to follow the week of November 15. Since only a few days would be available to digest this material, and prepare a proposed permit there would be at best a couple days for the public, the EQC and M. M. to consider the Departments proposed action. This time is considered very inadequate notice to prepare a response on this major issue.

Since EPA needs similar information to that requested by the Department to make their final determination on the significant deterioration issue, they have indicated they will very likely use a 30 day extension privilege from their present November 26 action date. It

would appear that this matter should be able to be resolved at the next (December 20, 1976) EQC meeting, which would keep Federal and State regulatory action on generally a uniform time schedule.

While the feasibility and economic impact of SO_2 control has not been resolved as yet, it appears that it has been identified as the one and only real issue to be resolved.

New modeling of air impacts in the orchards by M. M. has indicated that two models appear to produce reasonable agreement with present levels and could be used to predict the benefits of adding an SO_2 scrubber. In using these models, one shows little benefit while the other shows a benefit in proportion to the emission reductions achieved by the scrubber control (identical to the analysis portrayed by DEQ in the October 15, 1976 report to the EQC). The Department believes the latter model would better portray reality since it uses poor ventilation-inversion type meteorological input which is very similar to actual meteorology that occurs when highest levels have been recorded in the orchards. The other model, while also producing impacts similar to present measured values, is not generally considered applicable to elevated terrain and uses moderately high winds which are not typical of conditions causing highest measured impacts. The fact that it produces results close to reality may be merely a coincidence, and the applicability of using a model with unrealistic input data must be highly questioned.

In summary, the issue of air quality benefit of a SO_2 scrubber appears to the Department to be resolved in support of the position that such a scrubber will lessen SO_2 air quality impact in the orchards in proportion to the emission reductions achieved. Again, it should be reiterated that the projected SO_2 impacts in orchards, with or without the scrubber, are well below State and Federal air quality standards.

Directors Recommendation

Based on the above expected time schedule for receipt of requested information it is the Directors recommendation to schedule a public hearing on a proposed permit before a hearing officer on December 9, 1976 and bring the matter before the EQC for final resolution at its December 20, 1976 meeting.

LOREN KRAMER
Director

JFK:ds

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

November 18, 1976

To: Environmental Quality Commission

From: Hearing Officer

Subject: Executive Summary of Correspondence Offered for Hearing on Martin Marietta Proposal

The following persons have written the Department or Commission since October 15 to express their views on the application by Martin Marietta to modify their control system at The Dalles plant.

An attempt has been made to briefly summarize the views. The letters will be available to the Commission at the November 19 hearing.

Writer
Ms. Barbara Bailey
Date
November 10
Position
The writer opposes any but the most efficient methods of keeping SO_2 and fluorides out of her air, contends that The Dalles area is a poor area for natural cleansing of pollutants, particularly in fall and winter, and contends the area is shown by research to be SO_2 sensitized already. Also it was urged that no further reduction plants be located in the Columbia Gorge.

Writer
Mrs. Charles L. Best
Date
October 23, 1976
Position
The writer cites already high pollution caused most blatantly by Martin Marietta as reason to deny an increase in emissions.

Writer
Mr. William Boismier
Date
October 21
Position
The writer opposes an increase in SO_2 emissions.

Writer
Ms. Kathleen T. Buhl
Date
November 1, 1976
Position
The writer cites present levels of pollution and the attendant haze and odor as reason for her disturbance at the agency's even considering the plant's proposal. The fourfold increase envisioned is argue to be both frightening and infuriating.

Writer
Walter K. Buhl, M.D.
Date
October 25
Position
The writer opposes the requested change as potentially disastrous, contrary to considerations of health, safety, and aesthetics. He feels it overlooks the fact that SO_2 and resultant sulphurous acid cause the oxidizing actions that eat away stone buildings and marble statutes, contribute to photochemical smog, and give air an acrid odor in the industrial east. The writer questions why accidents at the plant are not financially punished. (This and other questions were referred to the public affairs section).

Writer
Mrs. Hubert Carl
Date
October 22
Position
The writer opposes increased emissions, citing burning eye irritation; damage to vegetables, and an increase in cancer. Also, she asks investigation of a report (from a reportedly good source) that the scrubbers are presently opened up at night.

Writer
Mr. J. Thomas Coats and Ms. Phyllis Coats
Date
October 25
Position
The writer argues that air quality for residents of The Dalles is already poor, damaging to health and crops, and more important than Martin Marietta's pocket book.

Writer
James H. Cogswell, M.D.
Date
October 26
Position
The writer opposes an increase in emissions in an area of known inversions and potential for new sources in the future.

Writer
Dallesport Vegetable Growers Association
Date
October 29
Position
The writers oppose any increase in SO_2 emissions, regret that two other factories may soon be built, and claim present SO_2 levels are damaging to crops and threatening their livelihood.

Writer
Ms. Wendy Donnell
Date
October 25
Position
The writer calls for the addition of a wet scrubber after the proposed dry scrubber and urges the Commission to weigh the costs of additional air pollution on crops, health, etc., against the cost of the abatement equipment. Also, she indicates a willingness to pay higher prices for aluminum products rather than suffer dirtier air.

Writer
Mr. Joseph Douthit and Ms. Marion Z. Douthit
Date
October 22
Position
The writers are farmers who fear increased pollution from either The Dalles or Goldendale plants would be disastrous for farming and cause a "catbox" smell such as Albany has.

Writer
W. Edel
Date
October 21
Position
The writer opposes any increase in SO_2 and is skeptical of the company's impact projections. He objects to the present foul smell that permeates the area. He argues further that ten or more "accidents" each month should not be tolerated.

Writer
Mr. Merwin Henble
Date
October 25
Position
The writer asks that emissions, already bad enough, be kept at a reasonable level.

Writer
Ms. Joan Hudson
Date
October 22
Position
The writer opposes increased emissions.

Writer
David S. McDaniel, M.D., P.C.
Date
November 5, 1976
Position
The writer opposes any increase in SO_2 emissions on the ground that there are already many incidents of respiratory illness, particularly among school children in the Dallesport which is in the main path of dispersion. The writer states his position to be fortified both by the possibility that a zirconium plant may soon join existing polluters and by the unique susceptibility of The Dalles airshed to severe and frequent inversions.

Writer
Mr. and Mrs. C.B. McGarvie
Date
October 29, 1976
Position
The writers oppose an increase in pollutants from the plant, contend the plant has been responsible for decreases in air quality since 1970, and cite increased pollution from the Portland area and the potential contributions of a new zirconium plant as reasons not to allow greater pollution by the plant.

Writer
Ms. Jan Melins
Date
October 20
Position
The air in The Dalles around the writer's home is reported to be odorous and inducive to throat soreness. The writer finds it ironic that the doors and windows must be shut as though her home in its woodsy setting were actually in the city.

Writer
Mr. George B. Moon
Date
October 26
Position
The writer opposes increased SO_2 or other pollution, favors decrease from present levels, complains of 16 poor air quality days during October, encloses a photograph, argues the plant's attempts to economize should not be at public expense, contends the plant's detriments in energy consumption and pollution outweigh its benefits to the community, offers his land on a 900 foot promontory for a monitoring station, and compliments the Chairman's handling of the October 15 EQC.

Writer
Ms. Linda B. Omeg
Date
October 22
Position
The writer reports that during Fall and Winter inversions the present emissions often are trapped in the area and force her to keep her small son inside with doors and windows shut. She feels increased emissions would be unthinkable.

Writer
Mr. Michael T. Peterson
Date
October 25
Position
The writer calls upon his experience in southern California to deduce the presence of smog in The Dalles. He urges that no increase be permitted lest The Dalles become a miniature Los Angeles.

Writer
Ms. Anne Radford
Date
October 22
Position
The writer questions the claim that present emissions are low andurges strict controls.

Writer
Ms. Lucy B. Rice
Date
October 23
Position
The writer opposes increased emissions and argues that an increase, coupled with proposed new sources, would make life unbearable in Mill Creek Valley.

Writer
Bruce Schwartz, M.D.
Date
October 25
Position
The writer opposes Martin Marietta's proposal as it would increase annual SO_2 emissions from 570 to 1900 tons when adding additional equipment would mean only a 5% increase in SO_2. The writer adds that The Dalles already has an increasingly serious air pollution problem in a uniquely susceptible airshed. The Commission is urged to be skeptical of the applicant's economically self-serving testimony and to place environmental-aesthetic concern above economics. It was added that the plant should be required to accomplish both goals of clean air and clean water.

Writer
Mrs. Robert Stover
Date
October 25
Position
The writer opposes an increase in emissions and finds The Dalles threatened by big industry in both Oregon and Washington.

Writer
Mr. Harold O. Talbot
Date
October 24
Position
The writer says it would be a grave mistake to permit the plant to increase SO_2 or any other pollutants.

Writer
Mr. Vernon B. Tenneson
Date
September 16, 1976
Position
The writer opposes increased SO_2 emission. He argues present levels are too high and are responsible for 30% reduction in his cherry crop of 1976. He contends that the atmospheric moisture and SO_2 act together to destroy cherry crops by killing pollen.

Writer
Mrs. W.R. Wiley
Date
October 21
Position
The writer opposes increased emissions and the attendant increase in smog visible from most of the homes in The Dalles.

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

MEMORANDUM

From: Director

Subject: Agenda Item G, November 19, 1976 Meeting

ADDENDUM - PUBLIC INFORMATIONAL HEARING (continued), MARTIN-MARIETTA ALUMINUM - PROPOSED CHANGE IN AIR POLLUTION CONTROL SYSTEM

The following information has been received since preparation of the original staff report for this meeting.

Public Comment

The Department's hearings officer has presented a summary of several citizens letters on this subject to the EQC. The majority of comments were that air pollution including haze and odors in The Dalles was already at unacceptable levels and that Martin-Marietta should not be allowed to increase its SO_2 emissions. The Department should point out that at the maximum projected SO_2 increases, SO_2 levels in The Dalles would be well below the level at which SO_2 odor can be detected. In regard to haze some of the additional SO_2 will likely convert to sulfate particulate in the atmosphere particularly under stagnant air mass conditions. This would add to the haze problem. Calculating the exact increase in haze would be questionable because of many variables involved (i.e. reaction rate, moisture, resonance time and presence of catalyzing agents). Based on present information, the increase would be measurable and probably on the order of 10% of worst days.

EPA Scrubber Cost Data

EPA has verbally indicated that their research shows their original $440,000 cost estimate for a 70% effluent SO_2 scrubber is too low. They indicate new cost figures vary from 1 to 4 million dollars depending on the type of system chosen. EPA Region X staff indicate that a simple packed tower scrubber with caustic treatment and once through water designed at 95% efficiency could cost as little as $1 to $1.5 million for the complete system. Water discharge to the Columbia within EPA limits would be possible with only acid neutralization. The higher capital cost estimates from EPA headquarters staff are based on systems presently in operation. Full written documentation from EPA was received on Thursday, November 18, and is attached (Attachment 1).

EPA Economic Analysis

EPA's Region X economist has conducted a fairly detailed ecomonic analysis of Martin Marietta's financial condition and the economic impact to Martin Marietta of installing SO_2 control. A copy of this report is attached. (Attachment 2)

This report concludes (in part):

> "Martin-Marietta's disposable cash flow of about $100 million a year, its low (for the aluminum industry) debt to equity ratio, and its Baa bond rating indicate that it would have no problem in financing the relatively minor sums required for air pollution control at The Dalles. The plant at The Dalles is believed to generate at least $6 to $8 million a year of cash flow, sufficient to absorb the incremental air pollution control costs of wet scrubbing (roughly $1 million a year before tax impact) without major damage to its competitive condition."
>
> Also, "Although Martin-Marietta can afford to install a wet scrubber, the addition would impose a distinct competitive disadvantage, in that no other plant in the industry is likely to face that particular cost.

Martin-Marietta Economic Analysis

Martin Marietta submitted their economic analysis on Wednesday, November 17. (Attachment 3) This analysis indicates that of all the alternatives considered, the company's proposal of just installing the dry scrubber is the only one that produces a positive annual cash flow (approximately $300,000). A clearer picture of the economics is obtained when considering that Martin Marietta is incurring a significant annual cost to operate its existing air pollution control systems. Considering present conditions plus elimination of the primary scrubber waste water as a base, Martin Marietta's economic analysis indicates that Martin Marietta's proposal of installing the dry scrubber only would benefit the company approximately $1.5 million annually (comparison of Case 4 with Case 6, Table 2). Addition of even the most expensive estimated SO_2 scrubber with efficiencies approaching 95% would in effect reduce the economic benefit of installation of the dry system from $1.5 million to about $0.8 to $1.0 million (comparison of Case 5 with Case 6, Table 2).

Summary

Based on information received as of Thursday November 18, with still some documentation expected to be received and analyzed shortly, it appears:

1. Increases in Martin Marietta's SO_2 emissions as a result of the company's proposal would not cause state or federal air quality standards to be exceeded nor appear to pose a danger to sensitive vegetation in the community. (Maximum concentration in orchard would be 15% of state air quality standards.)

2. An SO_2 scrubber after the proposed dry scrubber would appear to offer a benefit of reducing the SO_2 levels in the orchard areas in proportion to the emission reduction achieved. Impact on additional haze would also be minimized or eliminated by the SO_2 scrubber.

3. Best available SO_2 control for application at Martin Marietta appears to range from 70 to 95% effluent at costs from $1 - $4 million a year. From a conservative standpoint and with some similar actual installations data for support, costs closer to the high range projected and efficiencies closer to the low range should be used in evaluating economic feasibility.

4. Economic analysis indicates that requiring addition of even the most expensive SO_2 wet scrubber identified would reduce the potential economic benefit to the company from installing the dry scrubber from $1.5 million to $0.8 to $1 million. In other words the profitability of the company's proposal would be reduced by about 1/3 or $500,000 annually.

5. Martin Marietta's financial profitability is considered the best among the big four aluminum producers and its cash flow is considered sufficient to absorb SO_2 scrubber costs without major damage to its competitive condition.

6. The issue now appears to focus on whether Martin Marietta's potential increased profitability by going to the dry scrubber should be curtailed by about 1/3 ($500,000 annually) for the sake of preventing a small degradation to critical portions of The Dalles airshed. The precedence of singling out Martin Marietta as the only aluminum plant to impose such SO_2 controls must also be considered.

Conclusion

The Department must still fully analyze a considerable amount of just received highly technical information before making a recommendation on this matter. A Department recommendation must be reached during the week of November 22 in order to have a proposed permit available for a proposed public hearing before a hearings officer on December 9. The EQC will also need time to review and consider information and testimony before taking final action on the Department's recommendations at its December 20, 1976, meeting.

The most applicable rule to resolving this issue appears to be OAR 20-001 regarding requirements for Highest and Best Treatment and Control and the interpretation of the rules in light of identified economic and environmental impacts. A copy of OAR 20-001 is attached (Attachment 4).

U.S. ENVIRONMENTAL PROTECTION AGENCY

REGION X

1200 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

REPLY TO ATTN OF: M/S 625

NOV 18 1976

Mr. E. J. Weathersbee, Administrator
Air Quality Division
State of Oregon
Department of Environmental Quality
1234 SW Morrison Street
Portland, Oregon 97205

Dear Mr. Weathersbee:

As requested in your letters of October 20 and 29, 1976 we are providing the enclosed information in response to the questions raised concerning sulfur dioxide control technology for the Martin Marietta facility at The Dalles. Attachment A is a [illegible] from our headquarters office in North Carolina describing the costs of [illegible] of sulfur dioxide control systems. Attachment B is a [illegible] describing the various applications of these control systems. Attachment C is a [illegible] to other issues addressed by John Wastaliela at the close of the October 19, 1976 hearing. Lastly, [illegible] at least [illegible] by regional office staff will be sent under separate cover.

We have obtained as much information as possible within the time available and hope this information will be helpful to you in reaching a decision on application of highest and best practicable control technology for the Martin Marietta facility.

With regard to EPA's determination of best available control technology under the prevention of significant deterioration regulations, we have not reached a decision, but expect to issue a final determination in December. We will keep in touch with your staff as our efforts to reach that decision progress.

[illegible]

If you have any questions concerning the enclosed information, please do not hesitate to contact us.

Sincerely yours,

Clark L. Caulding

Clark L. Caulding, Chief
Air Programs Branch

Enclosures

cc: D. Goodwin (with enclosures)
J. Kowalczyk (with enclosures)
J. Vlastelicia (with enclosures)

(Attachments A, B, and C [illegible] to John K by Ron [illegible] 11-10-76 mt.)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Research Triangle Park, North Carolina 27711

SUBJECT: Costs for SO_2 Emission Control for the Dalles Plant of Martin Marietta

DATE: November 15,

FROM: R. E. Jenkins (MD-12)
Economic Analysis Branch, SASD, OAQPS

RECEIVED
NOV 15 1976
CONFIDENTIAL CENTER

TO: Paul Boys
Air Branch
Air and Hazardous Materials Division
Region X

The costs that we quoted over the phone Friday for the FGD system were based on the lime slurry system as specified in "Simplified Procedures for Estimating Flue Gas Desulfurization System Costs," by PEDCo-Environmental Specialists calculation formulae are found on pp. F-1 thru F-9. The system itself is depicted in Figure 3-1 on page 3-5. Since we are not concerned with a power plant installation, costs for soot blowers and reheat equipment were omitted as were costs for a sludge pit which the Dalles plant reportedly has.

Input for the equations was based on 170 ppm SO_2 (2.0% sulfur in anode carbon) and 230 ppm SO_2 (2.8% sulfur in anode carbon) as specified by Reid Iverson. An allowable emission level of 75 ppm and a 95% control efficiency permitted 30% bypass of the emitted gases for the high sulfur and 40% bypass for the low sulfur case. The final investment costs were adjusted for inflation using the Chemical Engineering Index of 192.0 for July 1976 and 149.2 for December 1973.

Operating costs for the FGD system were calculated according to the formulae provided. The hourly labor rate used was $6.91. It is the preliminary figure for primary metal industries for August 1976 in the Monthly Labor Review, October 1976 published by the Department of Labor. The cost of electricity was estimated at 20 mills which is lower than the 30 mills we usually use because of the cheaper power in the Columbia River area.

The scrubber system considered was a Hydro-clean unit manufactured by Control Research Products of Erie, Pennsylvania. The vendor estimate a 90,000 acfm unit at between $600,000 and $750,000 and a 164,000 acfm unit at 50% more. Adjusting the average price with the 0.6 power scalin factor to the required air flows, $745,000 and $817,000 were the calcula costs for the low and high sulfur cases respectively. The packaged Hydr clean unit includes the absorber, fan, two pumps and a pH controller. The construction material will be 316 L.

I was told a closer estimate could be made if we requested it in writing, giving the pressure and the gas composition at the Hydro-clean unit inlet. Since the time was short this was not done.

For the chemical treatment case a loading dock, unloading pump, 30,000 gallon storage tank, clarifier with pump, and a hold tank equipp with an agitator were added at a cost of $126,000. Since no installati costs were provided, the factor of 3.48 times the bare equipment cost w used. This was taken from Guthrie,* page 113.

Operating costs for this unit considered caustic soda at $290 per ton, soda ash at $52/ton and lime at $26/ton. Electricity was valued at 20 mills/kwh, makeup water at 75¢/1000 gallons with a makeup rate of 5% of the circulation rate, and labor at $6.91 for three hours a day. Although the seller claimed the unit to be mostly maintenance free, two percent of investment was used. Supervision and overhead were calculated on the same basis as the FGD system. Taxes and insurance were estimated at 4% of investment and a capital recovery factor of 0.16275 was used, representing a ten year life at ten percent interest.

For the case wherein water was the only scrubbing fluid, the auxiliary chemical equipment was eliminated from the investment schedule.

The results, as we discussed on the telephone last Friday, are summarized in the table below.

SO2 Emission Control Costs

	FGD System (FEDCo)	Hydro-clean System
Installed Capital		
Water scrubbing	--	$2.6-2.8 mm
Chemical scrubbing	$3.4-3.7 mm	$2.9-3.2 mm
Total Annualized Cost		
Water scrubbing	--	$0.7-0.8 mm
Chemical scrubbing	$1.4-1.5 mm	$0.8-1.0 mm
Capital Charges		
Water scrubbing	--	$0.5-0.6 mm
Chemical scrubbing	$0.8-0.9 mm	$0.6-0.7 mm

*Guthrie, K.M. Process Plant Estimating Evaluation and Control, 1974.

cc: D. Goodwin, ESED
S. Cuffe, ESED
R. Iverson, ESED
B. Hamilton, SAB
B. Wiese, Region X

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

November 17, 1976

Sulfur Dioxide Emissions Control System for the Martin-Marietta Plant at The Dalles, Oregon

Reid E. Iversen, Chemical Engineer J. T. Coffey for
Industrial Studies Branch, ESED, OAQPS

Betty Weiss
EPA Region X

As a supplement to the information on costs of sulfur dioxide (SO_2) control system supplied to Paul Boys of Region X on November 15, 1976, by Richard Jenkins of our Strategies and Air Standards Division, the following comments on the technical feasibility of these systems are noted:

1. Flue gas desulfurization systems (FGD) are being used at power plants to remove sulfur dioxide from weak gas streams. The Reid Gardner Station of Nevada Power Company burns a low sulfur (about 0.6%) coal which results in a sulfur dioxide concentration of about 300 ppm. An alloy steel perforated plate scrubber using an aqueous sodium carbonate solution reportedly reduces the SO_2 to about 50 ppm.

2. The Hydro Clean scrubber costed by Dick Jenkins is used at steel and chemical plants for removal of SO_2. At the Allen Woods Steel Company at Conshohocken, Pennsylvania, a pilot scale water scrubber was used to remove both SO_2 and particulate from sinter plant combustion gases. The concentration of SO_2 is reduced from approximately 150 ppm to about 70 ppm. At Harshaw Chemical in Cleveland, Ohio, an alkaline scrubber reportedly reduces SO_2 from about 3000 to 500 ppm.

3. On page 5 of the report of the Hearing Panel, National Public Hearings On Power Plant Compliance with Sulfur Oxide Air Pollution Regulations, January 1974, the EPA panel noted that "The reliability of.....FGD systems has been sufficiently demonstrated on full scale units to warrant widespread commitments to FGD systems for SO_x control at coal and oil fired power plants."

It is therefore reasonable to expect that either one of these systems is a viable technology for removing sulfur dioxide from weak gas streams such as those in the primary aluminum industry.

ATTACHMENT 2
John K

U.S. ENVIRONMENTAL PROTECTION AGENCY

REGION X

1200 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

REPLY TO ATTN OF: M/S 329

November 11, 1976

Mr. E.J. Weathersbee
Administrator
Air Quality Division
Oregon Department of Environmental Quality
1234 Southwest Morrison Street
Portland, Oregon 97205

Dear Jack:

As you requested in your letter of October 29, I have attempted a quick economic assessment of the SO_2 reduction requirements being considered for the Martin-Marietta plant at the Dalles.

I must apologize for the superficial nature of the analysis. Neither the time nor the data available permitted a more polished effort. In particular, this one suffers from the absence of the specific cost estimates being prepared concurrently by Region X engineers and by Research Triangle Park. It is my opinion, however, that neither reliable cost estimates nor financial statements for the plant would change the general conclusions of the analysis. The relationships are such that even a considerable range of error will not cause a fundamental change in consequences.

I hope that these materials are responsive to your needs and will be of some use. Please regard them as technical economic analysis and not as EPA policy statements.

Sincerely,

Robert L. Coughlin
Regional Economist

Enclosure

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY
RECEIVED
NOV 17 1976
AIR QUALITY CONTROL

Conclusions

1) Martin-Marietta is a minor factor in the aluminum industry; but the firm's size, financial strength and the integrated nature of its aluminum operations make it fully competitive with the major producers. Aluminum provides a significant component of corporate revenues, and a disproportionately high share of profits. Profitability of the aluminum operations is dependent on business cycle fluctuations; so Martin-Marietta's diversification provides earnings stability that larger competitors may lack.

2) Although the maximum capital outlay required by wet scrubbing would be no more than a 73% increment to the investment in dry scrubbing proposed by the plant, the maximum addition to production costs imposed by the added feature would be about a 200% increment over dry scrubbing alone, a result of the absence of offsetting materials recovery effects in wet scrubbing. Total air pollution control costs per pound of output would amount to about one cent if both treatment modes were employed.

3) Martin-Marietta's disposable cash flow of about $100 million a year, its low (for the aluminum industry) debt to equity ratio, and its Baa bond rating indicate that it would have no problem in financing the relatively minor sums required for air pollution control at The Dalles. The plant at The Dalles is believed to generate at least $6 to 8 million a year of cash flow, sufficient to absorb the incremental air pollution control costs of wet scrubbing (roughly $1 million a year before tax impact) without major damage to its competitive condition.

4) Although Martin-Marietta can afford to install a wet scrubber, the addition would impose a distinct competitive disadvantage, in that no other plant in the industry is likely to face that particular cost. No environmental benefits are ascribed to SO_2 reduction in this case, so the efficiency of the investment is most questionable. There are also adverse incentive effects to be anticipated from a policy of inhibiting a producer from adopting a more efficient abatement technology solely because of the loss of collateral reductions obtained by a prior abatement system: such a policy should cause unwillingness to attempt abatement until acceptable treatment methods are frozen into regulation so that the discharger is protected by uniform requirements.

1. Background

Although Martin-Marietta is a minor factor in the aluminum industry--its two Columbia River plants provide just over 4% of domestic primary aluminum capacity--it is a sound and thoroughly competitive component of that industry.

Martin-Marietta's aluminum operations are fully integrated. Bauxite is supplied from the Republic of Guinea by 20% owned Halco Mining Company. Alumina is produced at a wholly owned plant of 375,000 tons per year capacity in St. Croix, Virgin Islands for shipment to primary reduction plants at The Dalles, Oregon and Goldendale, Washington. (The Goldendale plant, capacity 105,000 tons per year, produces only ingot. The Dalles plant, capacity 90,800 tons per year, performs some preliminary shaping as well as ingot production.) Fabrication is performed at mills in Torrance, California (extrusions, forgings, other mill products) and Lewisport, Kentucky (rolling mill, sheets, plate). Although substantial transportation charges are implicit in the widely distributed production chain, such costs are the norm for the industry. Water transportation is utilized exclusively through ingot production; and low tariff rail shipment is utilized to bring the raw metal closer to ultimate markets for fabrication. Unit transportation costs can be only slightly greater than for Mississippi Valley producers; and any disadvantage that there may be is more than offset by relative energy costs.

The Columbia River mills, together with their mining and alumina production support facilities, were acquired by Martin-Marietta through its absorption of Harvey Aluminum. (Acquisition was in stages: 41% interest

assumed in 1968, 41.7% in 1969, 17.3% in 1974.) In total, aluminum supplied 24.3% of Corporation revenues and 15.6% of net profits in 1975, 26.5% of revenues and 45.6% of net profits in 1974. It is, then, a majo source of earnings to the diversified corporation, and its most profitabl operating segment.

Though the separate financial reports that would allow assessment of the comparative performance of its aluminum division are not available fo the various Martin-Marietta enterprises, the firm is similar to the major aluminum producers in composition and earning power. It differs principal in size. Total assets under a billion dollars are distinctly less than for the big four of North American aluminum production, who range in size from $1.5 to $2.8 billion in gross assets. But because of its more conservative financial structure, its net worth approaches that of Kaiser and Reynolds. The consequent reduction in leverage, as well as its diversification, have provided Martin-Marietta with some insulation against business cycle fluctuations. The 1975 recession, concentrated in construction and transportation equipment--the principal markets for aluminum--caused a far more pronounced drop in earnings of the major aluminum firms than the one that Martin-Marietta experienced. (Earnings of Kaiser, like those of Martin-Marietta, were supported by other product lines.)

Profit reduction from 1974 to 1975

Alcan	84%
Alcoa	63%
Kaiser	9%
Reynolds	46%
Martin-Marietta total	31%
Martin-Marietta aluminum	80%

Comparative Financial Condition, 1975

	Alcan	Alcoa	Kaiser	Reynolds	M-Marietta
Debt Ratio	.47	.44	.47	.51	.35
Tax Rate (5 yr. mean)	.42	.45	.45	.42	.45
Operating Margin	.122	.142	.143	.099	.144
Return on Capital, 1974	.091	.081	.089	.084	.107
1975	.031	.037	.081	.051	.074
Return on Net Worth, 1974	.13	.112	.139	.139	.139
1975	.02	.041	.119	.072	.091
Long Term Debt (10^6)	971	1,254	695	867	272
Net Worth (10^6)	1,112	1,575	798	831	609
Net Profit, 1974 (10^6)	141.8	173.1	104.4	111.1	80.8
1975	22.7	64.8	94.7	60.0	55.4
Non-Cash Charges (10^6)	110.7	170.8	54.3	72.6	64.4

Source: Value Line Investment Survey

But size, leverage, and diversification notwithstanding, Martin-Marietta's operating margin, return on investment, and return on net worth are similar to those of the major aluminum firms; though in both 1974, a year of record profits, and in recessionary 1975, Martin-Marietta outperformed the big four by a slight but perceptible margin in all three indicators of profitability.

Earnings have been extraordinarily stable over the last five years. After recording modest, persistent gains through 1974, both profits and cash flow dropped significantly in the course of the 1975 recession, due entirely to a $62 million decline in the operating profits of the aluminum

divisions. But, virtually alone in the aluminum industry, Martin-Marietta managed to hold its earnings near pre-1974 levels as a consequence of its diversification and relatively conservative financial structure.

	Millions of Dollars				
	1971	1972	1973	1974	1975
Net Income	56.5	53.5	56.5	80.8	55.4
Depreciation, etc.	46.4	49.5	52.9	57.9	59.7
Interest	17.6	22.4	24.4	23.3	19.7
Gross Cash Flow*	120.5	125.4	133.9	162.0	134.8
Return on Investment	11.7%	11.6%	12.5%	14.4%	11.8%
Disposable Cash Flow*	102.9	103.0	109.5	138.7	115.1
Return on Net Worth	19.8%	18.7%	19.0%	22.2%	17.7%

*No allowance for deferred taxes

The firm appears currently to be experiencing a dramatic revival of earnings. Net profits of $60.2 million in the first three quarters of this year exceeded full year earnings for all prior years but 1974, and were $18.8 million (45.4%) greater than for the same period of 1975. Full year profits should approximate, and perhaps exceed, those of 1974.

Operations of the aluminum divisions of the firm have probably contributed significantly to current profit revival, just as they were responsible for last year's decline. Industry-wide, shipments in 1976 have been running 29% over 1975 levels, inventories have been reduced moderately, and posted selling price has been increased 20.2% over the summer, 1975 low of 39¢ per pound:

	1972	1973	1974	1975	1976 Jan.	1976 July
Monthly shipments (million lbs)	989.8	1203.2	1136.6	817.0	902.9	1054.1
End/period inventory "	4861	4366	5156	5999	5971	5592
Price per pound	26.5¢	25.3¢	34.1¢	39.8¢	41.0¢	44.0
Inventory/Sales	4.9	3.6	4.5	7.3	6.6	5.3

It is clear that the industry is not yet quite healthy; but it has come a long way toward recovery from the malaise of 1975. In particular, the price discipline which has resulted in six consecutive increases in posted price (to 46.9¢ per pound in August), in spite of lagging demand and the necessity to work off inventories that seemed to have contracted elephantiasis, testifies to a determination to pass on escalating costs and maintain profitability. The common front in pricing policy is an innovation in the industry. In the past it has pursued growth single-mindedly, and has responded to every lag in demand with price cuts and discounts intended to maintain production and cash flow regardless of effect on profits. It may be that market behavior of the aluminum industry is evolving toward that characteristic of mature oligopolies like steel, petroleum, and auto production, with profits pursued through margin maintenance, relatively little dependence on internal growth, and genteel competitive practices.

II. Control Costs

There is a tendency for official consideration of waste handling problems to become reduced to haggling over estimated costs of purchasing and installing particular pieces of hardware that are associated with varying levels of residuals control. It is not uncommon for the technical experts who present such estimates in support of the affected industry to differ from their counterparts who support the regulatory agency by a factor of between two and five. When such massive differences are introduced into the regulatory process--and are supported persuasively on either side by men with impeccable technical credentials--the (usually non-technical) decision maker is presented with problems of data resolution that tend to interfere with, rather than assist, logical choice.

The situation at The Dalles has some aspects of that conventional problem of estimation. Initial cost estimates by EPA engineers were roughly one tenth (in terms of capital requirements) of the one advanced by Martin-Marietta. Differences traced to such highly technical and situation-specific matters as degree of SO_2 reduction achievable in a particulate-cleansed gas stream and adaptability of existing devices to an altered routing of waste gasses at the plant.

Obviously there is an element of gaming as well as real differences in condition and approach involved in such divergence of estimates. Obviously, too, information developed in the negotiating process tends to narrow the degree of difference--though experience has indicated that the differences are never wholly, or even substantially, resolved.

Fortunately, in the situation at The Dalles the significance of the sums involved is so slight that differences of estimate simply do not make any fundamental difference. If one accepts as given the highest cost estimates of the firm and views them in the most pessimistic fashion, they indicate a difference in production cost that--however deplorable from the firm's point of view--is of slight consequence.

That judgment is based on a simple model of the plant's air pollution control costs. It is a model that accepts the firm's estimated cost of installing a "dry scrubber" system, the firm's estimate of the value of materials recovered, high normative costs from the literature for the operating costs of baghouses, cost estimates submitted by Research-Cottrell for construction and operation of a Bahco scrubbing system, with unit operating costs assessed at high Pacific Northwest prices, a clarifier constructed to municipal wastewater treatment specifications and at 1.25 times conventional construction costs for the summer of 1976, interest charges at the level established by a 1971 bond issue of the Martin-Marietta aluminum division (i.e. rate somewhat above the current price of Baa bonds), and the average depreciation rate applied in the aluminum industry--one that is 1.5 to 2 times the actual physical rate of replacement of the kinds of facilities considered.

In short, the procedure aims at deriving the maximum possible addition to production costs that might result from additional pollution control features.

To carry out the logic of developing maximum cost consequences, all costs are viewed incrementally. That is, dry scrubber installation is

considered to be a necessary, and total, addition to production costs: no production cost offsets or salvage value is assigned for abandonment of the existing scrubbers. The SO_2 scrubber's costs are considered to be an integral addition to the "dry scrubber" system, entirely independent of both the "dry scrubber" and existing scrubbers, a cost element that may be introduced as a consequence of shift in the emissions control method. Similarly, costs of the clarifier (for treatment of scrubber wastewater) is assumed to be a possible consequence of installing SO_2 controls.

The results of the calculation are presented in Table 1. They indicate that at the preferred operating rate, the entire complex of controls would add at most 0.9¢ per pound to the cost of producing aluminum at The Dalles. At a very low 80% production rate, and making no allowance for reduction in control system operating costs, the addition to production costs would be just over 1¢ per pound.

To put these costs into perspective, A.D. Little, Inc. has indicated (Economic Analysis of Effluent Guidelines ... Aluminum) that the average addition to production costs--under the moderate price regimen of 1972--of emissions controls in primary aluminum production would amount to:

Pre-bake process	0.77¢/lb
Horizontal Soderberg	1.6¢/lb
Vertical Soderberg	0.9¢/lb
All plants	0.97¢/lb

In short, the model indicates that while aluminum prices have increased 77% since 1972, it will cost Martin-Marietta no more to install the full bank of suggested treatment at The Dalles today than the average amount for the industry in 1972.

TABLE 1 - Maximum Cost Pollution Control Configuration

	Baghouse	Bahco Scrubber	100,000 G/d Clarifier
Investment	$5,800,000	$4,100,000	$125,000
Annual Costs			
Maintenance	191,000	123,000	4,000
Labor @ $20,000/MY	90,000	30,000	15,000
Water @ 25¢/1000G	--	6,000	--
Electricity @ 0.5¢/kwh	25,000	25,000	1,000
Lime @ $6/T	--	15,000	--
Total Optg.	306,000	199,000	20,000
Depreciation @ 9.9%	574,000	406,000	12,000
Interest @ 9.375%	544,000	384,000	12,000
Materials Recovery	-948,000	--	--
Total	$476,000	$989,000	$44,000
Addition to pdtn. cost			
@ 92.5% O.R.	0.28¢/lb	0.59¢/lb	.02¢/lb
@ 80.0% O.R.	0.32¢/lb	0.68¢/lb	.03¢/lb

III Financial Capability

Martin Marietta's ability to finance proposed emissions controls would seem to be no more effective a constraint than the controls' impact on production costs and prices. Viewed from the corporate perspective, the necessary investment of $10 million -- probably considerably less -- is a small burden to a firm that generates about $100 million a year of cash flow and that carries a Baa bond rating.

What is more, Martin Marietta, despite its relatively small size, is probably better situated in terms of disposable cash flow to meet the investment demand than is any of its larger competitors in the aluminum industry.

Net Cash Flow Available
in the 1970's
(approximate values in $1,000,000)

	Gross Cash Flow*	Debt Service**	Discretionary Cash Flow
Alcan	220-340	135	85-205
Alcoa	335-450	175	160-275
Kaiser	210-225	95	105-120
Reynolds	210-265	120	90-145
Martin Marietta	120-135	40	80-95

* Interest + depreciation + net profit

** Interest + annualized debt retirement burden at January 1, 1976

The corporation, however, is scarcely the appropriate unit to determine financial impact. It is The Dalles reduction plant that will

incur the added production costs and that will have to provide the cas flow to finance whatever pollution control features are found to be necessary; and, unfortunately, we have no specific financial or operat data with which to gage the ability of the plant to generate necessary flows.

There are general guides, however, to the magnitude of such cash flows. These suggest that even the maximum addition to production costs can be adequately, if not conveniently, covered.

1. Martin Marietta attributed $15.5 million of profits in recessic ary 1975 and $77.8 million in 1974 to its aluminum operations. It is the nature of the highly integrated industry's accounting that the bulk of profits are recorded at the fabrication stage: bauxite mining, alumina production and primary reduction together are credited with no more than half of industry profits. If one assumes that primary reduction is responsible for a quarter of Martin Marietta's aluminum profits, and that half of that is derived from The Dalles Plant, then profits in a range of $1.9 million to $9.7 million a year are available to absorb a maximum of $520,000 a year of air pollution costs other than depreciation.

2. On a less qualitative basis, we can assess financial impact in terms of an average plant. The average plant model is drawn from operating data for three eastern aluminum plants for the period 1970-74. It is not likely that The Dalles plant is exactly similar to the model, in that it is larger and newer than two of the three plants and has the advantage of lower energy costs. Nonetheless, it must be assumed to be generally like other plants of the same type producing the same product. As presented in Table II, the model plant is assumed to operate at the average rate for the industry in the given year, and selling price is set at the average for

the industry; interest costs are generated on the assumption that one-third of the outstanding $50 million aluminum division bond issue by Martin Marietta applies to The Dalles Plant; and operating costs are assumed to be resistant to operating rate variations. The model is, then, in all respects a conservative assessment of the plant's earning power.

What the model provides is an indication of the earning power of an average aluminum plant of the size of the one at The Dalles in 1974 and -- taking into account changes in price, costs, and operating rate -- in 1976. It is an approximate guide to the plant's ability to finance emissions controls of the type under consideration in both a good and a bad year.

If the maximum cost values presented in Table 1 are applied to the plant model, they provide an indication of the effect of various levels of air pollution control on operations:

	thousand of dollars			
a) 'Dry scrubber' only	1974		1976	
Modelled net profit	5,285		3,026	
added fixed charges	-1,118		-1,118	
added operating costs*	801		586	
reduced income tax	143		240	
Indicated profit	5,111	(-3.3%)	2,734	(-9.6%)
b) 'Dry scrubber' + wet scrubber				
Modelled net profit	5,285		3,026	
added fixed charges	-1,908		-1,908	
added operating costs*	602		387	
reduced income tax	588		684	
Indicated profit	4,567	(-13.6%)	2,189	(-27.7%)
c) 'Dry scrubber' + wet scrubber + clarifier				
Modelled net profit	5,285		3,026	
added fixed charges	-1,932		-1,932	
added operating costs*	582		367	
reduced income tax	608		704	
Indicated profit	4,543	(-15.0%)	2,165	(-28.5%)

* Materials recovery values exceed indicated operating costs. They are assumed to be directly related to operating rate.

Even if proper allowance is made for all of the unfavorable factor built into the values, it is clear that addition of wet scrubbing represents a significant (10% in a good year, 20% in a mediocre year) adverse influence on profits. It is equally clear that it is by no means a crippling influence.

The major impact of the resolution of the wet scrubber question is not, however, to be found in direct impact on profits. As presented in the illustrations above, the direct result would be a reduction of $540,0 to $570,000 a year in after-tax profits, depending upon the need for scrubber effluent clarification. A more painful effect would be the diversion of $4.2 million (probably less in the ultimate resolution) from potentially profitable investments. Given a return on capital — as net profit, cash flow from depreciation would be the same in either case — varying from 10% to 18% according to business cycle stage, the major impact of investment in the scrubber would be foregone earnings of $400,000 to $700,000 a year and the compounding effect of their partial reinvestment.

IV Competitive Factors

As the foregoing materials indicate, Martin Marietta can afford to install and operate SO_2 reduction scrubbing at The Dalles aluminum plant. Added capital costs can be absorbed without eliminating profits; and the operational efficiencies flowing from the basic installation (i.e. the 'dry scrubber') are greater than the sum of potential operating costs.

On a net cash flow basis (assuming that the plant is capitalized and performs like the average plant model), installation of wet scrubbing for SO_2 reduction would reduce return on capital invested in fixed assets by about 14% -- i.e. from 24.3% to 21.3% at the 1974 operating rate. It would also increase sharply the downward leverage on profits in bad years, because of the introduction of incremental fixed charges and relatively inelastic operating costs.

There is almost no possibility that the relative disadvantage imposed by wet scrubbing could be offset by increased prices. The plant at The Dalles contains less than 2% of domestic primary aluminum capacity. It can not increase prices unilaterally to offset added production costs; and general price increases would not eliminate the unfavorable cost margin imposed by scrubbing.

The situation would seem to reduce itself to issues of equity and efficiency.

From the standpoint of equity, it appears that Martin Marietta may be faced with the imposition of a continuing competitive disadvantage. The need for SO_2 reduction is not a feature of standard emissions controls for primary aluminum production. Alone in the industry, Martin Marietta may bear such costs -- a continuing competitive disadvantage, though a slight one.

The efficiency problem is two-fold. The basic issue is that the levels of SO_2 production that characterize the industry are not generally harmful -- hence are not restricted by regulation. The central fact is that in the event that wet scrubbing is required, resources will be consumed and aluminum production costs increased to purchase a reduction in SO_2 concentrations that has no beneficial consequences.

The minor issue of efficiency involved in the regulatory decision is its potentially malign incentive effect. The plant at The Dalles faces SO_2 reduction costs only because of its early effort to control air pollution through the use of a sub-optimal technology. Because that treatment technique had the collateral effect of reducing SO_2, the plant may be constrained from adopting the most efficient set of pollutant control processes. In effect, Martin Marietta may be penalized for a premature effort to reduce pollution; in which case it would have been better off to have resisted pollution control efforts until the chosen technology had been frozen by regulation. The moral is not apt to be lost upon other firms.

TABLE II. Model Aluminum Plant

	1974	1976	escalation basis
Production Rate	108%	87%	(first six months)
Ingot Price	34.1¢/lb	42.7¢/lb	
	Thousands of Dollars		
Sales	66,836	67,466	
Discounts	980	1,619	(72-3 average)
Net Revenues	65,856	65,847	
Operating Costs			
Raw Materials	33,712	33,970	(increase proportional to AL)
Labor	7,448	8,565	(average hourly, mfg.)
Energy, Other	10,584	13,124	(WPI, fuels)
Profit from Operations	14,112	10,188	
Depreciation	2,940	3,125	(13.1% year, percent)
Interest	1,562	1.562	
Income Taxes @ 45%	4,325	2,475	
Net Profit	5,285	3,026	
+ Depreciation	2,940	3,125	
Net Cash Flow	8,225	6,151	

ENVIRONMENTAL QUALITY COMMISSION

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ROBERT W. STRAUB
GOVERNOR

To: Environmental Quality Commission

From: Director

Subject: Agenda Item H, November 19, 1976 EQC Meeting.

Proposed Amendments to the Air Quality Regulations Governing Open Burning in the Board Products Industries (i.e., particleboard and hardboard plants)

Proposed Amendment Action

Delete Sections 25-320(4) and 25-325(5) of Oregon Administrative Rules (OAR) Chapter 340; Section 25-305 through 25-325 are the Air Quality Rules for the Board Products Industries. Sections 25-320(4) and 25-325(5) (see Attachment I) prohibit the open burning of wood residues and other refuse in conjunction with the operation of any particleboard or hardboard manufacturing plant, respectively.

Discussion

When the Board Products Industries Air Quality Rules were first proposed, restrictions on open burning were included. The Board Products Industries are the only sources that have open burning clauses as part of their specific industrial Air Quality Rules.

Industrial open burning is also addressed in other parts of the Air Quality Regulations, Open Burning Rules, OAR Chapter 340, Section 23-025 through 23-050 (see Attachment II) which were recently amended and adopted at the October 15, 1976 Environmental Quality Commission (EQC) meeting.

The Open Burning Rules, OAR Chapter 340, Section 23-045(4), prohibit the open burning of industrial waste except as may be provided in Subsection 23-045(7). Subsection (7) permits open burning of industrial waste if no other practicable alternative disposal method exists, if no significant degradation of the air quality in the area of the open burning will result and if application is made in writing to the Department. If, after review, the Department is satisfied that the above criteria are met, a special letter permit for a single and limited duration open burning occurrence may be granted. Within the boundaries of Clackamas, Columbia, Multnomah and Washington Counties, letter permits for open burning shall be issued for the disposal of waste which results from emergency occurrences only.

By deleting Sections 25-320(4) and 25-325(5) from the Board Products Industries Rules, Sections 23-045(4) and 23-045(7), of the statewide General Rules covering open burning would regulate open burning at particleboard and hardboard manufacturing operations. This will put particleboard and hardboard operations under the same restrictions for open burning common to all other industrial sources in Oregon.

There are about a dozen each of particleboard and hardboard plants in Oregon. Thus this amendment might affect about two dozen industrial sources.

Pursuant to EQC authorization on August 27, 1976, a public hearing regarding the proposed amendment was held on November 1, 1976 in Portland. No adverse testimony to the proposed amendment was received at the public hearing.

Summary

The Board Products Industries are the only industrial sources that have an open burning clauses as part of their Air Quality Rules. Open burning is also regulated under Section 23 of the Air Quality Regulations. By deleting Sections 25-320(4) and 25-325(5), particleboard and hardboard plants will be under the same Open Burning Rules, i.e., Section 23, that govern all other industrial sources.

Director's Recommendation

The Director recommends that the Environmental Quality Commission delete Sections 25-320(4) and 25-325(5) from Oregon Administrative Rules (OAR), Chapter 340.

LOREN KRAMER
Director

AFB:ds
11/5/76

Attachments

I. OAR Chapter 340, Sections 25-320 and 25-325.

II. OAR Chapter 340, Sections 23-025 through 23-050.

and all contaminant control equipment shall be at full efficiency and effectiveness so that the emissions of air contaminants are kept at the lowest practicable levels.

(e) No person shall willfully cause or permit the installation or use of any means, such as dilution, which, without resulting in a reduction in the total amount of air contaminants emitted, conceals an emission which would otherwise violate this rule.

(f) Where effective measures are not taken to minimize fugitive emissions, as defined by section 21-050, OAR, Chapter 340, the Department may require that the equipment or structures in which processing, handling, and storage are done be tightly closed, modified, or operated in such a way that air contaminants are minimized, controlled, or removed before discharge to the open air.

(g) The Department may require more restrictive emission limits than provided in section 25-315(1)(b) for an individual plant upon a finding by the Commission that the individual plant is located or is proposed to be located in a special problem area. The more restrictive emission limits for special problem areas may be established on the basis of allowable emissions expressed in opacity, pounds per hour, or total maximum daily emissions to the atmosphere, or a combination thereof.

(2) Other Emission Sources.

(a) No person shall cause to be emitted particulate matter from veneer and plywood mill sources, including, but not limited to, sanding machines, saws, presses, barkers, hogs, chippers, and other material size reduction equipment, process or space ventilation systems, and truck loading and unloading facilities in excess of a total from all sources within the plant site of one (1.0) pound per 1000 square feet of plywood or veneer production on a 3/8 inch basis of finished product equivalent.

(b) Excepted from subsection (a) are veneer dryers, fuel burning equipment, and refuse burning equipment.

(3) Open burning. Upon the effective date of these regulations, no person shall cause or permit the open burning of wood residues or other refuse in conjunction with the operation of any veneer or plywood manufacturing mill and such act are hereby prohibited.

Hist: Amended 2-15-72 by DEQ 37
Amended 5-5-72 by DEQ 43(T)
Amended 9-20-72 by DEQ 48
Amended 4-9-73 by DEQ 52
Amended 1-30-75 by DEQ 83

25-320 PARTICLEBOARD MANUFACTURING OPERATIONS. (1) Truck Dump and Storage Areas.

(a) Every person operating or intending to operate a particleboard manufacturing plant shall cause all truck dump and storage areas holding or intended to hold raw materials to be enclosed to prevent windblown particle emissions from these areas from being deposited upon property not under the ownership of said person.

(b) The temporary storage of raw materials outside the regularly used areas of the plant site is prohibited unless the person who desires to temporarily store such raw materials first notifies the Department of Environmental Quality and receives written approval for said storage.

(A) When authorized by the Department of Environmental Quality, temporary storage areas shall be operated to prevent windblown particulate emissions from being deposited upon property not under the ownership of the person storing the raw materials.

(B) Any temporary storage areas authorized by the Department shall not be operated in excess of six (6) months from the date they are first authorized.

(c) Any person who proposes to control windblown particulate emissions from truck dump storage areas other than by enclosure shall apply to the Department for authorization to utilize alternative controls. The application shall be submitted pursuant to section 20-0[illegible] to 20-030, Ch. 340, OAR, and shall describe in detail the plan proposed to control windblown particulate emissions and indicate on a plot plan the nearest location of property not under ownership of the applicant.

(2) Other Emission Sources.

(a) No person shall cause to be emitted particulate matter from particleboard plant sources including, but not limited to, hogs, chippers, and other material size reduction equipment, process or space ventilation systems, particle dryers, classifiers, presses, sanding machines, and materials handling systems, in excess of a total from all sources within the plant site of three (3.0) pounds per 1000 square feet of particleboard produced on a 3/4 inch basis of finished product equivalent.

(b) Excepted from subsection (a) are truck dump and storage areas, fuel burning equipment, and refuse burning equipment.

(3) Compliance Schedule. Not later than September 5, 1971, every person operating a particleboard manufacturing plant shall submit to the Department of Environmental Quality a proposed schedule for complying with sections(1) and (2) of this regulation. The schedule shall provide for compliance with the applicable provisions at the earliest practicable date, but in no case shall final compliance be achieved by later than December 31, 1973.

~~[(4) Open Burning. Upon the effective date of these regulations, no person shall cause or permit the open burning of wood residues or other refuse in conjunction with the operation of any particleboard manufacturing plant and such acts are hereby prohibited.]~~

25-325 HARDBOARD MANUFACTURING OPERATIONS. (1) Truck Dump and Storage Areas.

(a) Every person operating or intending to operate a hardboard manufacturing plant shall cause all truck dump and storage areas holding or intended to hold raw materials to be enclosed to prevent windblown particle emissions from these areas from being deposited upon property not under the ownership of said person.

(b) The temporary storage of raw materials outside the regularly used areas of the plant site is prohibited unless the person who desires to temporarily store such raw materials first notifies the Department of Environmental Quality and receives written approval.

(A) When authorized by the Department of Environmental Quality, temporary storage areas shall be operated to prevent windblown particulate emissions from being deposited upon property not under the ownership of the person storing the raw materials.

(B) Any temporary storage areas authorized by the Department shall not be operated in excess of six (6) months from the date they are first authorized.

(c) Alternative Means of Control. Any person who desires to control windblown particulate emissions from truck dump and storage areas other than by enclosure shall first apply to the Department for authorization to utilize alternative controls. The application shall be submitted pursuant to section 20-020 to 20-030, Ch. 340, OAR, and shall describe in detail the plan proposed to control windblown particulate emissions and indicate on a plot plan the nearest location of property not under ownership of the applicant.

(2) Other Emission Sources.

(a) No person shall cause to be emitted particulate matter from hardboard plant sources including, but not limited to, hogs, chippers and other material size reduction equipment, process or space ventilation systems, particle dryers, classifiers, presses, sanding machines, and materials handling systems, in excess of a total from all sources within the plant site of one (1.0) pound per 1000 square feet of hardboard produced on a 1/8 inch basis of finished product equivalent.

(b) Excepted from subsection (a) are truck dump and storage areas, fuel burning equipment, and refuse burning equipment.

(3) Emissions from Hardboard Tempering Ovens.

(a) No person shall operate any hardboard tempering oven unless all gases and vapors emitted from said oven are treated in a fume incinerator capable of raising the temperature of said gases and vapors to at least 1500 F. for 0.3 seconds or longer.

(b) Specific operating temperatures lower than 1500 F. may be approved by the Department upon application, provided that information is supplied to show that operation of said temperatures provides sufficient treatment to prevent odors from

being perceived on property not under the ownership of the person operating the hardboard plant.

(c) In no case shall fume incinerators installed pursuant to this section be operated at temperatures less than 1000 F.

(d) Any person who proposes to control emissions from hardboard tempering ovens by means other than fume incineration shall apply to the Department for authorization to utilize alternative controls. The application shall be submitted pursuant to section 20-020 to 20-030, Chapter 340 OAR, and shall describe in detail the plan proposed to control odorous emissions and indicate on a plot plan the location of the nearest property not under ownership of the applicant.

(4) Compliance Schedule. No later than September 5, 1971, every person operating a hardboard manufacturing plant shall submit to the Department of Environmental Quality a proposed schedule for complying with sections(1), (2), and (3) of this regulation. The schedule shall provide for compliance with the applicable provisions at the earliest practicable date, but in no case shall final compliance be achieved by later than December 31, 1973.

~~[(5) Open Burning. Upon the effective date of these regulations, no person shall cause or permit the open burning of wood residues or other refuse in conjunction with the operation of any hardboard manufacturing plant and such acts are hereby prohibited.]~~

DEPARTMENT OF ENVIRONMENTAL QUALITY

RULES FOR OPEN BURNING

Adopted October 15, 1976

OAR Chapter 340, Sections 23-005 through 23-020, 28-005(1), (4), (5) and (6), 28-010 through 28-020, and 29-055 are repealed and new Sections 23-025 through 23-050 are adopted in lieu thereof.

23-025 POLICY.

In order to restore and maintain the quality of the air resources of the state in a condition as free from air pollution as is practicable, consistent with the overall public welfare of the State, it is the policy of the Environmental Quality Commission: to eliminate open burning disposal practices where alternative disposal methods are feasible and practicable; to encourage the development of alternative disposal methods; to emphasize resource recovery; to regulate specified types of open burning; to encourage utilization of the highest and best practicable burning methods to minimize emissions where other disposal practices are not feasible; and to require specific programs and timetables for compliance with these rules.

23-030 DEFINITIONS. As used in these Rules unless otherwise required by context:

(1) "Commercial Waste" means combustible waste which is generated by any activity of wholesale or retail commercial offices or facilities, or by industrial, governmental, institutional, or charitable organization offices and facilities, or by housing facilities with more than four living units including but not limited to apartments, hotels, motels, dormitories and mobile home parks, but does not include any waste which is defined as industrial waste under subsection (9) of this Section or which is prohibited in Section 23-040(7).

(2) "Commission" means the Environmental Quality Commission.

(3) "Construction and Demolition Waste" means combustible waste which is generated by the removal of debris, logs, trees, brush, or demolition material from any site in preparation for land improvement or a construction project; any waste occurring as the result of a construction project; or any waste resulting from the complete or partial destruction of any man-made structures such as houses, apartments, commercial buildings, or industrial buildings.

(4) "Department" means the Department of Environmental Quality.

(5) "Director" means the Director of the Department of Environmental Quality or his delegated representative pursuant to ORS 468.045(3).

(6) "Domestic Waste" means combustible household waste, other than wet garbage, such as paper, cardboard, leaves, yard clippings, wood, or similar materials generated in a dwelling housing four (4) families or less, or on the real property on which the dwelling is situated.

(7) "Fire Hazard" means the presence or accumulation of combustible material of such nature and in sufficient quantity that its continued existence constitutes an imminent and substantial danger to life, property, public welfare, or to adjacent lands.

(8) "Forced-air Pit Incineration" means any method or device by which burning of waste is done in a subsurface pit or above ground enclosure with combustion air supplied under positive draft or air curtain, and controlled in such a manner as to optimize combustion efficiency and minimize the emission of air contaminants.

(9) "Industrial Waste" means combustible waste produced as the direct result of any manufacturing or industrial process.

(10) "Open Burning" means burning conducted in such a manner that combustion air and combustion products may not be effectively controlled, including but not limited to burning conducted in open outdoor fires, burn barrels, and backyard incinerators.

(11) "Open Burning Control Area" means an area established to control specific open burning practices or to maintain specific open burning standards which may be more stringent than those established for other areas of the State, including but not limited to the following areas:

(a) All areas within incorporated cities having a population of four thousand (4,000) or more and within three (3) miles of the corporate limits of any such city.

(b) The Coos Bay Open Burning Control Area, as generally depicted on Attachment 1, and as defined as follows:

Beginning at a point approximately 4-1/2 miles WNW of The City of North Bend, Coos County, at the intersection of the north boundary of T25S, R13E and the coast line of the Pacific Ocean; thence east to the NE corner of T26S, R12E; thence south to the SE corner of T26S, R12E; thence west to the intersection of the south boundary of T26S, R14W and the coastline of the Pacific Ocean; thence northerly and easterly along the coastline of the Pacific Ocean to its intersection with the north boundary of T25S, R13E, the point of beginning.

(c) The Rogue Basin Open Burning Control Area, as generally depicted on Attachment 2, and as defined as follows:

Beginning at a point approximately 4-1/2 miles NE of The City of Shady Cove, Jackson County at the NE corner of T34S, R1W, Willamette Meridian; thence south along the Willamette Meridian to the SW

corner of T37S, R1W; thence East to the NE corner of T38S, R1E; thence South to the SE corner of T38S, R1E; thence East to the NE corner of T39S, R2E; thence South to the SE corner of T39S, R2E; thence West to the SW corner of T39S, R1E; thence NW along a line to the NW corner of T39S, R1W; thence West to the SW corner of T38S, R2W; thence North to the SW corner of T36S, R2W; thence West to the SW corner of T36S, R4W; thence South to the SE corner of T37S, R5W; thence West to the SW corner of T37S, R6W; thence North to the NW corner of T36S, R6W; thence East to the SW corner of T35S, R1W; thence North to the NW corner of T34S, R1W; thence East to the point of beginning.

(d) The Umpqua Basin Open Burning Control Area, as generally depicted on Attachment 3, and as defined as follows:

Beginning at a point approximately 4 miles WNW of the City of Oakland, Douglas County, at the NE corner of T25S, R5W, Willamette Meridian; thence South to the SE corner of T25S, R5W; thence East to the NE corner of T26S, R4W; thence South to the SE corner of T27S, R4W; thence West to the SE corner of T27S, R5W; thence South to the SE corner of T30S, R5W; thence West to the SW corner of T30S, R6W; thence north to the NW corner of T29S, R6W; thence West to the SW corner of T28S, R7W; thence North to the NW corner of T27S, R7W; thence East to the NE corner of T27S, R7W; thence North to the NW corner of T26, R6W; thence East to the NE corner of T26, R6W; thence North to the NW corner of T25S, R5W; thence East to the point of beginning.

(e) The Willamette Valley Open Burning Control Area, defined as follows:

All of Benton, Clackamas, Columbia, Lane, Linn, Marion, Multnomah, Polk, Washington and Yamhill Counties.

(12) "Person" means any individual, corporation, association, firm, partnership, joint stock company, public or municipal corporation, political subdivision, the State and any agency thereof, and the Federal Government and any agency thereof.

(13) "Population" means the annual population estimate of incorporated cities within the State of Oregon issued by the Center for Population Research and Census, Portland State University, Portland, Oregon.

(14) "Regional Authority" means the Lane Regional Air Pollution Authority.

(15) "Waste" means any useless or discarded materials.

23-035 EXCEPTIONS, STATEWIDE

The provisions of these rules shall not apply to:

(1) Fires set for traditional recreational purposes and traditional ceremonial occasions for which a fire is appropriate provided that no waste materials which may emit dense smoke or noxious odors as prohibited in Section 22-040(7) are included as any part of the fuel used for such fires.

(2) Any barbecue equipment not used for commercial or fund raising purposes, nor to any barbecue equipment used for commercial or fund raising purposes for no more than two periods in any calendar year, each such period not to exceed two consecutive weeks, in any single area.

(3) Fires set or allowed by any public agency when such fire is set or allowed to be set in the performance of its official duty for the purpose of weed abatement, instruction of employes in the methods of fire fighting, or for prevention or elimination of a fire hazard, and which are necessary in the opinion of the public agency responsible for such fires.

(4) Open burning as a part of agricultural operations which is regulated in part by OAR Chapter 340, Division 2, Subdivision 6, Agricultural Operations.

(5) Open burning on forest land permitted under the Smoke Management Plan filed pursuant to ORS 477.515.

(6) Fires set pursuant to permit for the purpose of instruction of employees of private industrial concerns in methods of fire fighting, or for civil defense instruction.

23-040 GENERAL REQUIREMENTS AND PROHIBITIONS

(1) No person shall cause or allow to be initiated or maintained any open burning which is prohibited by any rule of the Commission.

(2) Open burning in violation of any rule of the Commission shall be promptly extinguished by the person in attendance or person responsible when notified to extinguish the fire by either the Department, or by any other appropriate public official.

(3) Any person who owns or controls, including the tenant of, property on which open burning occurs or who has caused or allowed such open burning to be initiated or maintained shall be considered the person responsible for the open burning.

(4) Open fires allowed by these rules shall be constantly attended by a responsible person until extinguished.

(5) All combustible material to be open burned shall be dried to the extent practicable to prevent emissions of excessive smoke.

(6) All combustible material to be open burned shall be stacked or windrowed in such a manner as to eliminate dirt, rocks and other non-combustible material, and to promote efficient burning. Equipment and tools shall be available to periodically re-stack the burning material to insure that combustion is essentially complete and that smoldering fires are prevented.

(7) Open burning of any waste materials which normally emit dense smoke, noxious odors, or which may tend to create a public nuisance such as, but not limited to household garbage, plastics, wire insulation, auto bodies, asphalt, waste petroleum products, rubber products, animal remains, and animal or vegetable wastes resulting from the handling, preparation, cooking, or service of food is prohibited.

(8) If the Department determines that open burning allowed by these rules may cause or is causing a public nuisance, the Department may require that the burning be terminated or that auxiliary combustion equipment or combustion promoting materials to be used to insure complete combustion and elimination of the nuisance. Auxiliary combustion equipment required under this subsection may include, but is not limited to, fans or air curtain incinerators. Combustion promoting materials may include but are not limited to propane, diesel oil or jellied diesel.

(9) No open burning shall be initiated in any part of the State on any day or at any time when the Department advises fire permit issuing agencies that open burning is not allowed in that part of the State because of adverse meteorological or air quality conditions.

(10) No open burning shall be initiated in any area of the State in which an air pollution alert, warning, or emergency has been declared pursuant to OAR Chapter 340, Sections 27-010 and 27-025(2), and is then in effect. Any open burning in progress at the time of such declaration shall be promptly extinguished by the person in attendance or person responsible when notified of the declaration by either the Department or any other appropriate public official.

(11) Open burning authorized by these rules does not exempt or excuse any person from liability for, consequences, damages or injuries resulting from such burning, nor does it exempt any person from complying with applicable laws, ordinances or regulations of other governmental agencies having jurisdiction.

(12) Forced-air pit incineration may be approved as an alternative to open burning prohibited by these rules, provided that the following conditions shall be met:

(a) The person requesting approval of forced air pit incineration shall demonstrate to the satisfaction of the Department or Regional Authority that no feasible or practicable alternative to forced-air pit incineration exists.

(b) The forced air pit incineration facility shall be designed, installed and operated in such a manner that visible emissions do not exceed forty percent (40%) opacity for more than three (3) minutes out of any one (1) hour of operation following the initial thirty (30) minute startup period.

(c) The person requesting approval of a forced-air pit incineration facility shall obtain an Air Contaminant Discharge Permit, if required therefor, and the person shall be granted an approval of the facility only after a Notice of Construction and Application for Approval is submitted pursuant to OAR Chapter 340, Section 20-020 through 20-030.

23-045 REQUIREMENTS AND PROHIBITIONS BY AREA

(1) LANE COUNTY

The rules and regulations of the Lane Regional Air Pollution Authority shall apply to all open burning conducted in Lane County, provided that the provisions of such rules and regulations shall be no less stringent than the provisions of these rules.

(2) SOLID WASTE DISPOSAL

Open burning at solid waste disposal sites is prohibited statewide except as authorized by a Solid Waste Permit issued as provided in OAR Chapter 340, Sections 61-005 through 61-085.

(3) COMMERCIAL WASTE

Open burning of commercial waste is prohibited within open burning control areas except as may be provided in subsection (7) of this section.

(4) INDUSTRIAL WASTE

Open burning of industrial waste is prohibited statewide except as may be provided in subsection (7) of this section.

(5) CONSTRUCTION AND DEMOLITION WASTE

Except as may be provided in subsection (7) of this section, open burning of construction and demolition waste, including non-agricultural land clearing debris, is prohibited as follows:

(a) Within all open burning control areas in Baker, Benton, Clatsop, Coos, Crook, Deschutes, Douglas, Hood River, Jackson, Josephine, Klamath, Lincoln, Linn, Malheur, Marion, Polk, Tillamook, Umatilla, Union, Wasco and Yamhill Counties.

(b) In Multnomah County west of the Sandy River.

(c) In Washington County in all areas within rural fire protection districts, including the areas of incorporated cities within or surrounded by said districts.

(d) In Columbia and Clackamas Counties within control areas established as:

(i) Any area in or within three (3) miles of the boundary of any city of more than 1,000 but less than 45,000 population.

(ii) Any area in or within six (6) miles of the boundary of any city of 45,000 or more population.

(iii) Any area between areas established by this rule where the boundaries are separated by three (3) miles or less.

(iv) Whenever two or more cities have a common boundary, the total population of these cities will determine the control area classification and the municipal boundaries of each of the cities shall be used to determine the limit of the control area.

(6) DOMESTIC WASTE

Open burning of domestic waste is prohibited within the Willamette Valley Open Burning Control Area, except such burning is permitted until July 1, 1979:

(a) In Columbia County excluding the area within the Scappoose Rural Fire Protection District.

(b) In the Timber and Tri-City Rural Fire Protection Districts and in all areas outside of rural fire protection districts in Washington County.

(c) In the following rural fire protection districts of Clackamas County:

(i) Clarkes Rural Fire Protection District.

(ii) Estacada Rural Fire Protection District No. 69.

(iii) Colton-Springwater Rural Fire Protection District.

(iv) Molalla Rural Fire Protection District.

(v) Hoodland Rural Fire Protection District.

(vi) Monitor Rural Fire Protection District.

(vii) Scotts Mills Rural Fire Protection District.

(viii) Aurora Rural Fire Protection District.

(ix) All portions of the Clackamas-Marion Fire Protection District within Clackamas County.

(d) In Multnomah County east of the Sandy River.

(e) In all other parts of the Willamette Valley Open Burning Control Area except Lane County, for the burning of wood, needle, or leaf materials from trees, shrubs, or plants from yard clean-up on the property at which one resides, during the period commencing with the last Friday in October and terminating at sunset on the third Sunday of December, and the period commencing the second Friday in April and terminating at sunset on the third Sunday in May.

(f) In Lane County, in accordance with the Rules and Regulations of the Lane Regional Air Pollution Authority.

(g) Domestic open burning is allowed under this section only between 7:30 a.m. and sunset on days when the Department has advised fire permit issuing agencies that open burning is allowed.

(7) OPEN BURNING ALLOWED BY LETTER PERMIT

Burning of commercial, industrial and construction and demolition waste on a singly occurring or infrequent basis may be allowed by a letter permit issued by the Department, provided that the following conditions are met:

(a) No practicable alternative method for disposal of the waste is available.

(b) Application for disposal of the waste by burning is made in writing to the Department, listing the quantity and type of waste to be burned, and all efforts which have been made to dispose of the waste by other means.

(c) The Department shall evaluate all such requests for open burning taking into account reasonable efforts to use alternative means of disposal, the condition of the particular airshed where the burning will occur, other emission sources in the vicinity of the requested open burning, remoteness of the site and methods to be used to insure complete and efficient combustion of the waste material.

(d) If the Department is satisfied that reasonable alternative disposal methods are not available, and that significant degradation of air quality will not occur as the result of allowing the open burning to be accomplished, the Department may issue a letter

permit to allow the burning to take place. The duration and date of effectiveness of the letter permit shall be specific to the individual request for authorization of open burning, and the letter permit shall contain conditions so as to insure that the burning is accomplished in the most efficient manner and over the shortest time period attainable.

(e) Within the boundaries of Clackamas, Columbia, Multnomah and Washington Counties, such letter permits shall be issued only for the purpose of disposal of waste resulting from emergency occurrences including but not limited to floods, windstorms, or oil spills, provided that such waste cannot be disposed of by any other reasonable means.

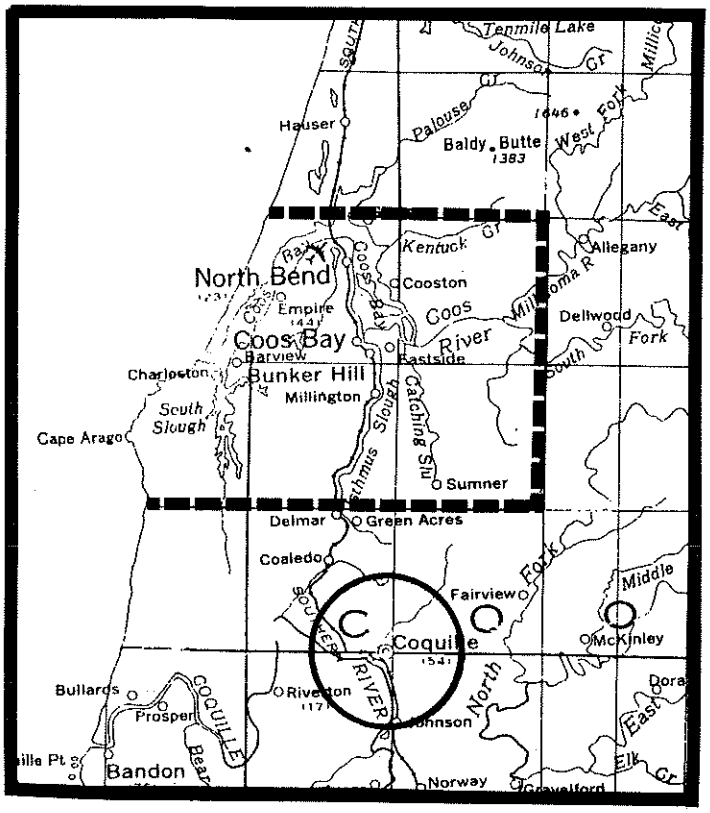
(f) Failure to conduct open burning according to the conditions of the letter permit, or any open burning in excess of that allowed by the letter permit shall cause the permit to be immediately terminated as provided in OAR 340-14-045(2) and shall be cause for assessment of civil penalties as provided in OAR 340-12-030, 12-035, 12-040(3)(b), 12-045 and 12-050(3), or for other enforcement action by the Department.

23-050 RECORDS AND REPORTS

As required by ORS 478.960(7), fire permit issuing agencies shall maintain records of all open burning permits and the conditions thereof, and shall submit such records or summaries thereof to the Commission as may be required. Forms for any reports required under this section shall be provided by the Department.

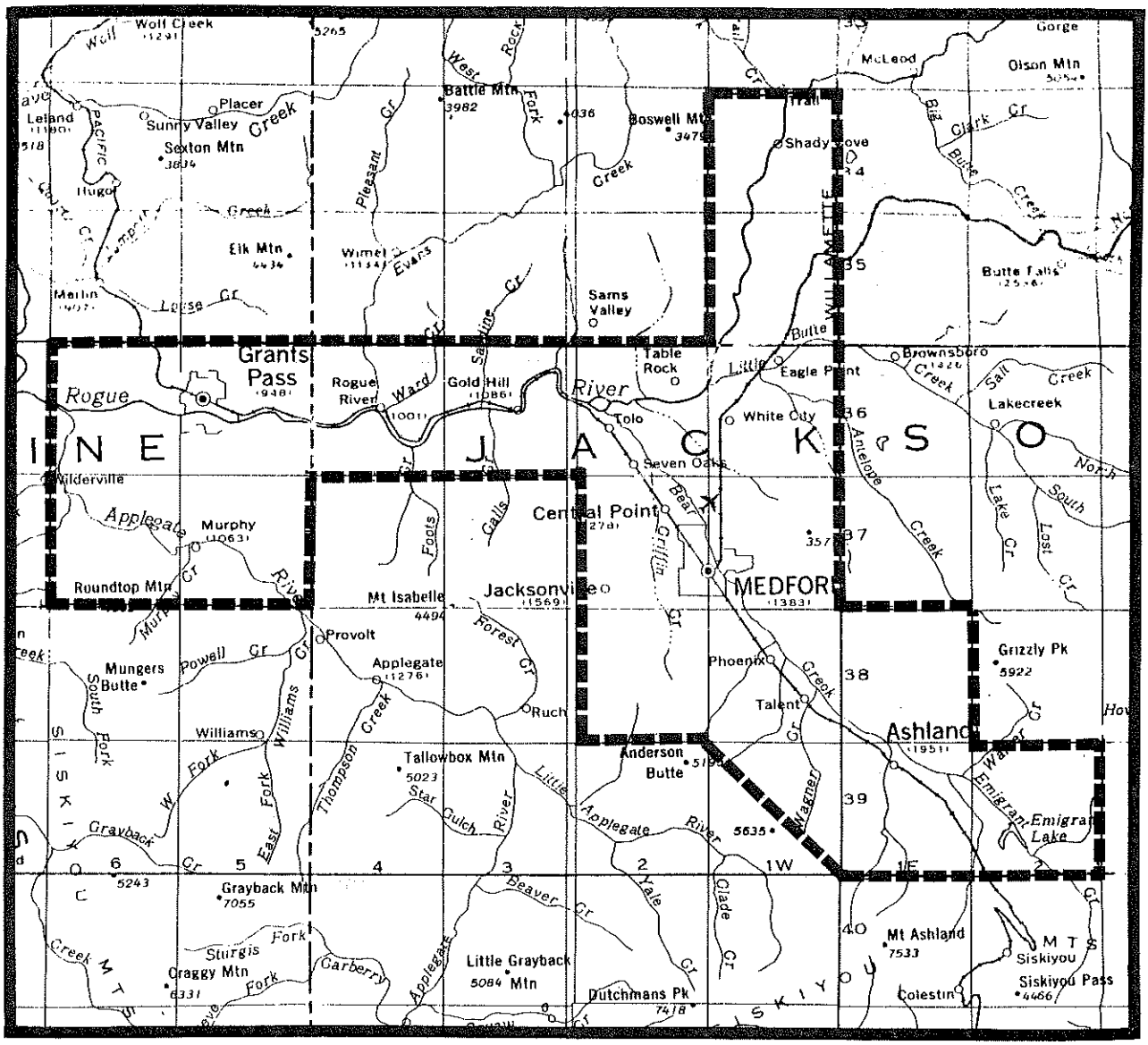
ATTACHMENT 1

COOS BAY OPEN BURNING CONTROL AREA
(Coquille Control Area Shown As Circle)



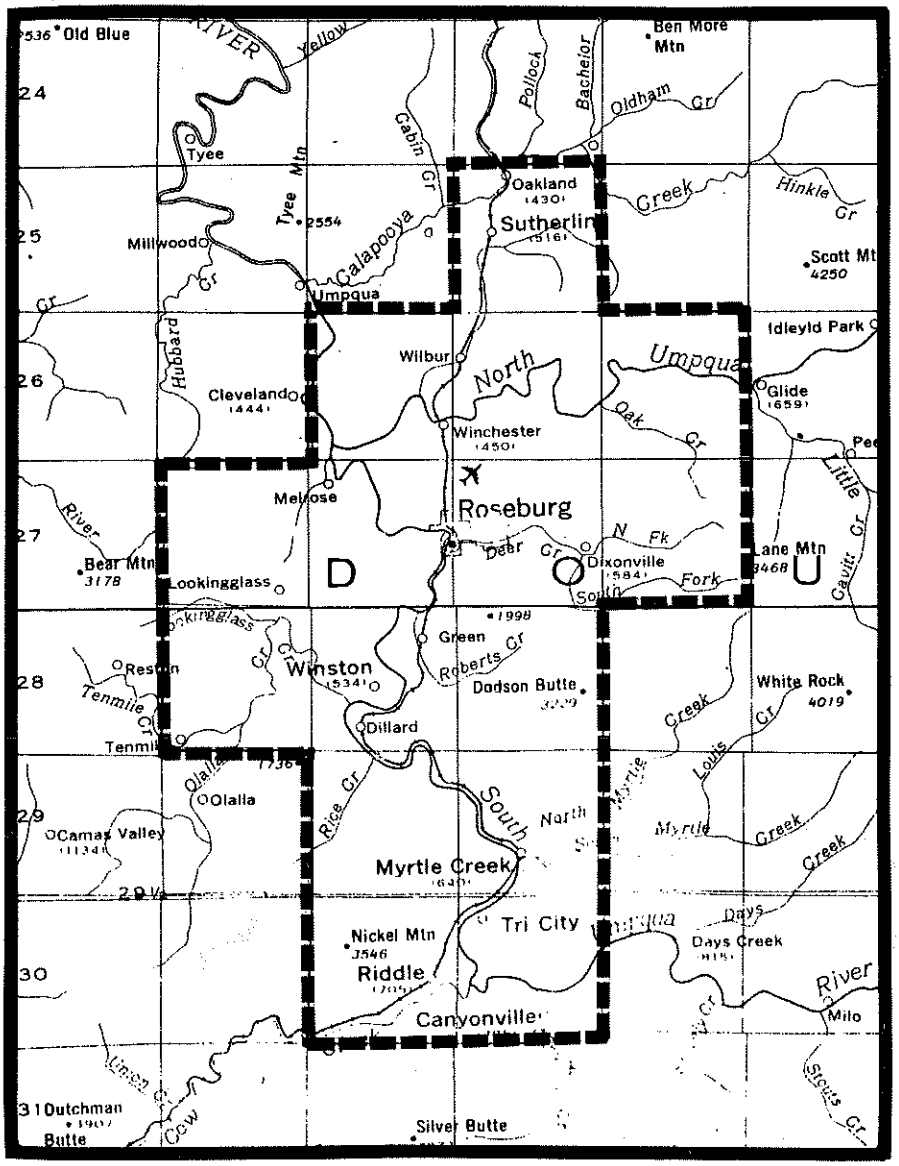
ATTACHMENT 2

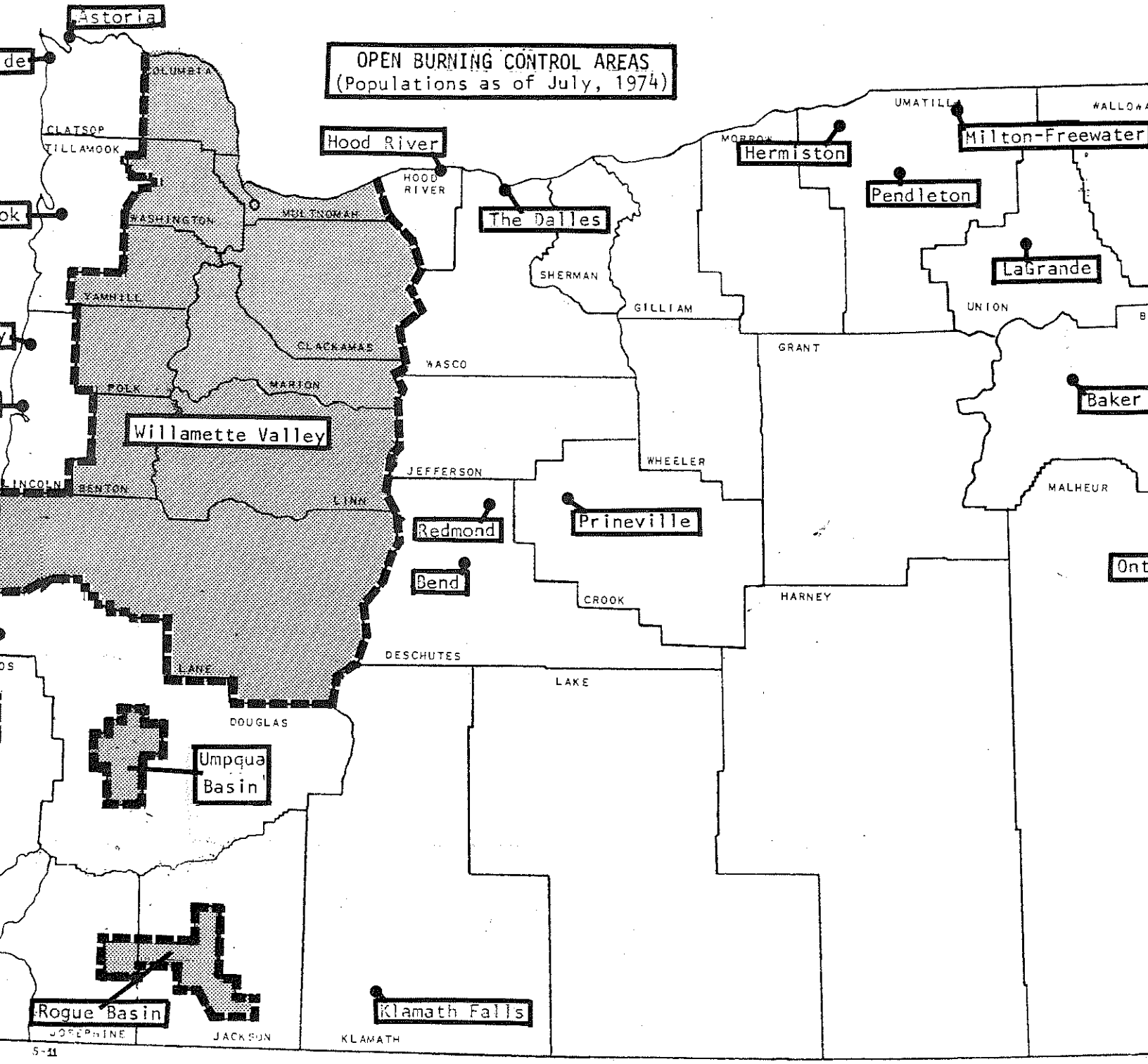
ROGUE BASIN OPEN BURNING CONTROL AREA



ATTACHMENT 3

UMPQUA BASIN OPEN BURNING CONTROL AREA




OPEN BURNING CONTROL AREAS
(Populations as of July, 1974)
Astoria
Hood River
The Dalles
Hermiston
Pendleton
Milton-Freewater
Lagrande
Baker
Willamette Valley
Redmond
Bend
Prineville
Umpqua Basin
Rogue Basin
Klamath Falls
COLUMBIA
CLATSOP
TILLAMOOK
WASHINGTON
MULTNOMAH
HOOD RIVER
YAMHILL
CLACKAMAS
POLK
MARION
LINN
BENTON
LINCOLN
LANE
DOUGLAS
JOSEPHINE
JACKSON
KLAMATH
LAKE
DESCHUTES
JEFFERSON
CROOK
WASCO
SHERMAN
GILLIAM
WHEELER
GRANT
HARNEY
MALHEUR
UNION
MORROW
UMATILLA

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

ROBERT W. STRAUB
GOVERNOR

MEMORANDUM

To: Environmental Quality Commission

From: Director

Subject: Agenda Item No. I, November 19, 1976, EQC Meeting

Norway Street (Silverton - Marion County) Health Hazard Annexation--Certification of Plans for Sewerage System

Background

An area east of the City of Silverton known as the Norway Street was ordered annexed to the City of Silverton on September 2, 1976, under the provisions of ORS 222.850 to 222.915 as an emergency health hazard. The area was surveyed in February, 1976 and a 50% subsurface sewage disposal system failure rate was documented.

The City has 90 days after the annexation order to prepare preliminary plans and specifications together with a time schedule for removing or alleviating the health hazard. These documents have been prepared and submitted to the Department of Environmental Quality.

Evaluation

Preliminary plans and specifications together with a time schedule for design and construction of sanitary sewers to serve the Norway Street annexation area have been prepared by the City of Silverton. The documents submitted appear to be sufficient to satisfy the law.

The conditions dangerous to public health within the territory annexed can be removed or alleviated by the construction of sanitary sewers, as proposed.

Recommendations

It is the Director's recommendation that the Commission approve the proposal and certify said approval to the City of Silverton.

LOREN KRAMER
Director

CPH:ts
11/5/76

ENVIRONMENTAL QUALITY COMMISSION

1234 S.W. MORRISON STREET • PORTLAND, ORE. 97205 • Telephone (503) 229-5696

MEMORANDUM

To: Environmental Quality Commission

From: Director

Subject: Agenda Item No. J, November 19, 1976, EQC Meeting

Variance Request - McCall Oil and Chemical Corporation, Multnomah County.

Background

In March 1974, McCall Oil and Chemical Corporation initiated steps to construct a petroleum tank farm at 5480 N.W. Front Avenue in Portland, Oregon. The plans and specifications were reviewed and approved by the Department and the air contaminant discharge permit was issued in August 1974.

On November 3, 1976 Mr. Robert McCall, President of McCall Oil, met with the staff to report that Standard Oil Company of California had advised him on October 28, 1976 that the first shipment would not comply with the Department's 1.75% Sulphur limitation. Mr. McCall also submitted the attached letter dated November 3, 1976 reiterating his problem and requesting a variance from Oregon Administrative Rules, Section 340-22-010 (2).

Analysis

OAR 340-22-010 (2) states that after July 1, 1974 no person shall sell, distribute, use or make available for use any residual fuel oil containing more than 1.75% sulphur by weight.

With the McCall Oil tank farm nearing completion this fall, the Company contracted for ship charters to import Bunker fuel from their supplier, Standard Oil Company of California. The first shipment is to leave California on December 5, 1976; however, on October 28, 1976 Mc Call Oil was informed by Standard Oil that they could not supply the product that meets this Department's standards. Standard Oil did state that the product would be 2% S or less. This is

apparently a problem with Standard Oil Company only at this time. The other suppliers have been able to comply with the 1.75% limit to date.

The Company is quite concerned about this situation in light of their investment in the tank farm facility, ship charters, cargo and the fact that it would be most difficult to establish new charters and/or new suppliers at this point into the heating season.

The Company states that an extreme financial hardship would be incurred if not allowed to accept this shipment. They further state that 30 - 40% of the product will be marketed in Washington and thereby have a reduced impact in this area.

Conclusions

1. McCall Oil is faced with a short-term problem in that the Company states it would be most difficult to establish new ship charters and/or fuel suppliers at this late date into the heating season.

2. The Department does not believe that the granting of this particular variance for a limited duration would have any measurable effect on the airshed.

3. The Department is concerned from the long-range standpoint, and since the last EQC meeting is preparing to meet with the major fuel oil suppliers in the State to more fully evaluate the problem. In addition, the subject of sulphur content of fuels will be discussed at the forthcoming Oregon - Washington Standards Committee meeting with the objective of coordinating long-range plans with Washington.

4. Failure to obtain a variance would result in substantial curtailment or closing down of a business, plant or operation.

5. Oregon Revised Statutes (ORS) Chapter 468.345, 1974 Replacement Part, Variances From Air Contaminant Rules And Regulations, paragraph (1) states that:

> "The Environmental Quality Commission may grant specific variances which may be limited in time from the particular requirements of any rule, regulation or order...if it finds

that special circumstances render strict compliance unreasonable, burdensome or impractical due to special conditions or cause; or strict compliance would result in substantial curtailment or closing down of the business, plant or operation."

Recommendation

It is the Director's recommendation that the Commission make a finding that strict compliance would result in substantial curtailment or closing down of a business and that a variance from OAR 340-22-010 (2) from December 1, 1976 through June 1, 1977 be granted to allow McCall Oil and Chemical Corporation to sell, distribute and make available for use in the area residual fuel oil up to 2% sulphur content (and for the customers to use such delivered fuel oil), subject to the following conditions:

1. During the subject variance period, from December 1, 1976 through June 1, 1977, the Company shall make every effort to comply with the sulphur content of fuel regulation (OAR 340-22-010 (2)).

2. On or before March 1, 1977 McCall Oil shall submit a written progress report outlining the efforts made and/or accomplished in developing a long-range plan for compliance with the subject regulation.

LOREN KRAMER
Director

TRB/mkw
November 8, 1976

808 Southwest Fifteenth
Portland, Oregon 97205
Phone: 220-2600

McCall
Oil and Chemical Corporation

Robert H. McCall
President

November 3, 1976

Mr. Thomas R. Bispham
Department of Environmental Quality
1234 S. W. Morrison Street
Portland, Oregon 97205

Dear Mr. Bispham:

Thank you very much for taking your time to talk with me yesterday. As I explained, our company has constructed a petroleum terminal adjacent to Douglas Oil Company on the Columbia River. It has taken three years to complete and our investment will be over three and a half million dollars. We are the largest independent marketer of Bunker Fuel Oil in Oregon and Washington. The terminal will enhance our marketing posture and insure local industry additional fuel storage during the winter gas curtailment period.

Early this Fall we negotiated and contracted for our ship charters to Portland through Exxon Transportation Co. to transport Bunker from our supplier, Standard Oil Co. in California. The first shipment of approximately 175,000 barrels on the Exxon "Newark" is to be loaded at Standard's Richmond Refinery December 5th.

We were notified October 28, by Standard that they are unable to supply product that meets the 1.75% maximum sulfur allowable. Apparently they are having refinery problems with the crude they are using. They have guaranteed the product would be 2% or less.

Standard is our primary supplier and it would be nearly impossible to find alternate supply at this time of year when the demand is increasing. It would cause our company extreme financial hardship if we could not obtain approval to import Standard's product.

As I explained to you yesterday, we market in Southern and Eastern Washington from our Portland facility. I would estimate 30-40% of this product will be marketed in Washington where 2% sulfur fuel is allowable. Most of our Oregon industrial business is not in the

Portland Metropolitan area, thereby lessening any air quality problems.

We are extremely concerned. I hope you can expedite this request and I will be available any time should you wish to contact me.

Sincerely yours,

R. H. McCall

RHM:lw

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

of the

STATE OF OREGON

NOTICE OF PUBLIC HEARING ON PROPOSED REVISIONS TO THE AIR CONTAMINANT DISCHARGE PERMIT REGULATIONS AND FEE SCHEDULE

NOTICE is hereby given that a public hearing will be held before the Environmental Quality Commission on proposed revisions to Oregon Administrative Rules, Chapter 340, Sections 14-040 and 20-033.

PURPOSE: At the December 12, 1975 Environmental Quality Commission meeting, a fee schedule for Air Contaminant Discharge Permits was approved through December 31, 1976, and a Task Force was formed to study the permit issuing process. As a result of the Task Force report, changes in OAR 340, 14-040 and 20-033 are being recommended. The recommendations include changes in the annual compliance determination fees and the creation of a category of minimal source permits.

TIME and PLACE of the hearing will be 10:00 a.m. on Friday, November 19, 1976, in Room 602 of the Multnomah County Courthouse, 1021 S. W. Fourth Avenue Portland, Oregon.

TESTIMONY regarding these proposals may be offered by any persons either orally or in writing. Written testimony may be offered by mailing the same prior to November 18 to the Department of Environmental Quality, 1234 S. W. Morrison Street, Portland, Oregon 97205.

COPIES of the proposals and background material may be obtained from the Department's Air Quality Division at its Portland address.

INQUIRY regarding the hearing and the proposals may be addressed to Mr. Fredric Skirvin (229-5359) at the same Portland address. Please inform those persons you feel would have an interest in this matter.

MARTIN MARIETTA ALUMINUM

REDUCTION DIVISION
POST OFFICE BOX 711
THE DALLES, OREGON 97058
TELEPHONE (503) 296-6161

November 18, 1976

Mr. E. J. Weathersbee, Administrator
Air Quality Division
Department of Environmental Quality
1234 S. W. Morrison Street
Portland, Oregon 97205

Dear Mr. Weathersbee:

Immediately after the October 15, 1976 hearing of the Environmental Quality Commission, Martin Marietta asked for a meeting with the staff of the Department of Environmental Quality. This meeting was held on the morning of October 27, 1976. During the discussions, in order to aid the Department in its evaluation of the proposed dry scrubber modifications, Martin Marietta proposed to conduct additional air modeling analysis, including comparisons with some methods of calculations preferred by the DEQ staff. This proposal was accepted; detailed requests by DEQ arising out of the proposal were documented in a letter dated October 27, 1976 from Mr. E. J. Weathersbee to Martin Marietta. Three items were requested: the first two referred to certain air quality modeling, and the third referred to certain detailed economic analysis of current and projected costs. The letter requested that the modeling projections be provided by November 4, 1976 and that all information be provided as soon as possible before November 19, 1976.

In response to these requests, Martin Marietta prepared additional air quality modeling for the two stations identified in the aforementioned letter. A written report (Ref. 1) of the results was submitted to and discussed with the DEQ staff at a meeting on November 4, 1976. In addition, cost information requested in Item 3 of the letter was discussed by Dr. P. Peterson of Martin Marietta. At this meeting, the DEQ staff supplied Martin Marietta with certain data concerning measured HF levels and associated meteorological conditions (Ref. 2).

Ref. 1 Furth, W., 1976. Further Environmental Assessment of SO_2 Ground-Level Concentrations for Proposed Dry Scrubber Modification to The Dalles Plant. (As per letter to Mr. E. J. Weathersbee from D. R. Talbot.)

Ref. 2 DEQ IOM, dated, November 2, 1976, from J. F. Kowalczyk to E. J. Weathersbee through HMP. Subject: Martin Marietta Orchard Impact Analysis.

It seems to be accepted by DEQ and EPA that the maximum ground-level concentrations arising from the use of a dry scrubber only configuration are lower than the corresponding maximum ground-level concentrations arising from the addition of a 70%-efficient wet scrubber after the dry scrubber. This contention holds for the peak 3-hour average, the peak 24-hour average, and the peak annual average. It also seems to be accepted that the dry scrubber configuration will use significantly less of the maximum allowable ground-level concentration increase (PSD) than the wet scrubber configuration. Since these two considerations are usually paramount in evaluating proposed plant modifications, we are concerned about DEQ's apparent exclusive emphasis on evaluating GLCs (which are admitted to be very low) at sparsely populated peripheral areas.

In view of the above, it is not clear what degree of importance the staff gives to air quality in non-peripheral areas. In contrast to the EQC staff report (Ref. 3), there may be more than just "the feasibility and economic impact of SO_2 control" issued involved. As stated in our October 15 testimony, and reiterated in the November 3 report:

> "At some locations (e.g., that of maximum GLC or the maximum degradation), the dry scrubber undoubtedly produces lower GLCs than a wet scrubber. But at other locations..., the wet scrubber may be slightly superior... How to make a sound technical choice between two configurations is, presumably, a part of the judgment process."*

The criteria by which the staff wishes to judge "economic impact" with respect to any "improvement" in SO_2 air quality are also unclear. This is particularly pertinent in the first issue, above. While we recognize that no precise criteria can be used, it still is of concern that an eight-fold (or more) increase in the expected capital costs of the wet scrubber (DEQ's initial staff report as compared to MM and recent EPA evaluation) does not render the "economic impact" question moot. A clarification of the judgment process would be of considerable value to Martin Marietta, as well as other users of the Oregon air space.

Ref. 3 From Loren Kramer, Director, to the Environmental Quality Commission "Agenda Item G, November 19, 1976, EQC Meetings," not dated.

* Page 10 of Ref. 1.

Finally, we wish to address the anticipated impact on air quality at the locations chosen by DEQ. As stated in the staff report, one of the models shows only a small advantage (in fact, possibly a negative benefit) when the wet scrubber is used. Furthermore, neither of the two models mentioned in the staff report show "a benefit in proportion to the emissions reductions achieved by the scrubber control."* Only in one case (the stagnation model, Method C) were some calculated results presented by MM consistent with the above statement, and then only under a specific set of circumstances requested by DEQ. Moreover, the invalidity of that assumption was demonstrated in the November 3 report. Although the results of Method C are in "reasonable agreement" with present levels measured at location 26, they are not in reasonable agreement to the same degree at location B4; the calculated GLC (under this stagnation condition) at location B4 is at least a factor of 10 to 20 lower than the corresponding calculated GLC at station 26.

We fully agree with the DEQ staff that the comparisons between measurements and any calculated results at the locations used by DEQ may be a coincidence. We also agree that unreasonable assumptions (such as assuming that all SO_2 is trapped, independent of the buoyancy flux of the emitting stacks) must be questioned. Therefore, conforming with the policy of using conservative evaluations, we would suggest that DEQ use both of the models that they mention as reasonable--and that they use that model which yields the higher GLC predictions for judging the impact of the orchards.

Sincerely,

Werner Furth
Technical Director
Air Programs

DAVID S. McDANIEL, M.D., P.C.
PHYSICIAN AND SURGEON
1209 DRY HOLLOW ROAD
THE DALLES, OREGON 97058
503 298-5144

OPHTHALMOLOGY

Hearing Officer
Martin Marietta Plant Application to Increase SO_2 Emmision at The Dalles, Oregon

I am David McDaniel. I was born in The Dalles and have lived there all of my life other than for time away for my education and professional training and two years in the Air Force. I am a physician, practicing ophthalmology. I live on a bluff 400 feet above downtown The Dalles and the Martin Marietta plant. My view includes the entire bowl surrounding The Dalles from which I have observed the visible pollution for nine years.

I do not intend any of my comments to be construed as criticism of the workers of The Dalles Martin Marietta plant, the professional staff, or local management. I am quite concerned by the top-level policies of Martin Marietta which I feel are insensitive to their plant's effects on the agriculture and health of the community and to some policies of DEQ which have not established what I consider adequate controls over the emissions from this plant.

Specifically, the present system consists of monitoring the emissions at the plant itself for only three days each month. It is only human nature that officials at the plant would choose the three best days of the month when all the scrubbers are working and there is the least pollution. The other main source of information is from one monitoring station in an orchard. There are a few other monitoring stations in the area but they are not consistently checked for information. You are probably all familiar with Mr. Walter Ericksen's areal surveys done for the local cherry industry. I wish to emphasize a few of the points he has made many times at public meetings. He notes that commonly at 7:30am there is a dense cloud of pollution which has collected overnight because of the inversion layer in the air. This dense cloud is approximately 100 feet in depth and usually

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200 feet below the orchard monitoring station. By noon this cloud will have expanded to reach ground level and as high as 2,000 feet making it, at this time, only 1/20th as concentrated as the cloud which has remained relatively stationary some six to twelve hours overnight and is thus much more capable of producing serious damage than the less concentrated cloud recorded by the monitors. These areal surveys show it requires an eight mile per hour wind to scour out The Dalles basin while U. S. Government statistics state most areas need a wind of only two to three miles per hour to clear pollution. An analogy, which puts this into perspective, is to compare the situation if the Corps of Engineers decided to gather data concerning the salmon run past The Dalles throughout the year. To compare the sampling at the orchard level would be equivalent to placing one dip net or two or three into the middle of the river for eight months. These nets would certainly catch and record some salmon but, as everyone knows, the salmon tend to run along the shore in well defined channels produced by specific currents in the river just as there are specific air currents and channels where air pollutants gather and are moved about in the bowl surrounding The Dalles. This would not be an accurate sample. The equivalent of the plant monitor would be to place the dip net in the middle of the fish ladder. This would give a far better sampling, however, if they chose three days out of the month when there were few fish running, it is equally clear that the sample would still be inadequate. This is exactly the type of sampling of chemical pollutants that is being

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done at The Dalles.

I do not feel that you have adequate or valid data upon which you can make a rational or a valid decision. You have not had valid data in the past. You do not have valid data at present and you will not have valid data in the future unless you establish adequate controls. The first step would be to have a full-time DEQ staffer monitor and gather all of the information. It is simply not logical to expect any company to report its own pollution accurately. There is no reason why Martin Marietta should not pay for this since they expect to save $50,000.00 or more each month by operating only dry scrubbers. It should not cost more than $20-50,000.00 for an entire year to run these controls. The second step would be to collect samples from the overnight inversion layer. This can now be done by Dr. Timothy Facteau of Oregon State University who is presently stationed in Hood River, Oregon. These would be done on random days of the month selected by Dr. Facteau or other consultants and would not be announced to Martin Marietta ahead of time, as I understand is done with some of the present pollution checks by DEQ. Third, samples should be taken adjacent to the plant twenty-four hours a day, 365 days a year. Fourth, there should be multiple monitors in many different locations in different areas of The Dalles and at different elevations; this would probably require a minimum of 20-30 or more such monitors. Only after such controls are established, will you have valid data and be able to make a proper decision as to whether Martin Marietta should be

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allowed to put more sulfur dioxide into the air surrounding The Dalles.

We cannot cease to be a technological society. We can be a moral society which respects and cherishes the land, the water and the air which sustains us all.

Thank you.

David S. McDaniel

Chevron

Standard Oil Company of California,
Western Operations, Inc.
520 S.W. Yamhill Street, Portland, OR 97207

Marketing Department
I. J. Blamire
Operations Manager

November 18, 1 976

Director
Department of Environmental Quality
1234 S.W. Morrison Street
Portland, Oregon 97205

Dear Sir:

The available crudes for the next several months which are being processed at our west coast refineries will not enable us to meet the 1.75% sulfur limitation for our #6 fuel oil. We will continue to meet the regulations on #1, #2 and #5 fuels. Because of this we respectfully request a variance which will permit us to import #6 fuel oil with up to 2% sulfur for a 6 month period.

An estimate of the quantity which we believe will be required by our Oregon customers during the period is 400,000 bbls. We believe that this quantity represents approximately 6% of the state's estimated annual residual fuel oil requirement and 9.5% of the state's #6 oil requirement. We further estimate that this fuel will be used area-wise, as follows: Oregon Coast 40%, Willamette Valley 35%, Metro Portland 9%, Hillsboro 7% and Eastern Oregon 3%. Not included in any of the above figures are the residual fuels which we further distribute to the State of Washington where it is permitted to use 2% fuel oil. In passing on these estimates we would like to mention that the coldness o the weather in the months to come and the extent of curtailment of natural gas, to industrial and commercial users, will have an effect on the requirements and quantities involved.

Since 1972, when Oregon's sulfur limitation regulations went into effect, we have normally been able to stay well within the 1.75% limitation, i.e., averaging 1.2% to 1.4%. In recent months the amount, or proportion, of lo-sulfur crudes - mainly from Sumatra, Indonesia and some U.S.A. locations - which we have had available for blending with the higher sulfur crudes from the Arabian countries has diminished. This has resulted in production of residual fuels with a higher sulfur content. The problem becomes most acute when the demand for lo-sulfur fuels peaks during the winter months and we do not have enough of the lo-sulfur resids to blend with the high sulfur resids and thence the sulfur content of these fuels increases.

We have asked for a 6 months period because: (1) We believe that at the end of that period we will be out of a peak demand situation and, (2) The Alaskan North Slope crude will start to become available for refining. The North Slope crude is reported to have a sulfur content of 1.04% compared to the Arabian crude which has a content of 1.1% to 2.5%. When our refinery starts processing the Alaskan crude we believe we will be able to produce #6 oil with less than 1.75% sulfur during peak periods.

We anticipate that our current inventory of #6 fuel oil in Oregon will be depleted by the end of this month and would appreciate consideration of our request as soon as practical. If you have any questions please call and we will furnish necessary information and/or answers.

Very truly yours,

J. Bennett

JB:pjh