



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

VALLEY REGIONAL OFFICE

4411 Early Road, P.O. Box 3000, Harrisonburg, Virginia 22801

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L. Preston Bryant, Jr.
Secretary of Natural Resources

David K. Paylor
Director

Amy Thatcher Owens
Regional Director

STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION

ORDER BY CONSENT

ISSUED TO

Hollister, Incorporated

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1187, -1184, -1307(D), -1309, and -1316(C), between the State Air Pollution Control Board and Hollister, Incorporated for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the Regulations for the Control and Abatement of Air Pollution

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184.
2. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
3. "Director" means the Director of the Department of Environmental Quality.
4. "Facility" means Hollister, Incorporated located at 366 Draft Avenue, Stuarts Draft, Virginia, 24477.
5. "Faustel Line" means the Conversion coating operation.

6. "Hollister" means Hollister, Incorporated, a corporation certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.
7. "LOA" means the Letter of Agreement entered into by the Department with Hollister on December 02, 2008.
8. "NOV" means the Notice of Violation issued to Hollister on May 27, 2008.
9. "NSPS Subpart RR" means the New Source Performance Standards for Pressure Sensitive Tape and Label Surface Coating Operations, which are located in the Code of Federal Regulations at 40 C.F.R. §§ 60.440-447.
10. "Order" means this document, also known as a Consent Order.
11. "Permit" means Hollister, Incorporated's Stationary Source Permit to Modify and Operate dated July 8, 1998.
12. "Regulation" means the Virginia Regulations for the Control and Abatement of Air Pollution, 9 VAC 5-10-10 *et seq.*, located in the Virginia Administrative Code ("VAC").
13. "Va. Code" means the Code of Virginia (1950), as amended.
14. "VRO" means the Valley Regional Office of DEQ, located at 4411 Early Road, P.O. Box 3000, Harrisonburg, Virginia 22801.

SECTION C: Findings of Facts and Conclusions of Law

1. Hollister is the owner and operator of the Facility, which is located in Stuarts Draft. The Facility produces disposable medical products including adhesive tapes, catheters, adhesive remover, skin creams, wound care collectors, hospital ID bands, and ostomy collection devices.
2. Hollister is the subject of a Warning Letter, Letter of Agreement (LOA), and a Notice of Violation (NOV), which are discussed below.
3. On September 17, 2007, Hollister notified the Department of a possible exceedance of permit limits for Volatile Organic Compounds (VOCs). The Department and Hollister representatives met on September 21, 2007, where Hollister provided information for the most recent 12-month period indicating that the VOC input to the Faustel line was 50.49 tons (permit limit 49.6 tons) and the calculated VOC emissions were 12.12 tons (permit limit 12.0 tons). The Department issued a Warning Letter to Hollister on September 25, 2007, to address the apparent violation.
4. On December 2, 2007, the Department and Hollister entered into a Letter of Agreement (LOA). Pursuant to the agreement outlined in the LOA, Hollister is aware that compliance provisions of NSPS Subpart RR (§ 60.442(a)) at a VOC input of 50.5 tons or higher would become effective for VOC control efficiency standards.

5. On April 10, 2008, the Department staff observed the performance testing, as required by 40 C.F.R. § 60.8, to demonstrate overall VOC emission reduction on the Faustel line. After the first test run, modifications to the Faustel line were made to improve capture efficiency so that a 90 percent overall VOC emission reduction could be achieved.
6. On subsequent monthly VOC reports, Hollister reported apparent exceedances of the referenced permit and NSPS limits, as follows:

12-Month Period	VOC Input to Faustel line (tons)	State Permit Limit (tons)	Federal NSPS Limit (tons)	VOC Emissions (tons)	Permit Limit (tons)
September 2006 to August 2007	50.49	49.6	50	12.12	12.0
October 2006 to September 2007	48.42	49.6	50	11.82	12.0
Nov 2006 – Oct 2007	50.89	49.6	50	12.21	12.0
Dec 2006 – Nov 2007	50.92	49.6	50	12.22	12.0
Jan 2007 – Dec 2007	51.14	49.6	50	12.27	12.0
Feb 2007 – Jan 2008	52.45	49.6	50	12.59	12.0
Mar 2007 – Feb 2008	53.26	49.6	50	12.78	12.0
Apr 2007 – Mar 2008	55.16	49.6	50	13.24	12.0

- a. For the 12-month rolling period from September 2006 to August 2007 and for subsequent 12-month rolling periods up to and including April 2007 to March 2008, Hollister reported VOC emissions ranging from 12.12 tons to 13.24 tons, which are in exceedance of its Permit limit of 12.0 tons.
 - b. For the 12-month rolling period from September 2006 to August 2007 and for subsequent 12-month periods up to and including April 2007 to March 2008, Hollister reported VOC inputs ranging from 50.49 tons to 55.16 tons, which are in exceedance of its State issued Permit limit of 49.6 tons and Federal NSPS limit of 50 tons.
 - c. On April 10 and 11, 2008, the required performance test did not conclusively demonstrate a 90 percent overall VOC control efficiency reduction as calculated over a calendar month. Based upon the first run of the performance test, the overall VOC reduction may have been as low as 85 percent. This VOC control efficiency reduction is in violation of the NSPS Subpart RR requirements.
7. On May 27, 2008, the DEQ issued a NOV to Hollister Inc., citing the following violations:
 - a. Violation of Permit Condition 8, which states that the Faustel line VOC emissions shall not exceed 12.0 tons/yr, calculated monthly as the sum of each consecutive twelve (12) month period.

- b. Violation of Permit Condition 11, which states that the Faustel line VOC input shall not exceed 49.6 tons, calculated monthly as the sum of each consecutive 12 month period, as required by 9 VAC 5-170-160.
 - c. Violation of NSPS Subpart RR, 40 C.F.R. § 60.440, which states that “(b) Any affected facility which inputs to the coating process 50 tons of VOC or less per 12 month period is not subject to the emissions limits of § 60.442(a), however, the affected facility is subject to the requirements of all other applicable sections of this subpart. If the amount of VOC input exceeds 50 tons per 12 months period, the [Faustel] line will become subject to § 60.442(a) and all other sections of this subpart.”
 - d. Violation of 40 C.F.R. § 60.442, which states that “(a) On and after the date on which the performance test required by § 60.8 has been completed, each owner or operator subject to this subpart shall: (2) Demonstrate for each affected facility; (i) A 90 percent overall VOC emission reduction as calculated over a calendar month.”
8. Hollister and the DEQ have agreed the Form 7 Permit application as required in Appendix A of this Order, will better ensure that the Facility operates in compliance with the VOC control efficiency limits set forth in NSPS Subpart RR, 40 C.F.R. § 60.440.

SECTION D: Agreement and Order

Accordingly, the Board, by virtue of the authority granted it in Va. Code §10.1-1316(C), orders Hollister Inc., and Hollister Inc. voluntarily agrees, to perform the actions described in Appendix A of this Order.

In addition, the Board orders Hollister Inc., and Hollister Inc. voluntarily agrees, to pay a civil charge of **\$11,100 within 30 days** of the effective date of the Order in settlement of the violations cited in this Order. Payment shall be made by check payable to the “Treasurer of Virginia” and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Payment must indicate that the civil charge is paid pursuant to this Order, and shall include Hollister, Incorporated’s Federal Identification Number.

SECTION E: Administrative Provisions

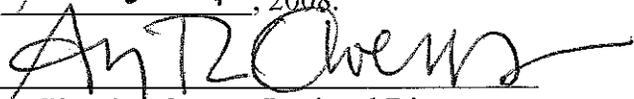
1. The Board may modify, rewrite, or amend the Order with the consent of Hollister, Incorporated, for good cause shown by Hollister, Incorporated, or on its own motion after notice to Hollister, Incorporated and its opportunity to be heard.
2. This Order addresses and resolves only those violations specifically identified herein. This Order shall not preclude the Board or the Director from taking any action authorized

by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the Facility as may be authorized by law; or (3) taking subsequent action to enforce this Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.

3. For purposes of this Order only, Hollister, Incorporated admits the jurisdictional allegations in the Order. However, by entering into this Consent Order, Hollister, Incorporated does not admit any liability to the Board arising out of the transactions or occurrences alleged by the Board, nor does it admit to any of the Board's findings of fact and conclusions of law. Nothing in the allegations, the proposed penalties, this Consent Order, or the signing, execution, or implementation of this Consent Order constitutes an admission by Hollister, Incorporated or evidence of, or shall be treated as an admission or evidence of, any allegation or of any violation of the statute and regulations referred to herein, in any litigation or forum whatsoever.
4. Hollister, Incorporated consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Hollister, Incorporated declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 2.2-4000 *et seq.*, and the Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right of Hollister, Incorporated to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by Hollister, Incorporated to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Hollister, Incorporated shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Hollister, Incorporated shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part; provided that nothing herein shall require Hollister, Incorporated to negotiate or settle any strike or labor dispute. Hollister, Incorporated shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. The reasons for the delay or noncompliance;

- b. The projected duration of any such delay or noncompliance;
 - c. The measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. The timetable by which such measures will be implemented and the date full compliance will be achieved.
9. Failure to so notify the Regional Director within 2 business days of learning of any condition above, which Hollister, Incorporated intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.
10. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
11. This Order shall become effective upon execution by both the Director or his designee and Hollister, Incorporated. Notwithstanding the foregoing, Hollister, Incorporated agrees to be bound by any compliance date which precedes the effective date of this Order.
12. This Order shall continue in effect until Hollister, Incorporated petitions the Director or his designee to terminate the Order after it has completed all requirements of the Order and the Director or his designee approves the termination of the Order; or the Director or the Board may terminate this Order in his or its whole discretion upon 30 days' written notice to Hollister, Incorporated
13. Termination of this Order, or of any obligation imposed in this Order, shall not operate to relieve Hollister, Incorporated from his obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.
14. By its signature below, Hollister, Incorporated voluntarily agrees to the issuance of this Order.

And it is so ORDERED on the 12th day of August, 2008.



Amy Thatcher Owens, Regional Director
Valley Regional Office
Department of Environmental Quality

Hollister, Incorporated voluntarily agrees to the issuance of this Order.

By: 

Date: 8/7/08



Commonwealth of Virginia

City/County of Augusta

The foregoing document was signed and acknowledged before me on the 7th day of August, 2008, by KEVIN CLEVELAND, who is
(Name)

ENGINEERING MANAGER of Hollister, Incorporated, on behalf of Hollister, Incorporated
(Title)

Janet L. Hendrix
Notary Public

My commission expires: 1-31-2009



APPENDIX A

In addition to the foregoing, the Virginia State Air Pollution Control Board orders and Hollister agrees to implement this corrective action plan as an additional provision to this Order.

1. No later than August 1, 2008, Hollister agrees to submit a completed Form 7 air permit application. The Form 7 shall include any modifications to the Faustel line that will impact the overall VOC emission reduction required by NSPS Subpart RR. The requirement for further performance testing will be specified in the modified Permit and may include, but not be limited to, performance test procedures specified in 40 C.F.R. § 60.444(c) and test methods specified in 40 C.F.R. § 60.446(b). Such testing shall also include startups and shutdowns as indicated in 40 C.F.R. § 60.443(j).
2. Hollister agrees to submit monthly reports showing monthly and annual VOC inputs to the Faustel line for all rolling 12-month periods until the modified Permit is issued. Each monthly report shall be submitted within 30 days after the end of the calendar month.

Documents to be submitted to the Department, other than the civil charge payment described in Section D of the Order, shall be sent to:

Ms. Kimberly Beth Bryant
Valley Regional Office
Department of Environmental Quality
4411 Early Road, P.O. Box 3000
Harrisonburg, Virginia 22801.