In the Matter Of:

*Department of Natural Resources & Environmental Control-Hearing*

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*FUJIFILM IMAGING COLORANTS DOCKET #2021-P-CZ-0004*

*May 26, 2021*
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENTAL CONTROL
OF THE STATE OF DELAWARE

RE: FujiFilm Imaging Colorants, LLC
Application for a Coastal Zone Act Standard Permit
Docket #2021-P-CZ-0004

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Virtual Public Hearing
Dial-In Number: 1-408-418-9388
Event Number: 129 605 5942

Wednesday, May 26, 2021
6:00 p.m.

.............

BEFORE: Lisa Vest, Hearing Officer
FOR THE DIVISION: Laura Mench, DNREC

-- Transcript of Proceedings --

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MS. VEST: Good evening. I believe that everyone is now connected and ready, so we are going to go ahead and begin the virtual proceedings tonight.

I want to thank everybody for taking the time to come out and be with us tonight. The date is Wednesday, May 26, 2021, and we are here this evening to provide the virtual platform for the State of Delaware's Department of Natural Resources and Environmental Control to conduct its virtual public hearing on a Coastal Zone Act permit application from FujiFilm.

For those of you who may not know me, my name is Lisa Vest, and Secretary Garvin has appointed me to serve as the hearing officer for tonight's formal proceedings.

As many of you know, changes were recently made to DNREC's public hearing protocols. They were originally necessitated by the ongoing state of emergency due to the COVID-19 pandemic.

First and foremost, this hearing is
being conducted virtually. No one has
gathered together in the same room. Everyone
is participating independently at their own
respective offices.

While there are no sign-in sheets
to document physical attendance tonight,
WebEx does generate an attendance list for
such matters, so the Department will still
maintain a record of those who have virtually
attended the proceedings tonight. And,
again, I thank everyone for their interest in
this matter.

At the conclusion of these
introductory remarks, I will be turning the
hearing over to representatives from both the
Department and from FujiFilm so that their
presentations on this application may be
offered for the record being generated in
this matter.

There is still a court reporter
virtually present. She will prepare a
verbatim transcript of the hearing tonight
pursuant to the statutory requirement for
DNREC to do so, and, as always, that
transcript will be posted on this hearing's
webpage as soon as it has been received.

Following the conclusion of all
presentations, we will then take live comment
from the public pursuant to the
preregistration protocols as set forth on
DNREC's public hearing website.

As is the case with all DNREC's
public hearings, the Department wishes to
ensure that everyone is enabled to offer
their comment for inclusion into the record,
should they wish to do so.

Therefore, the hearing comment
period will not be closing tonight at the
conclusion of these proceedings. Rather, I'm
going to let it remain open through June 10,
2021, so again the public may have an
opportunity to provide written comment,
should they wish to do so.

I would encourage anyone attending
tonight to check out DNREC's webpage for
public hearings under the Administrative Law
Section of the website for more detail
concerning this particular pending permit.
All presentations, along with the exhibits and any other documentation related to this permitting matter, along with additional comments that may come in at anytime between now and June 10th, will be posted on the Department's hearing webpage that's dedicated to this matter. And the public can gain additional information just by reviewing the same.

Of course, all mechanisms previously available by which to offer comment remain: Electronic link, e-mail, and, of course, United States Postal Service.

Additionally, the following protocols will remain in place for tonight, as is the case with all of DNREC's public hearings:

Number one: All comment received must be limited solely to the subject matter of tonight's hearing, which again is the pending Coastal Zone permit application for FujiFilm.

All comments pertinent to that subject matter will be incorporated into the
record as they are received.

Number two: Again, in order to ensure that everyone who wishes to offer comment for the Secretary's consideration is accommodated, the record in this matter shall remain open following the hearing tonight through close of business on June 10, 2021.

Number three: There is only one authentic record of this proceeding tonight, and it is the official court reporter's verbatim transcript.

Number four: The statutory purpose of tonight's hearing is to help build the record with regard to this pending permitting matter and the Department's consequential actions regarding the same.

A record consisting of the transcript of the hearing tonight, any and all written comments that are received, all exhibits, and eventually the Hearing Officer's Report will be reviewed by Secretary Garvin.

The Secretary will ultimately issue an order following his review process, and
that order will contain his decisions on this
particular permitting matter and the reasons
therefor.

Number five: It is important to
note that no decisions have already been made
by the Department concerning this matter, nor
will any decisions be made tonight. The
public comment period will remain open
through June 10th so, again, members of the
public do have ample opportunity to provide
comment for the Secretary's consideration,
should they wish to do so.

Comments may be submitted through a
comment form link on the hearing page, via
e-mail to DNRECHearingComments@delaware.gov,
or via the United States Postal Service at
the physical address for DNREC indicated on
the hearing page, as well as the public
notices that were previously issued in this
matter.

It should be noted that written
comments to DNREC may not be submitted using
any kind of social media platform such as
Twitter, Facebook, You Tube, or text
messaging.

Lastly, please remember that all comment, whether it’s received through the mail or through the electronic mechanisms that I have just mentioned, as long as it’s received by the Department on or before June 10th, all bear the same weight and all will be considered equally by the Secretary prior to his making a final decision in this matter.

The ultimate decision regarding this permit application is made by DNREC's Secretary Garvin. This formal hearing tonight acts merely as a mechanism to enable the Department to thoroughly vet this proposed matter to the public and to let the public know the various ways by which comment may be submitted for the Secretary's consideration, should they wish to do so.

That being said, I am going to now turn the hearing floor, as it were, over to Laura Mench, who is the representative for the Coastal Zone Program.

Laura, I believe the floor is
yours, and you may begin your presentation when ready.

MS. MENCH: I'm Program Manager with the Delaware Coastal Program Section within the Division of Climate, Coastal and Energy.

I will be presenting on the Coastal Zone Act review of FujiFilm Imaging Colorants' standard permit application.

Fuji film is a printer and manufacturing facility located at 233 Cherry Lane, New Castle Delaware, which is within the State Coastal Zone. The facility holds a Coastal Zone Act permit for its current operations.

MS. VEST: I'm sorry, Laura. I'm going to interrupt you for a second. I don't see your presentation. Did you share it?

MS. MENCH: Hmm.

MS. VEST: There we go.

MS. MENCH: Thank you, Lisa. I don't know what happened. It was sharing before.

MS. VEST: No problem.
MS. MENCH: Okay. So this is the background slide in which I state that FujiFilm's proposed operation will be occurring within the State Coastal Zone. And I pointed out that the facility holds a Coastal Zone Act permit for its current operations.

And, again, FujiFilm is proposing to construct and operate a new manufacturing plant within an existing building to produce high-performance aqueous pigment dispersions.

This proposed expansion of operations requires FujiFilm to obtain a new Coastal Zone Act standard permit.

I will now give an overview of the Coastal Zone Act permit application review.

On February 23, 2021, FujiFilm submitted an initial application for a Coastal Zone Act standard permit.

The Coastal Zone Act Program requested more information regarding the emission calculations and the offset proposal.

On March 24, 2021, FujiFilm
submitted a revised application and offset proposal.

On April 15, 2021, FujiFilm submitted a FOIA request for confidentiality to keep private portions of the application for the purpose of trade secrets and commercial or financial security.

On April 28, 2021, the Secretary approved the request for confidentiality and declared the application administratively complete, thereby starting the 90-day regulatory time clock.

On May 5th, 2021, the application was noticed and made available for public comment.

The proposed activity would generate 3.92 tons per year of air emissions from the operation of two boilers and an HVAC system.

Air emissions would include the following pollutants: Nitrogen oxides, carbon monoxide, lead, nitrogen dioxide, sulfur dioxide, and total organic compounds, which includes methane and VOCs.
The Coastal Zone Act regulations requires any negative environmental impacts to be more than offset.

Using a 1.1 multiplier total emissions to be offset are 4.325 tons per year.

FujiFilm's offset proposal includes the purchase of 3 tons of emission reduction credits, or ERCs, from the Delaware Division of Small Business. The ERC purchase would be composed of 2 tons of NOx ERCs and 1 ton of VOC ERCs.

The proposal also includes the offset of 1.392 tons per year of carbon monoxide emissions through the elimination of five existing propane-operated forklifts.

The total offsets in FujiFilm's offset proposal is 4.392 tons per year, which more than meets the requirement to offset 4.325 tons per year.

As Lisa stated, the purpose of this public hearing is to solicit public comment on the application submitted by FujiFilm. No decision on the permit application will be
made tonight. The Secretary of DNREC will make a decision once the record has been closed and reviewed.

This concludes the Coastal Zone Act Program's presentation. Thank you for your interest and attention.

MS. VEST: Okay. Thank you, Laura, for that presentation.

It's my understanding that you do have a list of the exhibits that the Division wishes to be entered into the record.

Let the record note that there are ten proposed exhibits. Just for housekeeping purposes, are these the same exhibits as the ones posted on the hearing webpage dedicated to this matter?

MS. MENCH: Yes, they are.

MS. VEST: Okay. And they have not changed or been altered since that posting; correct?

MS. MENCH: That is correct.

MS. VEST: Okay. Thank you.

Let the record reflect that DNREC proposed Exhibits 1 through 10, as identified
on the slide being shared right now, are the same as those that were previously posted for the public's view on the hearing webpage, and they are formally now entered into the hearing record.

Does the Department have anything further that they wish to add at this time?

MS. MENCH: No, we don't.

MS. VEST: Okay. Thank you, Laura.

Since the Department's presentation is now concluded, I am going to turn the floor over to the applicants -- hopefully -- to the applicant, and I believe Maureen Concordia is going to be offering a brief presentation for the record at this time. Maureen, you may proceed when ready.

MS. CONCORDIA: Thank you, Lisa.
Thank you, Laura. I will share my screen.

MS. VEST: We see it. You are good to go.

MS. CONCORDIA: All right.
Awesome. Thank you, everyone. I'm Maureen Concordia from FujiFilms. And we are here to present the Coastal Zone permit application.
Oops, sorry. Let me get this. We deliver an ink technology that enables our customers to create a world-class inkjet printing system.

Our mission here is to produce outstanding ink and colorants, using our extensive development and manufacturing capabilities combined with a unique technology portfolio and exceptional quality standards.

As you can see, FujiFilm ink is everywhere. We print and have products in over thousands of applications, such as home and office, commercial printing, design, displays and signage, textiles, labels, and packaging and industrial.

We are located over here at the New Castle site in Delaware. We have been manufacturing here since 1944. And we are located on 20 acres, which has been wholly owned by FujiFilm since 2006.

Our facility is a dedicated facility for aqueous ink manufacture and dye purification.
We have 20 plus million liters ink capacity with 40,000 square feet of occupied manufacturing space. We have a total of 75 employees at the New Castle site.

Please visit our website at fujifilmprecisionink.com to learn more about us.

These are our cultural values that we work towards. There are five of them: Creativity, teamwork, integrity, accountability, and responsibility. Again, please visit our website to learn about each of these.

So tonight we are here for the Coastal Zone application for the L44 Plant, also known as Project Marconi.

And, as you can see, this is an artist's rendition of the new facility. The main building is an existing building that is located on our site. And, as you can see, we have two additional buildings that are being installed that house our utilities.

The RxD capacity expansion here at the New Castle site, RxD is a proprietary
FujiFilm reactive dispersant cross-linking technology. It is the enabling technology in FujiFilm's high-quality aqueous pigment dispersions and creates a highly stable product which is used in ink manufacture.

By making RxD here at New Castle, it expands the global footprint of RxD and enhances our business continuity.

It streamlines the supply chain of RxD used in ink manufacturing.

It enables a more efficient supply chain for RxD, reaching North America, South America, and Latin America regions.

It supports strategic initiatives to develop business in packing by integrating the GMP standards.

The key success criteria for this project is on time, on budget; a project safety is zero incidents or harm to the environment; our product meets existing specifications; and compliance with GMP for indirect food contact.

Project Marconi Economic Benefits:
It includes construction plans to hire 75 to
100 workers throughout the construction timeline.

Construction spend is approximately $3,000,000 to $5,000,000.

Our construction services include engineering, general construction, electrical, plumbing, HVAC upgrades, and electrical interconnections.

Approximately 21 employees are projected to be hired to provide support and operation for the RxD plant.

We are anticipating commercial sales from the RxD plant by April of 2023.

Project Marconi -- Environmental:

There are no negative impacts to the environment and the surrounding area.

All waste products are managed in accordance with our ISO 14001 standard operating procedures.

A large portion of our total waste is incorporated in re-use and recycling. This includes plastic drums, IBCs, often known as totes, and steel drums.

Waste from FujiFilm is sent to
Waste to Energy Plants.

And environmental noise will not be an issue, as everything is housed within the building.

Project Marconi Offsets: As mentioned prior by the Laura, FujiFilm will offset the new plant's projected 3.931 tons per year of emissions by an offset of 4.325 tons per year, and that's a 1.1 emission rate.

FujiFilm will purchase from the Delaware Division of Small Business two NOx emission reduction credits, one VOC emission reduction credit, and that results in 3 tons of emission reduction credits.

FujiFilm will offset the remaining 1.325 tons per year of emissions by eliminating five propane forklifts that are currently in our fleet. We plan to purchase two electric forklifts and one electric pallet jack.

The forklift project will offset FujiFilm's carbon monoxide emissions by the 1.392 tons per year. The five propane
operated forklifts will be removed from the site prior to commencement of the L44 operations.

And that's all I have tonight.

Thank you.

MS. VEST: Okay. Thank you, Maureen for that presentation.

And, again, just for clarification for the record, and for those in attendance tonight, it should be noted that the applicant did provide this Power Point presentation to the Department and wished to have it entered as an exhibit for the record.

So, along with all of the Department's exhibits that were entered into the record, we do have what FujiFilm just offered posted on the hearing webpage as well, and the public can feel free to look at that and review it for additional understanding concerning this project.

Maureen, does the applicant have anything further it wishes to offer for the record at this time?

MS. CONCORDIA: No, we don't have
anything further. Thank you.

MS. VEST: Okay. Very good. That being said, we are now going to go to the portion of tonight's proceedings for live public comment.

I believe that we have Martin Willis that wishes to offer comments for the record.

Again, as I said in my introductory remarks, there is a protocol. You must preregister if you wish to offer comment live at the time of our hearing. And Mr. Willis has done that. So, Mr. Willis, are you there?

MR. WILLIS: Yes, I am.

MS. VEST: Okay. Thank you. Thank you for your interest. You can proceed when ready. You will see -- do you have a visual where you are?

MR. WILLIS: I'm on the phone.

MS. VEST: Oh, you're on the phone. Okay. Well, you have three minutes, but you are a frequent commenter, so I will let you proceed when you're ready.
MR. WILLIS: Okay. Can you hear me?

MS. VEST: I can hear you fine.

MR. WILLIS: Okay. My name is Martin Willis. I'm a resident of New Castle, Delaware. And I'm a union boilermaker by trade.

I wish to make a public comment. And my comment is simply this: I think that the Secretary of DNREC should approve this Coastal Zone Act application to construct and operate at 100 ton per year designed high-performance pigment plant.

I have to admit up front I was a little dismayed by how much information on the application was being copied out, was blacked out from public view.

But in the first 41 pages of the 521-page Coastal Zone Act application, I could not find anything wrong or deeply concerning enough for the Secretary to not approve this application.

But what I truly loved was the fact that FujiFilms is proposing to bring its
manufacturing process from Scotland, from its facility in Scotland to New Castle, Delaware.
And I wish them all the success.

And I wish them that -- I would pray that they would find a local contractor to construct their building.

Also going forward, I can't wait to see you in person, Ms. Vest, now that COVID is behind us.

And I just want to congratulate FujiFilms for going through the process of obtaining a Coastal Zone Act permit.

We here in the State of Delaware, people like me, we go over these applications with a fine-toothed comb. And I can tell you that if I saw anything wrong, I would have made a comment about it.

So good luck, FujiFilms. And that's all I have to say. Thank you.

MS. VEST: Thank you very much, Mr. Willis. As always, your comments and your interest in these matters is greatly appreciated.

Mr. Willis was the only one who
preregistered, so he is the one and only portion of the public comment event of this proceeding tonight.

So, with that, I am going to offer some concluding remarks. We do have a thank you slide. I refer to it as the conclusion of the thank you slide. And on that you can see again there are a variety of ways that, if you wish to do so, you can offer comments for the record.

There is a comment form, a little button that says click here to offer your comment. If you are on the hearing webpage, it will take you right to where you need to go.

You can submit it via e-mail directly, as that slide shows, to DNRECHearingComments at Delaware.gov, or the old-fashioned way that we have always done it for years and years by USPS directly to me as the hearing officer at DNREC Office of the Secretary, 89 Kings Highway, Dover, Delaware, 19901.

And, again, all comments must be
related to this particular matter, which is
the pending Coastal Zone Act permit
application of FujiFilm.

I want to thank everybody for
taking the time tonight to attend this
virtual proceeding.

Again, the record will remain open
for receipt of comment through June 10, 2021.

Thank you all again, and this
meeting is hereby adjourned.

(Concluded at 6:21 p.m.)
CERTIFICATE

I, Lorena J. Hartnett, a Notary Public and Registered Professional Reporter, do hereby certify that the foregoing is an accurate and complete transcription of the proceeding held at the time and place stated herein, and that the said proceeding was recorded by me and then reduced to typewriting under my direction, and constitutes a true record of the testimony given by said witnesses.

I further certify that I am not a relative, employee, or attorney of any of the parties or a relative or employee of either counsel, and that I am in no way interested directly or indirectly in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office on this 2nd day June, 2021

______________________________
Lorena J. Hartnett
Registered Professional Reporter
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