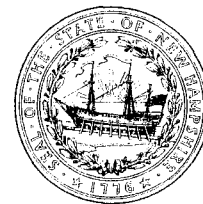




The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

November 21, 2006

Nashua Corporation
Attn: Suzanne L. Ansara
11 Trafalgar Square, 2nd Floor
Nashua, NH 03063

Re: Docket No. AF 06-050 - Administrative Fine by Consent Agreement

Dear Ms. Ansara:

Enclosed for your records is a copy of the fully executed and accepted Administrative Fine by Consent Agreement in the above-captioned matter.

On behalf of the Department of Environmental Services, thank you for your cooperation in resolving this matter.

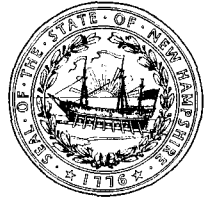
COPY

Michael P. Sclafani
Legal Assistant

cc: Michael J. Walls, DES Assistant Commissioner
Anthony P. Giunta, P.G., Director, Waste Management Division
Gretchen R. Hamel, DES Legal Unit
Kerry D. Barnsley, DES Legal Unit
Jennifer J. Patterson, NH DOJ
Linda Birmingham, DES WMD
Paul L. Heirtzler, WMD
DES Public Information Officer
CT Corporation System, Registered Agent



The State of New Hampshire
Department of Environmental Services



Nashua Corporation
11 Trafalgar Square, 2nd floor
Nashua, NH 03063

RE: Nashua Corporation
Merrimack, New Hampshire
EPA ID No. NHD000769869

**ADMINISTRATIVE FINE
BY CONSENT**

No. AF 06-050

I. INTRODUCTION

This Administrative Fine by Consent is entered into by and between the Department of Environmental Services, Waste Management Division and Nashua Corporation, pursuant to RSA 147-A and the New Hampshire Administrative Rule Env-C 601. This Administrative Fine by Consent ("Agreement") is effective upon signature by all parties.

II. PARTIES

1. The Department of Environmental Services, Waste Management Division ("DES"), is a duly constituted administrative agency of the State of New Hampshire, having its principal office at 29 Hazen Drive, Concord, New Hampshire.
2. Nashua Corporation ("Nashua") is a corporation registered to do business in New Hampshire. Nashua's headquarters are located at 11 Trafalgar Square, 2nd Floor, Nashua, New Hampshire. Nashua's Merrimack, New Hampshire facility has a mailing address of 59 Daniel Webster Highway, Merrimack, NH 03054-4811.

III. BACKGROUND

1. Pursuant to RSA 147-A, the Department of Environmental Services regulates the management and disposal of hazardous waste. Pursuant to RSA 147-A:3, the Commissioner of DES has adopted Env-Wm 100-1100 ("Hazardous Waste Rules") to implement this program.
2. Pursuant to RSA 147-A:17-a, the Commissioner of DES is authorized to impose fines of up to \$2,000 per offense for violations of RSA 147-A or rules adopted pursuant thereto. Pursuant to this section, the Commissioner has adopted Env-C 612 to establish the schedule of fines for such violations.
3. Nashua is a hazardous waste generator that notified the United States Environmental Protection Agency ("EPA") of its activities through DES on October 21, 1992. EPA

Identification Number NHD000769869 was assigned to Nashua's site located at 59 Daniel Webster Highway in Merrimack, New Hampshire.

4. On December 14, 2005, DES personnel inspected Nashua for compliance with RSA 147-A and its implementing regulations, the New Hampshire Hazardous Waste Rules. As a result of the violations of the Hazardous Waste Rules documented during this inspection, DES issued Letter of Deficiency No. WMD 06-002 ("LOD") to Nashua on February 17, 2006. Based on the violations observed during the inspection listed above, DES believes that an administrative fine is appropriate in this case for the Class I violation.

IV. ALLEGATIONS, ADMINISTRATIVE FINES

1. Nashua failed to close one (1) 55-gallon hazardous waste container located in color room # 4, as required by Env-Wm 507.01(a)(3) ("Violation 1"). Env-C 612.06(c)(1) authorizes a fine of \$400 for each container that is 55-gallons or greater.

2. Nashua failed to include a notation for observing leaks in the Hazardous Waste Inspection Checklist, as required by Env-Wm 509.02(a)(1) ("Violation 2"). Env-C 612.07(a) authorizes a fine of \$1,000 per inspection per area per week.

3. Nashua failed to maintain a personnel training program and provide hazardous waste training for the following employees with hazardous waste management duties, as required by Env-Wm 509.02(a)(2): four (4) years of annual training for Alternate Emergency Coordinator Richard Cardin and four (4) years of annual training for Alternate Emergency Coordinator Glenn Clark ("Violation 3"). Env-C 612.07(b) authorizes a fine of \$1,000 per individual not trained for annual updates, for a potential fine of \$8,000.

4. Nashua failed to maintain a complete contingency plan on-site, as required by Env-Wm 509.02(a)(5) ("Violation 4"). Env-C 612.07(e) authorizes a fine of \$2,000.

5. Nashua failed to post a complete emergency posting at the nearest telephone to the main hazardous waste storage area, as required by Env-Wm 509.02(b) ("Violation 5"). Env-C 612.07(h) authorizes a fine of \$1,000 per area.

6. Nashua failed to conduct an adequate used oil determination for used oil, as required by Env-Wm 807.06(b)(7) ("Violation 6"). Env-C 612.10(c) which references Env-Wm 807.06(b)(4), modified in August 2000 to Env-Wm 807.06(b)(7), authorizes a fine of \$750 per determination not made.

7. Nashua failed to clearly label or mark one (1) container of universal waste mercury devices with any of the following marking: "Universal Waste - Mercury-Containing Device(s)," "Waste Mercury-Containing Device(s)," or "Used Mercury-Containing Device(s)", as required by Env-Wm 1102.03 and Env-Wm 1111.04 ("Violation 7"). Pursuant to Env-C 610, a fine of \$50/container has been calculated.

8. Nashua failed to label or mark thirty-four (34) containers of universal waste lamps with any of the following markings: "Universal Waste – Lamps(s)", "Waste Lamp(s)", or "Used Lamp(s)", as required by Env-Wm 1102.03 and Env-Wm 1112.04 ("Violation 8"). Pursuant to Env-C 610, a fine of \$50 per container has been calculated, for a potential fine of \$1,700.

9. Nashua failed to close sixteen (16) containers of universal waste lamps and one (1) container of universal waste mercury containing devices, except to add or remove universal waste, as required by Env-Wm 1112.03(c)(1) ("Violation 9"). Pursuant to Env-C 610, a fine of \$15/container has been calculated, for a potential fine of \$255.

V. PAYMENT, WAIVER OF HEARING

1. DES agrees to waive the fine associated with Violation 1, 2 and 4 through 9 because they are not Class I violations.

2. Nashua agrees to pay \$6,134 as itemized below for Violation 3, which is a Class I violation, upon execution of this Agreement.

- a. DES has determined due to Nashua's high level of cooperation in providing information, its effort to correct the violation, and good faith effort to comply, that a 40% reduction should be applied (*i.e.*, (20%) cooperation and (20%) good faith effort) to the gravity portion of the penalty (*i.e.*, \$4,664 (gravity) X .60 + \$3,336 (economic benefit) = \$6,134).

3. Payment under Section V. Paragraph 2 shall be paid by certified check made payable to: "Treasurer, State of New Hampshire" and shall be mailed to:

DES Legal Unit
Attn: Michael Sclafani, Legal Assistant
PO Box 95
Concord, NH 03302-0095

4. If any payment is made by check or money order that is returned due to insufficient funds, pursuant to NH RSA 6:11-a, DES may charge a fee in the amount of 5% of the face amount of the check or money order or \$25.00, whichever is greater, plus all protest and bank fees, in addition to the amount of the check or money order, to cover the costs of collection.

5. By executing this Agreement, Nashua waives its right to a hearing on or any appeal of the administrative fines identified in this Agreement, and agrees that this Agreement may be entered into and enforced by a court of competent jurisdiction.


6. The effective date of this Agreement will be the date on which it is signed by an authorized representative of Nashua, and the Director of the Waste Management Division, and the Commissioner of DES.

7. No failure by DES to enforce any provision of this Agreement after any breach or default will be deemed as a waiver of its rights with regard to that breach or default, nor will such failures be construed as a waiver of the right to enforce each and all provisions of this Agreement on any further breach or default.

WHEREFORE, the parties voluntarily accept the terms of this Agreement.

NASHUA CORPORATION


COPY


By: John L. Patenaude, Vice President-Finance,
Duly Authorized Chief Financial Officer
and Treasurer

10/26/06
Date

DEPARTMENT OF ENVIRONMENTAL SERVICES

COPY


Anthony P. Giunta, P.G., Director
Waste Management Division

11/3/06
Date

COPY

Thomas S. Burack, Commissioner

11/16/06
Date

cc: RCRA/DB/AF
Paul L. Heirtzler, P.E., Esq., Administrator, WMD
Gretchen Hamel, Administrator, DES Legal Unit
Public Information Officer, DES PIP Office
Jennifer Patterson, NH DOJ
Donna DiGiovini, Divisional President, Nashua Corporation
Ed Sylofski, Vice President, Nashua Corporation
David Peters, Director of Quality Assurance, Nashua Corporation
Raymond Pieczarka, Nashua Corporation
CT Corporation System, 9 Capitol Street, Concord, NH 03301 (registered agent)