

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT

PERMITTEE

Action Athletic Equipment, Inc.  
Attn: Janet Higgins  
3144 - 21st Street  
Zion, Illinois 60099

Application No.: 01010020  
Applicant's Designation:  
Subject: Miscellaneous Manufacturing  
Date Issued: April 4, 2007  
Location: 3144 - 21st Street, Zion

I.D. No.: 097200AAZ  
Date Received: October 27, 2006  
Expiration Date: April 4, 2012

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of large pad adhesive gluing operation, coating mixing, large pad glossing operation, base coating operation, markings to pad, final coating line and a dip line to produce sporting and athletic goods pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
  - i. This federally enforceable state operating permit (FESOP) is issued to limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for volatile organic material (VOM), 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result, the source is excluded from the requirements to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit are described in Attachment A.
  - ii. To limit emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205, except reporting requirements of 35 Ill. Adm. Code 205.300.
  - iii. This permit is issued based upon the source not being subject to the requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Surface Coating of Metal Furniture, 40 CFR 63 Subpart PPPP. This is consequence of the federally enforceable production and operating limitations, which restrict a potential to emit to less than 10 tons/year for any individual Hazardous Air Pollutant (HAP), and 25 tons/year for any combination of such HAPs, being established prior to the Compliance Date for existing sources listed in 40 CFR 63.4483(b).

- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
  - c. This permit supersedes all operating permits issued for this location.
- 2a. Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.
- b. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and beginning with the following seasonal allotment period, shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period.
- 3a. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to the requirements of 35 Ill. Adm. Code 212.122, pursuant to 35 Ill. Adm. Code 212.123(a), except as allowed by 35 Ill. Adm. Code 212.123(b) and 212.124.
- b. Pursuant to 35 Ill. Adm. Code 212.322(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any process emission unit for which construction or modification commenced prior to April 14, 1972, which, either alone or in combination with the emission of particulate matter from all other similar process emission units at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.322(c).
- 4a. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall only apply to photochemically reactive material.
- b. Pursuant to 35 Ill. Adm. Code 218.926, every owner or operator of miscellaneous fabricated product manufacturing process emission unit subject to 35 Ill. Adm. Code Part 218 Subpart PP shall comply with the requirements of 35 Ill. Adm. Code 218.926(a), (b) or (c).
  - c. Pursuant to 35 Ill. Adm. Code 218.926(b)(1), For coating lines the daily-weighted average VOM content shall not exceed 0.42 kg VOM/liter (3.5 lbs VOM/gallon) of coating as applied (minus water and any compounds which are specifically exempted from the definition of VOM) during any day. Owners and operators complying with this limitation are not required to comply with 35 Ill. Adm. Code 218.301.

- 5. This permit is issued based on the source not being subject to 40 CFR 63 Subpart HHHH Miscellaneous Coating Manufacturing due to the source mixing coatings in 55 gallon drums and the source not having equipment regulated by this Subpart.
- 6a. The coating mixing is not subject to the control requirements of 35 Ill. Adm. Code 218, Subpart PP, Miscellaneous Fabricated Product Manufacturing Processes, pursuant to 218.920(d), which states that no limits under 35 Ill. Adm. Code Part 218 Subpart PP shall apply to affected coating mixing provided emissions of VOM to the atmosphere are less than or equal to 0.91 Mg (1.0 ton) per calendar year if the total emissions from such emission units not complying with 35 Ill. Adm. Code 218.926 does not exceed 4.5 Mg (5.0 tons) per calendar year.
- b. The gluing operation is not subject to 35 Ill. Adm. Code 218, Subpart PP, Miscellaneous Fabricated Product Manufacturing Processes, pursuant to 218.920(d), which states no limits under Subpart PP shall apply to affected gluing operation provided emissions of VOM to the atmosphere are less than or equal to 0.91 Mg (1.0 ton) per calendar year if the total emissions from such emission units not complying with 218.926 does not exceed 4.5 Mg (5.0 tons) per calendar year.
- 7a. Total emissions of VOM and HAP from the coating plant shall not exceed the following limits:

VOM Emissions		Single HAP		Total HAP	
<u>(Lbs/Month)</u>	<u>(Tons/Year)</u>	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
12,700	50.80	0.95	9.5	1.6	16

These limits are based on maximum operation, maximum VOM and HAP content, and material usage.

- b. i. The emissions of VOM from the coating mixing shall not exceed 0.1 ton/month and 1.0 ton/year.
- ii. The emissions of VOM from the gluing operation shall not exceed 0.1 ton/month and 1.0 ton/year.

These limits are being established in this permit so that sum of VOM emissions from affected gluing operation and from affected coating mixing never exceed 4.5 Mg (5.0 tons) per calendar year and become subject to the requirements of 35 Ill. Adm. Code 218.926.

- c. Compliance of the coatings with the monthly and annual VOM and HAP emission limitations shall be based on the recordkeeping requirements and use of the formulas listed below:
  - i. Emissions from Coating Operation (E1) = Actual Coating Usage (gallon) x Coating Density (lbs/gallon) x VOM or HAP Content of the Coating (weight %);

- ii. Emissions from Cleanup Operation (E2) = Actual Clean-Up Solvent Usage (gallon) x Solvent Density (lbs/gallon) x VOM or HAP content of the Clean-Up Solvent (weight %);
  - iii. Emissions from Recycled Solvent (E3) = Recycled Solvent Usage (gallon) x Solvent Density (lbs/gallon) x VOM or HAP Content of the Recycled Solvent (weight %); and
  - iv. Total VOM or HAP Emissions = E1 + E2 - E3.
- d. The emissions of Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act shall not equal or exceed 10 tons per year of any single HAP or 25 tons per year of any combination of such HAPs, or such lesser quantity as USEPA may establish in rule which would require the Permittee to obtain a CAAPP permit from the Illinois EPA. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirement to obtain a CAAPP permit from the Illinois EPA.
- e. Compliance with the annual limits of this permit shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total).
- 8a. Pursuant to 35 Ill. Adm. Code 212.107, 212.109, and 212.110, testing for particulate matter emissions shall be performed as follows:
- i. For both fugitive and nonfugitive particulate matter emissions, a determination as to the presence or absence of visible emissions from emission units shall be conducted in accordance with Method 22, 40 CFR part 60, Appendix A, incorporated by reference in 35 Ill. Adm. Code 212.113, except that the length of the observing period shall be at the discretion of the observer, but not less than one minute. This Condition shall not apply to 35 Ill. Adm. Code 212.301, pursuant to 35 Ill. Adm. Code 212.107.
  - ii. Except as otherwise provided in 35 Ill. Adm. Code Part 212, and except for the methods of data reduction when applied to 35 Ill. Adm. Code 212.122 and 212.123, measurements of opacity shall be conducted in accordance with Method 9, 40 CFR Part 60, Appendix A, and the procedures in 40 CFR 60.675(c) and (d), if applicable, incorporated by reference in 35 Ill. Adm. Code 212.113, except that for roadways and parking areas the number of readings required for each vehicle pass will be three taken at 5-second intervals. The first reading shall be at the point of maximum opacity and second and third readings shall be made at the same point, the observer standing at right angles to the plume at least 15 feet away from the plume and observing 4 feet above the surface of the roadway or parking area. After four vehicles have passed, the 12 readings will be averaged, pursuant to 35 Ill. Adm. Code 212.109.

- iii. Measurement of particulate matter emissions from stationary emission units subject to 35 Ill. Adm. Code Part 212 shall be conducted in accordance with 40 CFR part 60, Appendix A, Methods 5, 5A, 5D, or 5E, pursuant to 35 Ill. Adm. Code 212.110(a).
  - iv. The volumetric flow rate and gas velocity shall be determined in accordance with 40 CFR part 60, Appendix A, Methods 1, 1A, 2, 2A, 2C, 2D, 3, and 4, pursuant to 35 Ill. Adm. Code 212.110(b).
  - v. Upon a written notification by the Illinois EPA, the owner or operator of a particulate matter emission unit subject to 35 Ill. Adm. Code Part 212 shall conduct the applicable testing for particulate matter emissions, opacity, or visible emissions at such person's own expense, to demonstrate compliance. Such test results shall be submitted to the Illinois EPA within thirty (30) days after conducting the test unless an alternative time for submittal is agreed to by the Illinois EPA, pursuant to 35 Ill. Adm. Code 212.110(c).
- b. Testing required by Condition 8(a) shall be performed by a qualified independent testing service.
9. Pursuant to 35 Ill. Adm. Code 218.928(a), when in the opinion of the Illinois EPA it is necessary to conduct testing to demonstrate compliance with Section 281.926, the owner or operator of a VOM emission unit subject to the requirements of this Subpart shall, at his own expense, conduct such test in accordance with the applicable test methods and procedures specified in Section 218.105.
- 10a. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA

guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.

- b. Pursuant to 35 Ill. Adm. Code 212.110(e), the owner or operator of an emission unit subject to 35 Ill. Adm. Code Part 212 shall retain records of all tests which are performed. These records shall be retained for at least three (3) years after the date a test is performed.
- c. Pursuant to 35 Ill. Adm. Code 218.991(b)(2), any owner or operator of a coating line which is subject to the requirements of 35 Ill. Adm. Code Part 218 Subpart PP or TT and complying by means of the daily-weighted average VOM content limitation shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:
  - i. The name and identification number of each coating as applied on each coating line;
  - ii. The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line; and
  - iii. The daily-weighted average VOM content of all coatings as applied on each coating line as defined in 35 Ill. Adm. Code 218.104.
- d. The Permittee shall maintain the following records to determine compliance with the 15 tons VOM/ozone season limitation specified in Condition 2:
  - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
  - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures specified in this permit; and
  - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.
- e. The Permittee shall maintain records of the following items so as to demonstrate compliance with the Conditions of this permit

- i. The name and identification number of each coating, glue and cleaning solvent as applied;
  - ii. The usage of each coating, glue and cleaning solvent in units of (gallons/month and gallons/year);
  - iii. The VOM and HAP content of each coating, glue and cleaning solvent (weight %);
  - iv. If credit is desired for VOM emissions from waste materials, aggregate records of materials disposed of or recycled shall be maintained for all coatings, cleaning solvents, and any other VOM containing material use on the affected base coating operation on a monthly basis;
  - v. Density of each coating, glue and clean-up solvent (lbs/gallon); and
  - vi. Monthly and annual emissions of VOM and HAP with supporting calculations (tons/month and tons/year).
11. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
  12. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by October 31 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.
  13. Pursuant to 35 Ill. Adm. Code 212.110(d), a person planning to conduct testing for particulate matter emissions to demonstrate compliance shall give written notice to the Illinois EPA of that intent. Such notification shall be given at least thirty (30) days prior to the initiation of the test unless a shorter period is agreed to by the Illinois EPA. Such notification shall state the specific test methods from 35 Ill. Adm. Code 212.110 that will be used.
  - 14a. Pursuant to 35 Ill. Adm. Code 218.990, upon request by the Illinois EPA, the owner or operator of an emission unit which is exempt from the requirements of 35 Ill. Adm. Code Part 218 Subparts PP, QQ, RR, TT or 35 Ill. Adm. Code 218.208(b) shall submit records to the Illinois EPA within 30 calendar days from the date of the request that document that the emission unit is exempt from those requirements.
  - b. Pursuant to 35 Ill. Adm. Code 218.991(b)(3), any owner or operator of a coating line which is subject to the requirements of 35 Ill. Adm. Code

Part 218 Subpart PP or TT and comply by means of the daily-weighted average VOM content limitation shall notify the Illinois EPA:

- i. Of a violation of the requirements of 35 Ill. Adm. Code Part 218 Subpart PP or TT by sending a copy of any record showing a violation to the Illinois EPA within 30 days following the occurrence of the violation;
  - ii. At least 30 calendar days before changing the method of compliance with 35 Ill. Adm. Code Part 218 Subpart PP or TT from the use of complying coatings to the use of capture systems and control devices, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(a)(1). Upon changing the method of compliance with 35 Ill. Adm. Code Part 218 Subpart PP or TT from the use of complying coatings to the use of capture systems and control devices, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(a).
15. If there is an exceedance of or deviation from the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance/deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or deviation and efforts to reduce emissions and future occurrences.
16. Two (2) copies of required reports and notifications shall be sent to:
- Illinois Environmental Protection Agency  
Division of Air Pollution Control  
Compliance Section (#40)  
P.O. Box 19276  
Springfield, Illinois 62794-9276
- and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:
- Illinois Environmental Protection Agency  
Division of Air Pollution Control  
9511 West Harrison  
Des Plaines, Illinois 60016
17. Compliance of each coating with daily-weighted average VOM limitation of 35 Ill. Adm. Code 218.926(b)(1) shall be based on the recordkeeping requirements and by the use of the following equation, as defined in 35 Ill. Adm. Code 211.1670:

$$VOM_w = \left[ \sum_{i=1}^n V_i C_i \right] / V_T$$

where;

- $VOM_w$  = The average VOM content of two or more coatings as applied each day on the coating line in units of kg VOM/liter (lb VOM/gallon) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);
- $n$  = The number of different coatings as applied each day on the coating line;
- $V_i$  = The volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on the coating line in units of liter (gallon);
- $C_i$  = The VOM content of each coating as applied each day on the coating line in units of kg VOM/liter (lb VOM/gallon) of coating (minus water and any compounds which are specifically exempted from the definition of VOM); and
- $V_T$  = The total volume of all coatings (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on the coating line.

If you have any questions on this, please call David Hulskotter at 217/782-2113.

Edwin C. Bakowski, P.E.  
Acting Manager, Permit Section  
Division of Air Pollution Control

ECB:DW:psj

cc: Illinois EPA, FOS Region 1  
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the printing plant operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are below the levels, (e.g., 100 tons per year of VOM, 10 tons per year for a single HAP, and 25 tons per year for totaled HAPs) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that less material is handled, and control measures are more effective than required in this permit.

<u>Emission Unit</u>	E M I S S I O N S (Tons/Year)		
	<u>VOM</u>	<u>Single HAP</u>	<u>Total HAPs</u>
Coating Plant	<u>50.50*</u>	<u>9.5</u>	<u>16</u>
Totals	50.80	< 10	< 25

\* Includes 1.0 ton VOM/year from the coating mixing, and 1.0 ton VOM/year from the gluing operation.

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Attachment B - Emissions Reduction Market System (ERMS)

1. Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the CAA.

The ERMS addresses VOM emissions during a seasonal allotment period from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' FESOP or CAAPP permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source should have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 Ill. Adm. Code 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 Ill. Adm. Code 205.500 and 35 Ill. Adm. Code 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 Ill. Adm. Code 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 Ill. Adm. Code 205.630).

2. Applicability

Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons, not including VOM emissions from insignificant emission units and activities. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

3. Recordkeeping and Reporting

- a. The Permittee shall maintain the following records to determine compliance with the above limitation:
  - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
  - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures, which may be specified in this permit; and
  - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.
- b. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by November 30 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.
- c. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and shall immediately comply with 35 Ill. Adm. Code Part 205, including holding allotment trading units (ATUs) for its VOM emissions during the first seasonal allotment period it exceed 15 tons and each seasonal allotment period, thereafter, pursuant to 35 Ill. Adm. Code 205.150(c).

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