ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

BUREAU OF AIR

DIVISION of AIR POLLUTION CONTROL

PERMIT SECTION

PROJECT SUMMARY for the
DRAFT CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMIT

CFC International, Inc.
Attn: Mr. William Herring
500 State Street
Chicago Heights, Illinois 60411

Illinois EPA ID Number: 031045AGI

Application Number: 95120155

Application Type: Renewal

Start of Public Comment Period: August 12, 2007

Close of Public Comment Period: September 11, 2007

Permit Engineer/Technical Contact: David Hulskotter, 217/782-2113

Community Relations/Comments Contact: Brad Frost, 217/782-7027

(This Project Summary generally describes the source and explains the draft permit. This document has been prepared pursuant to Section 39.5(8)(b) of the Illinois Environmental Protection Act, which requires "a statement that sets forth the legal and factual basis for the draft CAAPP permit conditions.")

I. INTRODUCTION

This source has applied for a renewal of the Clean Air Act Permit Program (CAAPP) operating permit. The CAAPP is the program established in Illinois for operating permits for significant stationary sources as required by Title V of the federal Clean Air Act and Section 39.5 of Illinois' Environmental Protection Act. The conditions in a CAAPP permit are enforceable by the Illinois Environmental Protection Agency (Illinois EPA), the USEPA, and the public. This document is for informational purposes only and does not shield the Permittee from enforcement actions or its responsibility to comply with applicable regulations. This document shall not constitute a defense to a violation of the Act or any rule or regulation.

A CAAPP permit contains conditions identifying the applicable state and federal air pollution control requirements that apply to a source. The permit also establishes emission limits, appropriate compliance procedures, and specific operational flexibility. The appropriate compliance procedures may include monitoring, record keeping, and reporting to show compliance with these requirements. The Permittee must carry out these procedures on an on-going basis to demonstrate that the source is operating in accordance with the requirements of the permit. Further explanations of the specific provisions of the draft CAAPP permit are contained in the attachments to this document, which also identify the various emission units at the source.

II. GENERAL SOURCE DESCRIPTION

a. Nature of Source

CFC International is a coated products manufacturer, specifically, CFC produces hot stamp foils, including metallic foils in colors, bright and brushed tones, wood grain foils and pigmented foils. CFC also produces magnetic ink character recognition ribbons, multi-strike and computer printing film, correction lift-off tape and a line of products for the credit card and security industry. Mixing, blending and coating operations are used to produce these products. Primary emissions form the source are VOM and HAPs from the use of solvents and thinners.

b. Ambient Air Quality Status for the Area

This permit is issued based on the source being located in an area that is currently designated nonattainment for the National Ambient Air Quality Standards for ozone and $PM_{2.5}$ and attainment for all other criteria pollutants.

c. Major Source Status

The proposed permit is based on:

1. The source requiring a CAAPP permit as a major source of VOM and HAP emissions.

d. Source Emissions

The following table lists annual emissions of criteria pollutants from this source, as reported in the Annual Emission Reports sent to the Illinois EPA.

	Annual Emissions (tons)				
Pollutant	**2002**	**2003**	**2004**	**2005**	**2006**
CO	5.62	6.18	5.06	4.94	4.99
NO_x	6.69	7.35	6.02	5.88	5.90
PM	6.64	0.68	0.63	0.62	0.60
SO_2	0.04	0.04	0.04	0.04	0.10
VOM	60.30	41.60	52.49	52.98	49.40
Toluene (top HAP)	15.80	9.72	13.42	16.66	10.49

III. NEW SOURCE REVIEW/TITLE I CONDITIONS

This draft permit contains terms and conditions that address the applicability of permit programs for new and modified sources under Title I of the Clean Air Act (CAA) and regulations promulgated thereunder, including 40 CFR 52.21, Prevention of Significant Deterioration (PSD) and 35 IAC Part 203, Major Stationary Sources Construction and Modification. Any such terms and conditions are identified within the draft permit by T1, T1R, or T1N. Any conditions established in a construction permit pursuant to Title I and not revised or deleted in this draft permit, remain in effect pursuant to Title I provisions until such time that the Illinois EPA revises or deletes them. Where the source has requested that the Illinois EPA establish new conditions or revise such conditions in a Title I permit, those conditions are consistent with the information provided in the CAAPP application and will remain in effect pursuant to Title I provisions until such time that the Illinois EPA revises or deletes them.

This draft permit would not establish any new Title I requirements or revised Title I requirements.

IV. COMPLIANCE INFORMATION

The source has certified compliance with all applicable rules and regulations; therefore, a compliance schedule is not required for this source. In addition, the draft permit requires the source to certify its compliance status on an annual basis.

V. PROPOSED ILLINOIS EPA ACTION/REQUEST FOR COMMENTS

It is the Illinois EPA's preliminary determination that this source's permit application meets the standards for issuance of a CAAPP permit. The Illinois EPA is therefore proposing to issue a CAAPP permit, subject to the conditions proposed in the draft permit.

Comments are requested by the Illinois EPA for the draft or proposed permit, pursuant to 35 IAC Part 252 and Sections 39.5(8) and (9) of the Illinois Environmental Protection Act. A final decision on the draft or proposed permit will not be made until the public, affected states, and USEPA have had an opportunity to comment. The Illinois EPA is not required to accept recommendations that are not based on applicable requirements. If substantial public interest is shown in this matter, the Illinois EPA will consider holding a public hearing in accordance with 35 IAC Part 166.

ATTACHMENT 1: Summary of Source-Wide Requirements

The following table indicates the source-wide emissions control programs and planning requirements that are applicable to this source. These programs are addressed in Sections 5 and 6 of the draft permit.

Program/Plan	**Applicable**
Emissions Reduction Market System (ERMS)	Yes
Nitrogen Oxides (NO_x) Trading Program	N/A
Acid Rain Program	N/A
Compliance Assurance Monitoring (CAM) Plan	N/A
Fugitive Particulate Matter (PM) Operating Program	Yes
Risk Management Plan (RMP)	N/A
PM_{10} Contingency Measure Plan	N/A

1. The ERMS is a market-based program designed to reduce VOM emissions from stationary sources located in the Chicago ozone non-attainment area in order to contribute to reasonable further progress toward attainment (35 IAC Part 205). If applicable, this program is further described in Section 6.0 of the draft permit, including the Illinois EPA's determination of the source's baseline emissions and allotment of trading units under the ERMS.

2. The fugitive PM operating program is required to significantly reduce fugitive particulate matter emissions from certain affected locations and facilities (35 IAC Part 212.309 – 212.312). Normally, elements of this program include, but are not limited to, addressing normal traffic pattern roads, parking facilities, and material piles and handling through the use of water, oils, or chemical dust suppressants.

ATTACHMENT 2: Summary of Requirements for Specific Emission Units

The following tables include information on the requirements that apply to significant emission units at this source. The requirements are found in Section 7 of the draft permit, which is further divided into subsection, i.e., Section 7.1, 7.2, etc., for the different categories of units at the source. A separate table is provided for each subsection in Section 7 of the draft permit . An explanation of acronyms and abbreviations is contained in Section 2 of the draft permit.

Table 1 (Section 7.1 of the draft permit)

Emission Unit – 01 – Milling, Mixing and Blending Operations	
Description	CFC International utilizes mills, vat stands, and a mixing tank to process solids and solvents to process solids and solvents to produce inks and coatings.
Date Constructed	Mills June 1996/Other Units 12/1981
Emission Control Equipment	Baghouse BH1 and Dust Collector DC1
Applicable Rules and Requirements	
Emission Standards	• 35 IAC 218.301: 8 lbs/hour VOM • 35 IAC 212.321(a): PM emission limits based on the process weight rates.
Streamlining	N/A
Title I Conditions	N/A
Non-applicability	• 40 CFR 63 Subpart HHH Coating Manufacturing: Source already subject to another Subpart under 40 CFR Part 63.
Periodic Monitoring (other than basic regulatory requirements)	
Testing	Source-Wide Testing Requirements. Conditions 5.7.1: The Illinois EPA may require the owner or operator of the emission source of an air pollution control equipment to conduct tests.
Emissions Monitoring	No emissions monitoring is established.
Operational Monitoring	Each pump shall be checked by visual inspection each calendar week for indications of leaks Condition 7.1.5(b).
Inspections	Periodic inspection, routine maintenance and prompt repair of defects for dust collectors.

Emission Unit – 01 – Milling, Mixing and Blending Operations	
Recordkeeping	• Product Solvent Usage • Clean-Up Solvent Usage • Operating Hours • VOM, PM and HAP Emissions • Solid Material Handled
Other	
Reporting	
Prompt Reporting	Notification within 30 days following the occurrence of a violation.
Other Reporting	N/A
Other Information	
Footnotes	

Table 2 (Section 7.2 of the draft permit)

Emission Unit – 02	
Description	Flexographic and Rotogravure Presses Controlled by Two Thermal Oxidizers
Date Constructed	1981; 1993; 1997
Emission Control Equipment	Two Regenerative Thermal Oxidizers
Applicable Rules and Requirements	
Emission Standards	• 40 CFR 63 Subpart KK: 95% HAP control efficiency. • 35 IAC 218.401: 90% VOM control efficiency and 75 – 60% minimum overall control of VOM. • 35 IAC 212.321(a): PM emission limits based on the process weight rates.
Streamlining	N/A
Title I Conditions	Limits on VOM emissions from specific printing presses are carried over from construction permits.
Non-applicability	• Compliance Assurance Monitoring (CAM), 40 CFR Part 64: Lines Subject to 40 CFR 63, Subpart KK. • 40 CFR 60, Subpart QQ NSPS Graphics Art Industry: Products produced are not on applicability list of NSPS.
Periodic Monitoring (other than basic regulatory requirements)	
Testing	Testing requirements of 40 CFR 63.827.
Emissions Monitoring	No emissions monitoring is established.
Operational Monitoring	Monitoring requirements of 40 CFR 63.828, including combustion temperature monitoring of thermal oxidizers.
Inspections	No inspection requirements are established.
Recordkeeping	• Control Device Monitoring Data • Logs of Operating Times • Maintenance Logs • VOM and HAP Contents of Materials • Usage of VOM/HAP Materials • VOM and HAP Emissions
Other	
Reporting	

Emission Unit – 02	
Prompt Reporting	• Violation of 35 IAC 218.401(c) within 30 days after the occurrence of such violation. • Violation of the operating and control requirements of Conditions 7.2.5 and 7.2.6 within 30 days after the occurrence of such violation.
Other Reporting	Reporting requirements of 40 CFR 63.830 including Notification of Compliance Status and summary reports.
Other Information	
Footnotes	

Table 3 (Section 7.3 of the draft permit)

Emission Unit – 03 – Miscellaneous Printing Presses	
Description	A non-heatset lithographic printing press and ink jet printers that will also be used for specialty printing.
Date Constructed	1/2007
Emission Control Equipment	None
Applicable Rules and Requirements	
Emission Standards	• 35 IAC 218.301: 8 lbs/hour VOM • 35 IAC 212.321(a): PM emission limits based on the process weight rates.
Streamlining	N/A
Title I Conditions	• The draft permit contains limits on operation and emissions in Condition 7.1.5 and 7.1.6. These limits were incorporated from Permit. • Limits on VOM emissions from specific printing presses are carried over from construction permits.
Non-applicability	• 218.407 Emission Limitations and Control Requirements for Lithographic Printing: VOM emissions less than 100 lbs/day. • 218.986 Other Emission Units: 25 tons of VOM/year applicability level.
Periodic Monitoring (other than basic regulatory requirements)	
Testing	The VOM content in applied fountain solutions, cleaning solutions, inks and coatings.
Emissions Monitoring	No emissions monitoring is established.
Operational Monitoring	No operational monitoring is established.
Inspections	No inspection requirements are established.
Recordkeeping	• Usage of inks, coatings, and solvents • The VOM content of each ink, coating, and solvent applied • Released emissions • Daily operating records
Other	
Reporting	

Emission Unit – 03 – Miscellaneous Printing Presses	
Prompt Reporting	• Violation of conditions of the permit within 30 days of occurrence • Notification if VOM emissions from lithographic printing lines exceed 100 lbs/day
Other Reporting	N/A
Other Information	
Footnotes	N/A

Table 4 (Section 7.4 of the draft permit)

Emission Unit – 04 – Flexogrpahic Printing Presses and Intaglio Printing Presses	
Description	Flexographic and intaglio printing presses will be used to print security papers, assorted legal documents and other specialty printing.
Date Constructed	1/2007
Emission Control Equipment	None
Applicable Rules and Requirements	
Emission Standards	• 35 IAC 218.401: VOM content limits in inks/coatings • 35 IAC 212.321(a): PM emission limits based on the process weight rates.
Streamlining	N/A
Title I Conditions	Limits on production and VOM emissions are carried over from the construction permit.
Non-applicability	• 35 IAC 218.301: Based on 35 IAC 218.402(b) • 35 IAC 218.204(c): Based on 35 IAC 218.204(c) • 40 CFR 63 Subpart KK: Not wide web flexographic presses or publication rotogravure presses • Compliance Assurance Monitoring (CAM), 40 CFR Part 64: Affected presses do not use an add-on control device
Periodic Monitoring (other than basic regulatory requirements)	
Testing	The VOM content in inks, coatings and solvents.
Emissions Monitoring	No emissions monitoring is established.
Operational Monitoring	N/A
Inspections	N/A
Recordkeeping	• Usage of inks, coatings, and solvents applied • The VOM content of each ink, coating, and solvent applied • Released Emissions
Other	
Reporting	

Emission Unit – 04 – Flexogrpahic Printing Presses and Intaglio Printing Presses	
Prompt Reporting	• Violation of conditions of the permit within 30 days of occurrence • Changing methods of compliance • Any record showing violation of 35 IAC 218.401(a) or 218.402(b) within 30 days of occurrence
Other Reporting	N/A
Other Information	
Footnotes	N/A

Table 5 (Section 7.5 of the draft permit)

Emission Unit – 05 – Sheet Laminating Machine	
Description	Laminate sheets of paper and cardboard by means of water based adhesive and thermo film.
Date Constructed	2006
Emission Control Equipment	None
Applicable Rules and Requirements	
Emission Standards	• 40 CFR 63 Subpart JJJJ: Organic HAP 1.6% • 35 IAC 218.204(c): 2.3 lbs VOM/gallon • 35 IAC 212.321(a): PM emission limits based on the process weight rates.
Streamlining	N/A
Title I Conditions	Limits on production and VOM emissions are carried over from the construction permit.
Non-applicability	• 35 IAC 218.301: Based on 35 IAC 218.209 • 40 CFR Subpart KK: Not flexographic or rotogravure printing press
Periodic Monitoring (other than basic regulatory requirements)	
Testing	The VOM content in adhesives.
Emissions Monitoring	No emissions monitoring is established.
Operational Monitoring	N/A
Inspections	N/A
Recordkeeping	• 40 CFR 63.3410 NESHAP Recordkeeping
Other	
Reporting	
Prompt Reporting	• Violation of conditions of the permit within 30 days of occurrence. • 40 CFR 63.3400 NESHAP Reporting
Other Reporting	N/A
Other Information	
Footnotes	N/A

ATTACHMENT 3: Prompt Reporting of Deviations

Prompt reporting of deviations is critical in order to have timely notice of deviations and the opportunity to respond, if necessary. The effectiveness of the permit depends upon, among other important elements, timely and accurate reporting. The Illinois EPA, USEPA and the public rely on timely and accurate reports submitted by the permittee to measure compliance and to direct investigation and follow-up activities. Prompt reporting is evidence of a permittee's good faith in disclosing deviations and describing the steps taken to return to compliance and prevent similar incidents.

Any occurrence that results in an excursion from any emission limitation, operating condition, or work practice standard as specified in this CAAPP permit is a deviation subject to prompt reporting. Additionally, any failure to comply with any permit term or condition is a deviation of that permit term or condition and must be reported to the Illinois EPA as a permit deviation. The deviation may or may not be a violation of an emission limitation or standard. A permit deviation can exist even though other indicators of compliance suggest that no emissions violation or exceedance has occurred. Reporting permit deviations does not necessarily result in enforcement action. The Illinois EPA has the discretion to take enforcement action for permit deviations that may or may not constitute an emission limitation or standard or the like, as necessary and appropriate.

Section 39.5(7)(f)(ii) of the Illinois Environmental Protection Act, which mirrors 40 CFR 70.6(a)(3)(iii)(B), requires prompt reporting of deviations from the permit requirements. The permitting authority (in this case, Illinois EPA) has the discretion to define "prompt" in relation to the degree and type of deviation likely to occur. Furthermore, Section 39.5(7)(f)(i) of the Illinois Environmental Protection Act, which mirrors 40 CFR 70.6(a)(3)(iii)(A) requires that monitoring reports must be submitted at least every 6 months. Therefore, USEPA generally considers anything less than 6 months to be "prompt" as long as the selected time frame is justified appropriately (60 Fed. Reg. 36083, 36086 (July 13, 1995)).

The USEPA has stated that, for purposes of administrative efficiency and clarity, it is acceptable to define prompt in each individual permit. *Id.* The Illinois EPA has elected to follow this approach and defines prompt reporting on a permit by permit basis. In instances where the underlying applicable requirement contains "prompt" reporting, this frequency or a shorter frequency of reporting is the required timeframe used in this permit. Where the underlying applicable requirement fails to explicitly set forth the timeframe for reporting deviations, the Illinois EPA has developed a structured manner to determine the reporting approach used in this permit.

The Illinois EPA generally uses a time frame of 30 days to define prompt reporting of most deviations. Also, for certain permit conditions in individual permits, the Illinois EPA may require an alternate timeframe that is less than 30 days if the permit requirement justifies a shorter reporting time period. Under certain circumstances, EPA may establish a deviation reporting period longer than 30 days, but, in no event exceeding 6 months. Where it has

established a deviation reporting period other than 30 days in an individual permit (specifically Section 7.x.10), the Illinois EPA has explained the reason for the alternative timeframe. (See Attachment 2 of this Project Summary.)

The timing for certain deviation reporting may be different when a source or emission unit at a source warrants reporting to address operation, independent of the occurrence of any deviations. This is the case for a source that is required to perform continuous monitoring for the emission unit, for which quarterly or semi-annual "monitoring" reports are appropriate. Where appropriate, reporting of deviations has generally been combined in, or coordinated with these quarterly or semi-annual reports, so that the overall performance of the plant can be reviewed in a comprehensive fashion. This will allow a more effective and efficient review of the overall performance of the source by the Illinois EPA and other interested parties, as well as by the source itself.

At the same time, there are certain deviations for which quicker reporting is appropriate. These are deviations for which individual attention or concern may be warranted by the Illinois EPA, USEPA, and other interested parties. Under this scenario, emphasis has been placed primarily on deviations that could represent substantial violations of applicable emission standards or lapses in control measures at the source. For these purposes, depending on the deviation, immediate notification may be required and preceded by a follow-up report submitted within 15 days, during which time the source may further assess the deviation and prepare its detailed plan of corrective action.

In determining the timeframe for prompt reporting, the Illinois EPA assesses a variety of criteria such as:

- historical ability to remain in continued compliance,
- level of public interest in a specific pollutant and/or source,
- seriousness of the deviation and potential to cause harm,
- importance of applicable requirement to achieving environmental goals,
- designation of the area (i.e., non-attainment or attainment),
- consistency among industry type and category,
- frequency of required continuous monitoring reports (i.e., quarterly),
- type of monitoring (inspection, emissions, operational, etc.), and
- air pollution control device type and operation

These prompt reporting decisions reflect the Illinois EPA's consideration of the possible nature of deviations by different emission units and the responses that might be required or taken for those different types of deviations. As a consequence, the conditions for different emission units may identify types of deviations which include but are not limited to: 1) Immediate (or very quick) notification; 2) Notification within 30 days as the standard; or 3) Notification with regular quarterly or semi-annual monitoring reports.

The Illinois EPA's decision to use the above stated prompt reporting approach for deviations as it pertains to establishing a shorter timeframe in certain circumstances reflects the criteria discussed as well as USEPA guidance on the topic.

- 40 CFR 71.6(a)(3)(iii)(B) specifies that certain potentially serious deviations must be reported within 24 or 48 hours, but provides for semi-annual reporting of other deviations. (Serious or severe consequences)
- FR Vol. 60, No. 134, July 13, 1995, pg. 36086 states that prompt should generally be defined as requiring reporting within two to ten days of the deviation, but longer time periods may be acceptable for a source with a low level of excess emissions. (intermediate consequences)
- Policy Statement typically referred to as the "Audit Policy" published by the USEPA defines prompt disclosure to be within 21 days of discovery. (Standard for most "pollutant limiting" related conditions)
- Responses to various States by USEPA regarding other States' definition of prompt.

As a result, the Illinois EPA's approach to prompt reporting for deviations as discussed herein is consistent with the requirements of 39.5(7)(f)(ii) of the Act as well as 40 CFR part 70 and the CAA. This reporting arrangement is designed so that the source will appropriately notify the Illinois EPA of those events that might warrant individual attention. The timing for these event-specific notifications is necessary and appropriate as it gives the source enough time to conduct a thorough investigation into the causes of an event, collecting any necessary data, and to develop preventative measures, to reduce the likelihood of similar events, all of which must be addressed in the notification for the deviation.

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