



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

May 31, 2011

Mr. Steven Hultquist
Corp. Manager – Environ. Affairs
Vertis, Inc. (ID# 115130)
250 W. Pratt St., - 18th Floor
Baltimore, MD 21201

Dear Mr. Hultquist:

In a letter dated April 6, 2011 (see enclosed), the South Coast Air Quality Management District (AQMD) informed you that for Compliance Year 2010, your facility's reported NOx emissions exceeded your Allocations by 227 pounds and Notice of Violation #P52176 was issued. However, based on a subsequent audit of the facility's records and all information available to us, staff's assessment concluded that NOx emissions from the facility for the period of January 1, 2010 through December 31, 2010 are as follows:

Quarter	Year-to-Date NOx Emissions (lbs)	Available NOx RTCs (lbs) as of the end of the Quarterly Reconciliation Period			Exceed/ Comply	Amount Exceeded By Quarter (lbs)
		NOx RTCs exp. Jun -10	NOx RTCs exp. Dec-10	NOx RTCs exp. Jun -11		
First (1/10-3/10)	1,532	4,000	1,183	(0) Not Available For This Quarter	Comply	None
Second (4/10-6/10)	3,434	4,000	1,183	(0) Not Available For This Quarter	Comply	None
Third (7/10-9/10)	5,345	Bal = 4,000 Used = 3,434	3,683	0	Comply	None
Last (10/10-12/10)	7,345	Bal = 4,000 Used = 3,434	3,683	0	Exceed	228

As a result, your facility is in violation of Rule 2004(b)(4), which requires a facility to have acquired and have credited to the facility sufficient RECLAIM Trading Credits (RTCs) to reconcile its quarterly emissions, in the last quarter, as well as Rule 2004 (d)(1), which prohibits a facility's emissions from exceeding its annual Allocations from the beginning of a compliance year through the end of any quarter, in the last quarter. The reason for the additional exceedance amount is because your facility failed to accurately report 4th Quarter emissions on your APEP.

May 31, 2011

In order to account for the revised exceedance amount of 228 pounds based on the audit, 1 pound (228 – 227) is hereby deducted from your Compliance Year 2012 NOx Allocation (Inland RTCs with expiration date of December 31, 2012). This revised deduction amount should be taken into account when you reconcile your emissions with your Allocation for the 2012 compliance year

You paid emissions fees based on NOx emissions reported in your Compliance Year 2010 APEP report. Fees for emissions as determined above in excess of the amount reported in your APEP report will be charged pursuant to AQMD Rule 301(l)(10)(C). Please recalculate and submit, if any, the amount of fees due based on your Compliance Year 2010 excess emissions, pursuant to Rule 301. Furthermore, please resubmit the revised Annual Emissions Report (AER) forms for the affected fiscal year(s) within 60 days from the date of this letter. Both the recalculated fees and resubmitted AER forms should be sent to:

South Coast Air Quality Management District
Annual Emissions Reporting Program
21865 Copley Drive
Diamond Bar, CA 91765

If you have any emissions-related questions regarding the audit, please contact Mr. Steve Jones at (909) 396-2094. Otherwise, if you have any questions regarding the fee payment, the fee schedule, or any late payment penalties, please contact the Annual Emissions Reporting group at (909) 396-3660.

Sincerely,



Cherie L. Snyder, Ph.D.
Senior Enforcement Manager
Industrial/Commercial/Governmental Operations
Engineering & Compliance

CS:VY:DN

Enclosure

Certified Mail Return Receipt Requested

Cc: RECLAIM Administration
District Prosecutor's Office (for NOV file)