



# South Coast Air Quality Management District

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

April 6, 2011

Mr. Steven Hultquist  
Vertis, Inc. (Facility ID #115130)  
250 W. Pratt St. 18<sup>th</sup> Floor  
Baltimore, MD 21201

Dear Mr. Hultquist:

The South Coast Air Quality Management District (AQMD) adopted the RECLAIM program on October 15, 1993 to provide industry clear emission reduction goals without prescribing the method to achieve these goals. One of the requirements of RECLAIM is that participating facilities monitor and report their RECLAIM emissions on an ongoing basis and quarterly reconcile their year-to-date emissions with RECLAIM Trading Credits (RTCs).

Based on your facility's Annual Permit Emissions Program (APEP) report submitted for the Compliance Year 2010, the NOx emissions from your facility for the period January 1, 2010 through December 31, 2010 exceeded your Allocation in the last quarter 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)	7,344	Bal =4,000 Used =3,434	3,683	0	Exceed	227

The reason for the exceedance was that your facility did not acquire sufficient RTCs to reconcile with your reported emissions. 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 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. A Notice of Violation is enclosed.

Rule 2010 (b)(1)(A) requires the exceedance amount to be deducted from the facility's Allocation for the compliance year subsequent to determination of Rule 2004 (d)(1) violation. Therefore, the above total exceedance amount of 227 pounds is hereby deducted from your facility's Compliance Year 2012 NOx

Allocation (Inland RTCs with expiration date of December 31, 2012). The deducted amounts should be taken into account when you reconcile your emissions with your Allocation for the 2012 compliance year.

The above exceedance amount of 227 pounds is based solely on your facility's emissions reported on its APEP report. AQMD has not completed an audit of your facility's records for the subject Compliance Year. Upon completion of the audit, AQMD may determine that your facility's emissions are different than you reported and, as a result, may make any changes in the exceedance amount and debit/credit your Allocation account accordingly.

If you have any questions on this matter, please contact Mr. Mitch Haimov at 909-396-3129.

Sincerely,

Handwritten signature of Danny Luong in black ink, with the initials 'FOR' written below it.

Danny Luong, P.E.  
Senior Enforcement Manager  
RECLAIM Administration  
Engineering & Compliance

MH:DN:GW

Enclosure

Certified Mail Return Receipt Requested

Cc: Cher Snyder  
Victor Yip