



Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

100 North Senate Avenue
Indianapolis, Indiana 46204
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

TO: Interested Parties / Applicant
DATE: July 25, 2007
RE: Caterpillar, Inc. / 157-247731-00044
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted according to IC 13-15-6-3, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3 and IC 13-15-6-1 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) calendar days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for considerations at any hearing; and
- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosures
FNPER.dot 03/23/06



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

Mr. Warren Ewalt
Caterpillar Inc.
3701 State Road 26 East
Lafayette, Indiana 47905

July 25, 2007

Re: Interim Significant Source Modification
157-247731-00044

Dear Mr. Ewalt:

On June 29, 2007, the Office of Air Quality (OAQ) received an Interim Significant Source Modification (SSM) petition from Caterpillar Inc. 3701 State Road 26 East, Lafayette, Indiana 47905 for the replacement of one of the three spray coating systems with a new one. The new spray coating operation will consist of a paint booth equipped with electrostatic airless spray guns and dry filters for particulate control.

Public notice of the interim SSM petition was published on July 3, 2007. The public comment period ended on July 16, 2007. There were no comments received during the public comment period. This interim SSM petition expires on the effective date of the final SSM permit. The interim SSM petition may be revoked after this effective date upon a written finding by the Indiana Department of Environmental Management (IDEM) that any of the reasons for denial in 326 IAC 2-13-1(h) exist or if the final significant source modification permit is denied. The IDEM has reviewed this interim SSM petition and has not found any such reason. The facilities specified in the interim SSM petition may not operate until the final SSM permit is issued by OAQ.

The interim SSM petition is federally enforceable. Detailed construction and operation conditions will be specified in the final SSM permit 157-24773-00044.

If you have any questions regarding this interim permit denial, please contact Syed Jaffery, Senior Environmental Manager, via email sjaffery@idem.IN.gov or call him directly at (317) 233-9327. He may also be reached at toll free phone number (800) 451-6027 extension 3-9327.

Sincerely/Original Signed By:

Nisha Sizemore, Chief
Permits Branch
Office of Air Quality

Enclosure: Interim Permit Evaluation

cc: File -- Tippecanoe County
Tippecanoe County Health Department
Air Compliance Section Inspector -- Wanda Stanfield
Compliance Data Section
Administrative and Development
Technical Support and Modeling
Billing, Licensing, and Training - Dan Stamatkin

**Indiana Department of Environmental Management
Office of Air Management**

**Interim Significant Permit Revision/ Significant Source Modification
Evaluation Sheet**

Company Name: Caterpillar Inc.
Location: 3701 State Road 26 East, Lafayette, Indiana 47905 Permit No: 157-247731-00044
Permit Reviewer: Syed Jaffery Date Receipt of Application: 6/29/07 Date of review: 7/20/07
Description of the interim construction: The replacement of one of the three spray coating systems with a new one. The new spray coating operation will consist of a paint booth equipped with electrostatic airless spray guns and dry filters for particulate control.
Public Notice Date + 17 days = 7/19/07
Date the Application was received + 19 days = 7/17/07

Interim Petition Applicability: 326 IAC 2-13-1

- (a) Existing Source with valid permit;
- (b) Exemptions:
- (1) construction of a PSD source or PSD modification;
 - (2) construction or modification in nonattainment area that would emit those pollutants for which the nonattainment designation is based.
 - (3) any modification subject to 326 IAC 2-4.1.
- (3) Public notice comment period is 14 calendar days.

Instructions: Check (✓) appropriate answers and make a recommendation.

1. Did the applicant submit a written petition for an interim permit?
 Yes Go to question 2.
 No Ignore verbal request.
2. Did the applicant pay the \$500 interim permit fee?
 Yes Go to question 3.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(1).
3. Did the applicant state acceptance of federal enforceability of an interim permit?
 Yes Go to question 4.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(D).
4. Did the applicant or its authorized agent sign the application?
 Yes Go to question 5.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(E).
5. Did the applicant submit a notarized affidavit stating that the applicant will proceed at its own risk (if the interim permit is issued), including, but not limited to:
 - (a) Financial risk,
 - (b) Risk that additional emission controls may be required,
 - (c) Risk that the final permit may be denied. Yes Go to question 6.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(F).

6. Did the applicant begin construction prior to submitting the interim permit application?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(h)(6).
 No Go to question 7.
7. What is the type of the interim construction?
 New Source Deny the application, pursuant to 326 IAC 2-13-1(a)
 Modification to an existing source Go to question 8.
8. Did the applicant present data in the interim permit that is sufficient to determine PSD, NSPS, NESHAP, and state rule compliance?
 Yes Go to question 9.
 No Deny the application pursuant to:
326 IAC 2-13-1(c)(2)(B), for PSD ;
326 IAC 2-13-1(c)(2)(C), for NSPS or NESHAP;
326 IAC 2-13-1(c)(2)(C), for state rules.
9. Is the proposed modification to be located in a nonattainment area?
 Yes Go to question 10.
 No Go to question 11. County: Tippecanoe County
10. Will the proposed modification emit the pollutant for which the area is nonattainment in quantities greater than the significant levels?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(a)(2).
 No Go to question 11.
11. Did the petition include a complete description of the process?
 Yes Go to question 12.
 No Deny the petition, pursuant to 326 IAC 2-13-1(c)(2).
12. Did the interim permit petition contain conditions accepting either emission controls (baghouse, afterburners, scrubbers, etc.) or enforceable limits or other suitable restriction to avoid PSD applicability; as well as control parameters (incinerator operating temperature, baghouse pressure drop, etc.)? The specific limits must be explicitly spelled out (i.e.: The gas consumption of the boiler shall not exceed 29 million cubic feet per month.) A statement such as that the company agrees to conditions such that PSD rules are not applicable is not acceptable.
 Yes Go to question 13.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(B).
13. Do the emission controls and/or throughput limits prevent PSD applicability?
 Yes Go to question 14.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(B).
14. Will the modification, after application of all emission controls and/or throughput limitations comply with all applicable New Source Performance Standards (NSPS) (40 CFR 60)?
 Yes Go to question 15.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).
15. Will the modification, after application of all emission controls and/or throughput limitations comply with all applicable National Emission Standards for Hazardous Air Pollutants (NESHAP)?
 Yes Go to question 16.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).
16. Will the modification, after application of all emission controls and/or throughput limitations, comply with all applicable state rules?
 Yes Go to question 17.
 No Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).

17. Does the applicant dispute applicability of any applicable state or federal rule?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(c)(2)(C).
 No Go to question 18.
18. Is there good reason to believe that the applicant does not intend to construct in accordance with the interim permit petition?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(h)(1).
 No Go to question 19.
19. Is there good reason to believe that information in the petition has been falsified?
 Yes Deny the application, pursuant to 326 IAC 2-13-1(h)(7).
 No Approve the interim permit petition.
20. Has the petition been adequately public noticed? A proof of publication copy is necessary.
 Yes Go to question 21.
 No Deny the application, pursuant to 326 IAC 2-13-1(e).

Newspaper: Lafayette Journal and Courier

Date of publication: 7/3/07

21. Were comments received within seventeen (17) days after the public notice of the interim permit? (14 calendar days for comment period + 3 working days for mailing)
 Yes Evaluate the comments received, and make a recommendation.
 No Issue the final interim permit approval.

Comments: _____

Recommendation: **Based on above evaluation the application is recommended to be approved**

Date the applicant was informed of the decision: _____

Method of informing the applicant: _____

157-24773 I - 00044



June 27, 2007

Mr. Paul Dubenetzky, Chief
Air Permits Branch
Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue
Mail code 61-50
Indianapolis, IN 46204

Dear Mr. Dubenetzky

**RE: Application for Interim Permit
Caterpillar Inc.
3701 State Road 26 East
Lafayette, IN 47905
Operating Permit No.: T 157-18082-00044
Significant source Modification 157-24773-00044**

Caterpillar Inc. (Caterpillar) is submitting the enclosed Application for an Interim Permit relating to the Title V Permit Modification and Construction Permit Application that was received by the Office of Air Quality (OAQ) on March 22, 2007. This application is submitted in with 326 IAC 2-13-1.

The primary purpose for this Application is to seek authorization for Caterpillar to commence construction of the replacement spray coating operation no later than August 1, 2007. As provided in the original application, the new spray coating operation will consist of a paint booth equipped with electrostatic airless spray guns and dry filters for particulate control.

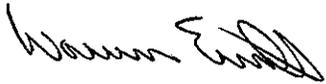
A draft of the First Significant Source Modification, No. 157-24773-00044, was provided to Caterpillar on June 12, 2007. The draft modification would allow for the construction of the new coating system. Mr. Ken Babb of Eastern Research Group, Inc. (ERG) has been assigned by the Indiana Department of Environmental Management (IDEM) to process this modification. Mr. Babb indicated on June 26, 2007 that the modification would not be issued until mid-August or early September because of the public notification requirement. In order for Caterpillar to remain on schedule to complete the construction of the replacement system, the construction will need to commence by August 1.

June 27, 2007
Dubenetzky
Page 2

This application includes the original plus two copies of the following documents: Indiana Department of Environmental Management Office of Air Quality Petition for Interim Construction Permit, an Affidavit of Construction, the Indiana Department of Environmental Management Office of Air Quality Interim Petition Checklist, and the Notice of 14-Day Period for Public Comment. In addition, a copy of the \$500 check for the filing and review fee that was submitted to the Cashier at IDEM is included. It is anticipated that the notice will be published in the local newspaper by July 1, 2007. In addition, a copy of the complete application document has been submitted to the Tippecanoe County Public Library.

If you should have any questions or need additional information, please contact Warren Ewalt at (765) 448-5510.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren Ewalt", is written below the word "Sincerely,".

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

PETITION FOR INTERIM CONSTRUCTION PERMIT

Source Name: Caterpillar Inc.
Source Address: 3701 State Road 26 East, Lafayette, Indiana 47905
Mailing Address: 3701 State Road 26 East, Lafayette, Indiana 47905
SIC Code: 3519, Internal Combustion Engines

Description of the Operation or Equipment:

The operations at the Caterpillar Inc. (CATERPILLAR) facility are currently permitted under New Source Construction, Prevention of Significant Deterioration (PSD) and Part 70 Operating Permit Renewal, Operation Permit No.: T 157-18082-00044, which was issued on December 6, 2006.

The facility will be replacing one of the three spray coating systems with a new one. The new spray coating operation will consist of a paint booth equipped with electrostatic airless spray guns and dry filters for particulate control.

The operation of the new coating system will be limited to allow the facility to avoid PSD regulatory requirements. The proposed operating limits on the quantity of VOC-containing materials, i.e., coatings and clean up solvents, used in the operation.

Potential To Emit:

The potential to emit (PTE) for volatile organic compounds (VOC) resulting from the new coating system will be limited to 105.9 tons/year, which will result in an increase of 31.1 tons/year from the average actual emissions from the current operation during the last two years. The facility is a major source of VOC and hazardous air pollutant (HAP) emissions.

PSD Requirements:

The PTE for the new coating operation will be limited to avoid PSD requirements. VOC emissions netting was completed using the average actual VOC emissions from the current coating operation during the last two years. The coatings and clean up solvents that will be used in the new coating system will be limited to the extent that the maximum increase in VOC emissions will be below the significant increase threshold of 40 tons/year that triggers PSD requirements.

NSPS Requirements:

There are no applicable NSPS rules applicable to the new coating system.

NESHAP Requirements:

The new coating system is subject to the National Emission Standard for Hazardous Air Pollutants (NESHAP): Surface Coating of Miscellaneous Metal Parts, 40 CFR Part 63, Subpart M, since the facility is a major source for HAP emissions. As a new source under the NESHAP, the new coating system will need to meet the HAP limit of 1.9 pounds HAP/gallon solids of coating as applied. The facility will comply with this limit by using only compliant

revised 3/23/01 by drp

coatings, i.e., HAP content of 1.9 pounds/gallon of solids or less, and using solvents that do not contain HAP.

State Rules & Requirements:

The new coating system is subject to the following state rules and requirements:

- 326 IAC 8-2-9, Volatile Organic Compounds (VOC),;
- 326 IAC 8-2-9(f), Volatile Organic Compounds (VOC) Limitation, Clean-up Requirements; and
- 326 IAC 6-3-2(d), Particulate Emissions.

Federal Enforceability:

The company consents to the federal enforceability of this interim petition.

Signature:

Bruce E. Schuver

Printed Name:

BRUCE E. SCHUVER

Title or Position:

GENERAL MANAGER

Phone No.:

765 448-5000

Date:

7-28-07

**NOTICE OF 14-DAY PERIOD
FOR PUBLIC COMMENT**

Proposed Approval of Interim Permit Revision/ Source Modification
for **Caterpillar Inc.**
in **Tippecanoe County**

Notice is hereby given that the above company located at 3701 State Road 26 East, Lafayette, Indiana, has made application to the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) for an interim permit to construct a spray coating system with dry filters as air pollution control. Based on 8,760 hours per year of operation, the volatile organic compound (VOC) emissions are 180 tons per year. Permit conditions are requested to limit the VOC emissions to 105.9 tons per twelve (12) consecutive months. This will allow the modification to avoid Prevention of Significant Deterioration (PSD) requirements as a non-significant increase.

The company has submitted an application for a significant permit revision / significant source modification. The OAQ shall review the application in accordance with the Permit Review Rules. Operation of the source cannot commence until a valid operating permit is issued. The construction of the proposed project is entirely at the applicant's own risk.

Notice is hereby given that there will be a period of 14 days from the date of publication of this notice during which any interested person may comment on why this interim permit should or should not be issued. Appropriate comments should be related to air quality issues, interpretation of the applicable state and federal rules, calculations made, technical issues, or the effect that the operation of this facility would have on any aggrieved individuals. A copy of the application and staff review is available for examination at the **Tippecanoe County Public Library, 627 South Street, Lafayette, Indiana**. All comments, along with supporting documentation, should be submitted in writing to the IDEM, OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015.

Persons not wishing to comment at this time, but wishing to receive notice of future proceedings conducted related to this action, must submit a written request to the Office of Air Quality (OAQ), at the above address. All interested parties of record will receive a notice of the decision on this matter and will then have 15 days after receipt of the Notice of Decision to file a petition for administrative review. Procedures for filing such a petition will be enclosed with the Notice.

Questions should be directed to OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, or at 317/233-2882.



Bruce Schuver, General Plant Manager
Caterpillar Inc.
Lafayette, IN

Affidavit of Construction

I, Bruce Schuver, being duly sworn upon my oath, depose and say:

1. I live in Tippecanoe County, Indiana and being of sound mind and over twenty-one (21) years of age, I am competent to give this affidavit.
2. I hold the position of General Plant Manager for Caterpillar Inc.
3. By virtue of my position with Caterpillar Inc., I have personal knowledge of the representations contained in this affidavit and am authorized to make these representations on behalf of Caterpillar Inc.
4. I, the undersigned, have submitted an interim (permit revision/source modification) petition to the Office of Air Quality for the construction of a replacement coating system.
5. Caterpillar Inc. recognizes the following risks:
 (a) own financial risk, (b) that IDEM may require additional or different control technology for the final approval, (c) that IDEM may deny issuance of the final approval, and
 (d) any additional air permitting requirements.

Further Affiant said not.

I affirm under penalties of perjury that the representations contained in this affidavit are true, to the best of my information and belief.

Signature: Bruce E. Schuver
 Printed Name: BRUCE E. SCHUVER
 Phone No.: 765 448-5000
 Date: 6-28-07

STATE OF INDIANA)

COUNTY OF Tippecanoe)

Subscribed and sworn to me, a notary public in and for Tippecanoe County and
 State of Indiana on this 28th day of June, 20 07.
 My Commission expires: 12-16-09

Signature: Catherine J Rhine
 Printed Name: CATHERINE J. RHINE

**Indiana Department of Environmental Management
Office of Air Quality**

Interim Petition Checklist

Instructions: (a) Please answer yes or no.
(b) Enclose this checklist with the completed interim petition package.

Company Name: Caterpillar Inc.

Location: 3701 State Road 26 East, Lafayette, Indiana 47905

Yes	1.	Is the written interim petition prepared?
Yes	2.	Is the written petition signed and dated?
Yes	3.	Is the public notice drafted?
Yes	4.	Is the \$500 filing and review fee enclosed?
Yes	5.	Is the account number written on the check or money order?
Yes	6.	Is the Affidavit of Construction signed, dated, and notarized?
Yes	7.	Is the proposed modification/revision described in detail?
No	8.	Is the proposed modification/revision a modification or addition to an existing source?
Yes	9.	Is the proposed modification/revision located in an attainment area for all the criteria pollutants?
No	10.	Is the proposed modification/revision located in a nonattainment area? If yes, answer No. 11.
N/A	11.	Is the pollutant, which the nonattainment designation is based on, going to be emitted in this proposed modification/revision?
Yes	12.	Are potential emissions calculated?
Yes	13.	Is federal enforceability consent specifically indicated?
Yes	14.	Are specific conditions, limitations, and/or restrictions included that preclude applicability of PSD?
Yes	15.	Are specific conditions, limitations, and/or restrictions included that preclude applicability of NSPS?
Yes	16.	Are specific conditions, limitations, and/or restrictions included that preclude applicability of NESHAP?
Yes	17.	Are specific conditions, limitations, and/or restrictions included that assure compliance with all applicable state air pollution rules?
Yes	18.	Has a regular modification/revision permit application been submitted to OAQ?
N/A	19.	Is a regular modification/revision permit application going to be submitted to OAQ? If yes, indicate approximate date of submission:
No	20.	Has the proposed modification/revision commenced prior to the submission of the interim permit petition?
Yes	21.	The interim petition comment period has been decided to be: 14 calendar days

Additional Comments:

The original permit application was received by the OAC on March 22, 2007.

The anticipated commencement of the 14-day comment period is July 1, 2007.

PROOF OF PUBLICATION

Cater

Notice of 14-Day Period for Public Comment Proposed Approval of Interim Permit Revision/Source Modification for Caterpillar Inc. in Tippecanoe County Notice is hereby given that the above company located at 3701 State Road 26 East, Lafayette, Indiana, has made application to the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) for an interim permit to construct a spray coating system with dry filters as air pollution control. Based on 8,760 hours per year of operation, the volatile organic compound (VOC) emissions are 180 tons per year. Permit conditions are requested to limit the VOC emissions to 105.9 tons per twelve (12) consecutive months. This will allow the modification to avoid Prevention of Significant Deterioration (PSD) requirements as a non-significant increase. The company has submitted an application for a significant permit revision/significant source modification. The OAQ shall review the application in accordance with the Permit Review Rules. Operation of the source cannot commence until a valid operating permit is issued. The construction of the proposed project is entirely at the applicant's own risk. Notice is hereby given that there will be a period of 14 days from the date of publication of this notice during which any interested person may comment on why this interim permit should or should not be issued. Appropriate comments should be related to air quality issues, interpretation of the applicable state and federal rules, calculations made, technical issues, or the effect that the operation of this facility would have on any aggrieved individuals. A copy of the application and staff review is available for examination at the Tippecanoe County Public Library, 627 South Street, Lafayette, Indiana. All comments, along with supporting documentation, should be submitted in writing to the IDEM, OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015. Persons not wishing to comment at this time, but wishing to receive notice of future proceedings conducted related to this action, must submit a written request to the Office of Air Quality (OAQ), at the above address. All interested parties of record will receive a notice of the decision on this matter and will then have 15 days after receipt of the Notice of Decision to file a petition for administrative review. Procedures for filing such a petition will be enclosed with the Notice. Questions should be directed to OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, or at 317-233-2882. Bruce Schuyler, General Plant Manager Caterpillar Inc. Lafayette, IN 1065669 7/3/07

1065669

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SS:

Charge for Publication \$ 96.90

On this Tuesday, July 3, 2007 before me the undersigned personally came Lorna Moore, who swears that she is clerk of the Lafayette Journal and Courier, a newspaper of general circulation, printed and published in the city of Lafayette, in said County; and that the advertisement in the above entitled cause, whereof a true copy appears in the margin hereof, was duly and legally published in the Daily issue of said newspaper by insertions, to-wit. The first insertion being on :July 03, 2007

The second on:

The third on:

The fourth on:

Lorna Moore

Subscribed and sworn to before me on this day of :

Tuesday, July 3, 2007

[Signature]

Notary Public



R. GLEN VICK, JR. NOTARY PUBLIC STATE OF INDIANA TIPPECANOE COUNTY MY COMMISSION EXPIRES JULY 14, 2008