

**FEDERALLY ENFORCEABLE STATE  
OPERATING PERMIT (FESOP)  
OFFICE OF AIR MANAGEMENT**

**Hoosier Railcar  
Kennedy and Michigan Avenue  
East Chicago, Indiana 46312**

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the facilities listed in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 and contains the conditions and provisions specified in 326 IAC 2-8 and 40 CFR Part 70.6 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments) and IC 13-17-3-4 and IC 13-17-3-11 (prior to July 1, 1996: IC 13-1-1-4) and IC 13-15 (prior to July 1, 1996: 13-7-10).

Operation Permit No.: <b>F089-5874-00370</b>	
Issued by: Paul Dubenetzky, Chief Permits Branch Office of Air Management	Issuance Date:

## A

### SOURCE SUMMARY

#### A.1 General Information

The Permittee owns and operates a railcar repair operation.

Responsible Official: **Bill Elwess**  
Source Address: **Kennedy and Michigan Avenue, East Chicago, IN 46312**  
Mailing Address: **Kennedy and Michigan Avenue, East Chicago, IN 46312**  
Primary SIC Code: **3743**  
County Location: **Lake**  
County Status: Nonattainment for ozone  
Nonattainment for PM-10  
Nonattainment for sulfur dioxide  
Nonattainment for total suspended particulate  
Attainment for all other criteria pollutants  
Source Status: Minor Source, PSD Rules  
Synthetic Minor Source, Part 70 Permit Program

#### A.2 Emission Units and Pollution Control Summary

This source consists of the following emission units and pollution control devices:

(a) railcar painting operation, consisting of the following:

railcar painting operation utilizing air atomization, identified as spray paint 1, with a maximum rating of 4.3 gallons of coating per hour.

railcar painting operation utilizing air atomization, identified as spray paint 2, with a maximum rating of 4.3 gallons per hour.

(b) sandblasting operation, identified as sandblast 1, with a maximum rating of 1 ton per hour. Emissions shall be controlled by dust collection system.

#### A.3 Insignificant Activities

This source also includes the following insignificant activities, as defined in 326 IAC 2-7-1(20):

(a) natural gas fired combustion units.

#### A.4 FESOP Applicability [326 IAC 2-8-2]

This stationary source, otherwise required to have a Part 70 permit as described in 326 IAC 2-7-2(a), has applied to Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) for a Federally Enforceable State Operating Permit (FESOP).

## **SECTION B                    GENERAL CONDITIONS**

- B.1     General Requirements [IC 13-15] [IC 13-17] (Prior to July 1, 1996: IC 13-7 and IC 13-1-1)  
The permittee shall comply with the provisions of IC 13-15 (Permits Generally), IC 13-17 (Air Pollution Control) and the rules promulgated thereunder.
- B.2     Definitions            [326 IAC 2-8-1]  
Terms in this permit shall have the meaning assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, any applicable definitions found in IC 13-11 (prior to July 1, 1996, IC 13-7-1, IC 13-1-1-2), 326 IAC 1-2, and 326 IAC 2-7 shall prevail.
- B.3     Permit Term            [326 IAC 2-8-4(2)]  
This permit is issued for a fixed term of five (5) years from the effective date, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-5-5-3 (prior to July 1, 1996, IC 13-7-10-2.5), of the permit.
- B.4     Enforceability        [326 IAC 2-8-6]  
(a)     All terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM.  
  
(b)     Unless otherwise stated, terms and conditions of this permit, including any provisions to limit the source's potential to emit, are enforceable by the United States Environmental Protection Agency (U.S. EPA) and citizens under the Clean Air Act.
- B.5     Termination of Right to Operate    [326 IAC 2-8-9]  
The expiration of this permit terminates the Permittee's right to operate unless a timely and complete renewal application has been submitted consistent with 326 IAC 2-8-3(h) and 326 IAC 2-8-7.
- B.6     Severability            [326 IAC 2-8-4(4)]  
(a)     The provisions of this permit are severable, and if any provisions of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.  
  
(b)     Indiana rules from 326 IAC quoted in conditions in this permit are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard.
- B.7     Property Rights or Exclusive Privilege [326 IAC 2-8-4(5)(D)]  
This permit does not convey any property rights of any sort or any exclusive privilege.
- B.8     Duty to Supplement and Provide Information    [326 IAC 2-8-3(f)] [326 IAC 2-8-4(5)(E)]  
(a)     The Permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to:

Indiana Department of Environmental Management  
Permits Branch, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

- (b) The Permittee shall also provide additional information as requested by IDEM, OAM, to determine the compliance status of the source in accordance with 326 IAC 2-8-5(a).
- (c) The Permittee shall furnish to IDEM, OAM, within a reasonable time, any information that the IDEM, OAM may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit.
- (d) Upon written request, the Permittee shall also furnish to IDEM, OAM, copies of records required to be kept by this permit. For information claimed to be confidential, the Permittee shall furnish such records directly to both the U.S. EPA and IDEM, OAM, along with a claim of confidentiality.

Such confidentiality claims shall meet the requirements of 40 CFR Part 2, Subpart B (when submitting to U.S. EPA) and 326 IAC 17 (when submitting to IDEM, OAM).

B.9 Compliance Order Issuance [326 IAC 2-8-5(b)]

IDEM, OAM may issue a compliance order to this Permittee upon discovery that this permit is in nonconformance with an applicable requirement. The order may require immediate compliance or contain a schedule for expeditious compliance with the applicable requirement.

B.10 Compliance with Permit Conditions [326 IAC 2-8-4(5)(A)] [326 IAC 2-8-4(5)(B)]

(a) The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for:

- (1) enforcement action;
- (2) permit termination, revocation and reissuance or modification; and
- (3) denial of a permit renewal application.

(b) It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

B.11 Certification [326 IAC 2-8-3(d)] [326 IAC 2-8-4(3)(C)(i)]

Any application form, report, or compliance certification submitted under this permit shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this permit shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

A responsible official is defined at 326 IAC 2-7-1(33).

B.12 Annual Compliance Certification [326 IAC 2-8-5(a)(1)]

(a) The Permittee shall annually certify that the source has complied with the terms and conditions contained in this permit, including emission limitations, standards, and work practices. The certification shall be submitted April 15 to:

Indiana Department of Environmental Management  
Compliance Data Section, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

and

- (b) This annual compliance certification report required by this permit shall be timely if:
- (1) Delivered by U.S. mail and postmarked on or before the date it is due; or
  - (2) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
- (1) The identification of each term and condition of this permit that is the basis of the certification;
  - (2) The compliance status;
  - (3) Whether compliance was continuous or intermittent;
  - (4) The methods used for determining the compliance status of the source, currently and over the reporting period; and
  - (5) Such other facts as IDEM, OAM, may require to determine the compliance status of the source.

B.13 Preventive Maintenance Plan [326 IAC 2-8-4(9)] [326 IAC 1-6-3]

- (a) The Permittee shall prepare, maintain and implement operation and Preventive Maintenance Plans as necessary including the following information on each:
- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
  - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;
  - (3) Corrective actions that will be implemented in the event an inspection indicates an out of specification situation;
  - (4) A time schedule for taking such corrective actions including a schedule for devising additional corrective actions for situations that may not have been predicted; and
  - (5) Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement.

- (b) Preventive Maintenance Plans shall be submitted to IDEM, OAM, upon request and shall be subject to review and approval by IDEM, OAM.

B.14 Emergency Provision [326 IAC 2-8-12]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation, except as provided as follows:

- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a health-based or technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describes the following:

- (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
- (2) The permitted facility was at the time being properly operated;
- (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements of this permit;
- (4) The Permittee notified IDEM, OAM, within four (4) daytime business hours after the beginning of the emergency occurrence by telephone or facsimile;

Telephone No.: 1-800-451-6027 (ask for Office of Air Management) or,  
Telephone No.: 317-233-0178  
Facsimile No.: 317-233-5967  
IDEM/Northwest Office Telephone No.: 219-881-6712  
IDEM/Northwest Office Facsimile No.: 219-881-6745

- (5) The Permittee submitted written notice or by facsimile of the emergency to:

Indiana Department of Environmental Management  
Compliance Branch, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

within two (2) working days of the time when emission limitations were exceeded due to the emergency. The notice shall fulfill the requirement of 326 IAC 2-8-4(3)(C)(ii) and must contain the following:

- (A) A description of the emergency;
- (B) Any steps taken to mitigate the emissions; and

(C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(C)(33).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (d) This emergency provision supersedes any emergency or upset provision contained in 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) IDEM, OAM, may require that the preventive maintenance plan required under 326 IAC 2-8-3(c)(6) be revised in response to an emergency.
- (f) Failure to notify IDEM, OAM, by telephone or facsimile within four (4) daytime business hours after the beginning of the emergency shall constitute a violation of 326 IAC 2-8 and any other applicable rules.
- (g) Operations may continue during an emergency only if the following conditions are met:
- (1) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.
  - (2) If an emergency situation causes a deviation from a health-based limit, the Permittee may not continue to operate the affected emissions facilities unless:
    - (A) the Permittee immediately takes all reasonable steps to correct the emergency situation and to minimize emissions; and
    - (B) continued operation of the facilities is necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw material of substantial economic value.

Any operations shall continue no longer than the minimum time required to prevent the situations identified in clause (B) above.

- B.15 Deviations from Permit Requirements and/or Conditions [326 IAC 2-8-4(3)(C)(ii)]  
Deviations from requirements, (for emergencies see Condition B.14 - Emergency Provision) the probable cause of such deviations, and any corrective actions or preventive measures taken shall be reported to:

Indiana Department of Environmental Management  
Compliance Branch, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

within ten (10) calendar days from the date of the discovery of the deviation.

Written notification shall be submitted on the attached Deviation Occurrence Reporting Forms.

B.16 Permit Modification, Reopening, Revocation and Reissuance, or Termination

[326 IAC 2-8-4(5)(C)] [326 IAC 2-8-7(a)] [326 IAC 2-8-8(a)]

[326 IAC 2-8-8(b)] [326 IAC 2-8-8(c)]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-8-4(5)(C)]
- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 (prior to July 1, 1996, in IC 13-7-10-5) or if the commissioner determines any of the following:
- (1) That it contains a material mistake.
  - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
  - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-8-8(a)]
- (c) Proceedings by IDEM, OAM, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practical. [326 IAC 2-8-8(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-8-8(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAM, at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAM, may provide a shorter time period in the case of an emergency. [326 IAC 2-8-8(c)]

B.17 Permit Renewal [326 IAC 2-8-3(h)]

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAM, and shall include, at minimum, the information specified in 326 IAC 2-8-3. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(20).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management  
Permits Branch, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, IN 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

- (b) Timely Submittal of Permit Renewal [326 IAC 2-5-3]
- (1) The Permittee has a duty to submit a timely and complete permit renewal application. A timely renewal application is one that is:
- (A) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
- (B) Delivered by U. S. mail and postmarked on or before the date it is due; or
- (C) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.
- (2) If IDEM, OAM fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect until the renewal permit has been issued or denied.
- (c) Right to Operate After Application of Renewal [326 IAC 2-8-9]  
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-8 until IDEM, OAM takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAM, any additional information identified as needed to process the application.
- B.18 Administrative Permit Amendment [326 IAC 2-8-10]
- (a) An administrative permit amendment is a FESOP revision that makes changes of the type specified under 326 IAC 2-8-10(a).
- (b) An administrative permit amendment may be made by IDEM, OAM, consistent with the procedures specified under 326 IAC 2-8-10(b).
- (c) The Permittee may implement the changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-10(b)(3)]
- B.19 Minor Permit Modification [326 IAC 2-8-11(a)] [326 IAC 2-8-11(b)(1) and (2)]
- (a) A permit modification is any revision to this permit that cannot be accomplished as an administrative permit amendment under 326 IAC 2-8-10.
- (b) Minor permit modification procedures shall follow the procedures specified under 326 IAC 2-8-11(b)(1)(A) through (F).
- (c) An application requesting the use of minor modification procedures shall meet the requirements of 326 IAC 2-8-3(c) and shall include the information required in 326 IAC 2-8-11(b)(3)(A) through (D).

- (d) The Permittee may make the change proposed in its minor permit modification application immediately after it files such application unless the change is subject to the construction permit requirements of 326 IAC 2-1, 326 IAC 2-2, or 326 IAC 2-3. After the Permittee makes the change allowed under minor permit modification procedures, and until IDEM, OAM takes any of the actions specified in 326 IAC 2-8-11(b)(5), the Permittee must comply with both the applicable requirements governing the change and the proposed permit terms and conditions. During this period, the Permittee need not comply with the existing permit terms and conditions it seeks to modify. If the Permittee fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to modify may be enforced against it. [326 IAC 2-8-11(b)(6)]

B.20 Significant Permit Modification [326 IAC 2-8-11(d)]

- (a) Significant modification procedures shall be used for applications requesting permit modifications that do not qualify as minor permit modifications or as administrative amendments.
- (b) Any significant change in existing monitoring permit terms or conditions and every relaxation of reporting or record keeping permit terms or conditions of this permit shall be considered significant.
- (c) Nothing in 326 IAC 2-8-11(d) shall be construed to preclude the Permittee from making changes consistent with 326 IAC 2-8 that would render existing permit compliance terms and conditions irrelevant.
- (d) Significant modifications of this permit shall meet all requirements of 326 IAC 2-8, including those for application, public participation, and review by the U.S. EPA, as they apply to permit issuance and renewal.

B.21 Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-8-11(b)(2)]

Notwithstanding 326 IAC 2-8-11(b)(1)(D)(I) and 326 IAC 2-8-11(c)(1), minor permit modification procedures may be used for modifications of this permit involving the use of economic incentives, marketable FESOP's, emissions trading, and other similar approaches to the extent that such minor permit modification procedures are explicitly provided for in the applicable implementation plan (SIP) or in applicable requirements promulgated by the U.S. EPA.

B.22 Operational Flexibility [326 IAC 2-8-15]

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-8-15(b) through (d), without prior permit revision, if each of the following conditions is met:

- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
- (2) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed therein as a rate of emissions or in terms of total emissions);
- (3) The Permittee notifies the:

Indiana Department of Environmental Management  
Permits Branch, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

and

U.S. Environmental Protection Agency (EPA), Region V  
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)  
77 West Jackson Boulevard  
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(C)(33). The Permittee shall attach every such notice to the Permittee's copy of this permit; and

- (4) The Permittee maintains records on-site which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-8-15(b) through (d) and makes such records available, upon reasonable request, to public review. Such records shall consist of all information required to be submitted to IDEM, OAM, in the notices specified in 326 IAC 2-8-15(b)(1), (c)(1), and (d).
- (b) For each such change, the required written notification shall include the following:
- (1) A brief description of the change within the source;
  - (2) The date on which the change will occur;
  - (3) Any change in emissions; and
  - (4) Any permit term or condition that is no longer applicable as a result of the change.
- (c) Emission Trades [326 IAC 2-8-15(c)]  
The Permittee may trade increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints in section (a) of this condition and those in 326 IAC 2-8-15(c).
- (d) Alternative Operating Scenarios [326 IAC 2-8-15(d)]  
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-8-4(7) and subject to the constraints in section (a) of this condition and those in 326 IAC 2-8-15(d).
- B.23 Construction Permit Requirement [326 IAC 2-1]  
Prior to any change in the operation which may result in an increase in allowable emissions exceeding those specified in 326 IAC 2-1-1 (Construction and Operating Permit Requirements), the change must be approved by the Office of Air Management (OAM).
- B.24 Inspection and Entry [326 IAC 2-8-5(a)(2)]  
Upon presentation of IDEM identification cards, credentials, and other documents as may be required by law, the Permittee shall allow IDEM, OAM, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a FESOP source is located or emissions related activity is conducted, or where records are kept under the conditions of this permit;
- (b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
- (c) Inspect, at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) Sample or monitor, at reasonable times, substances or parameters for the purpose of demonstrating compliance with this permit or applicable requirements; and
- (e) Utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of demonstrating compliance with this permit or applicable requirements.  
[326 IAC 2-8-5(a)(4)]

**B.25 Annual Fee Payment [326 IAC 2-8-4(6)] [326 IAC 2-8-16]**

- (a) The Permittee shall pay annual fees to IDEM, OAM, consistent with the fee schedule established in 326 IAC 2-8-16.
- (b) Failure to pay may result in administrative enforcement action, revocation of this permit, referral to the Office of Attorney General for collection, or other appropriate measures.
- (c) The Permittee shall pay the annual fee within thirty (30) calendar days of receipt of a billing by IDEM, OAM or in a time period that is consistent with the payment schedule issued by IDEM, OAM.
- (d) If the Permittee does not receive a bill from IDEM, OAM, thirty (30) calendar days before due date, the Permittee shall call the following telephone numbers: 1-800-451-6027 or 317-233-0179 (ask for OAM, Data Support Section), to determine the appropriate permit fee. The applicable fee is due April 1 of each year.

**C SOURCE OPERATION CONDITIONS**

Entire Source

**Emissions Limitations [326 IAC 2-8-4(1)]**

**C.1 Overall Source Limit (326 IAC 2-8)**

Pursuant to 326 IAC 2-8, emissions of VOC from the entire source shall not exceed 24 tons per 365 day period. Emissions of any other regulated pollutant from the entire source shall not exceed 99 tons per 365 day period. Emissions of hazardous air pollutants (HAP) from the entire source shall not exceed 9 tons per 365 day period for any individual HAP or 24 tons per 365 day period of any combination of HAPs. Emissions shall include those from all emission points at the source including those that are insignificant as defined in 326 IAC 2-7-1(20). The source shall be allowed to add insignificant activities not already listed in this permit, as long as the total emissions from the source do not exceed the above specified limits. In the event that any condition or combination of conditions in Section D of this permit differs from the above, the most restrictive limit will prevail.

C.2 Opacity

Pursuant to 326 IAC 5-1-2 (Visible Emissions Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), visible emissions shall meet the following:

Visible emissions shall not exceed an average of 20 percent opacity in 24 consecutive readings.

C.3 Open Burning

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6.

C.4 Fugitive Dust Emissions

The Permittee shall be in violation of 326 IAC 6-1-11.1 (Lake County Fugitive Particulate Matter Control Requirements), if the opacity of fugitive particulate emissions exceeds ten percent (10%). Compliance with this limitation shall be determined by 40 CFR 60, Appendix A, Method 9.

C.5 Fugitive Particulate Matter Emission Limitations

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted on December 4, 1996. The plan consists of watering the roads on an as-needed basis.

C.6 Operation of Equipment [326 IAC 2-8-5(a)(4)]

- (a) All equipment that potentially might emit pollutants into the ambient air shall be properly operated and maintained.
- (b) Unless otherwise stated in this permit, all air pollution control equipment listed in this permit shall be operated at all times that the emission units vented to the control equipment are in operation.
- (c) The permittee shall perform all necessary maintenance and make all necessary attempts to keep all air pollution control equipment in proper operating condition at all times.

Compliance Monitoring [326 IAC 2-8-5(a)(1)]

C.7 Compliance Monitoring [326 IAC 2-8-4(3)]

Compliance with applicable requirements shall be documented in accordance with the provisions of 326 IAC 2-8-4(3). The Permittee shall be responsible for installing any necessary equipment and initiating any additional monitoring no more than ninety (90) days after receipt of this permit. If due to circumstances beyond its control, this schedule cannot be met, the Permittee shall notify:

Indiana Department of Environmental Management  
Compliance Data Section, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

in writing, with full justification of the reasons for inability to meet this date and a schedule which it expects to meet. If a denial of the request is not received before the monitoring is fully implemented, the schedule shall be deemed approved.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(C)(33).

**C.8 Monitoring Methods [326 IAC 3]**

Any monitoring or testing performed to meet the requirements of this permit shall be performed, whenever applicable according to the provisions of 326 IAC 3, or 40 CFR Part 60, Appendix A, as appropriate, unless some other method is specified in this permit.

**Corrective Actions [326 IAC 2-8-4(1)] [326 IAC 2-8-5(1)]**

**C.9 Failure to Take Corrective Action**

For each unit for which parametric monitoring is required, appropriate corrective actions as described in the Preventive Maintenance Plan shall be taken when indicated by monitoring information. Failure to take corrective action following an excursion of a surrogate monitoring parameter within the prescribed time will constitute a violation of the permit unless taking the corrective action set forth in the Plan would be unreasonable.

After investigating the reason for the excursion, the Permittee may be excused from taking further corrective action for any of the following reasons:

- (a) Providing that prompt action was taken to correct the monitoring equipment, that the monitoring equipment malfunctioned, giving a false reading; or
- (b) The Permittee has determined that the parameters established in the permit conditions are technically inappropriate, has previously submitted a request for an administrative amendment to the permit, and such request has not been denied; or
- (c) An automatic measurement was taken when the process was not operating; or
- (d) The Permittee determines that the process has already returned to operating within "normal" parameters and no corrective action is required.

Records shall be kept of all instances in which the action values were not met and of all corrective actions taken. In the event of an emergency the provisions of 326 IAC 2-8-12 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.

**Record Keeping and Reporting [326 IAC 2-8-4(3)]**

**C.10 Emission Reporting [326 IAC 2-6]**

- (a) The Permittee shall submit a certified, annual emission statement that meets the requirements of 326 IAC 2-6 (Emission Reporting). This annual statement must be received by April 15 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The submittal should cover the period defined in 326 IAC 2-6-2(8)(Emission Statement Operating Year). The annual statement must be submitted to:

Indiana Department of Environmental Management  
Data Support Section, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

- (b) This annual emission statement required by this permit shall be timely if:

- (1) Delivered by U.S. mail and postmarked on or before the date it is due; or
- (2) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.

C.11 Monitoring Data Availability

All observations, sampling, maintenance procedures, and record keeping, required as a condition of this permit shall be performed at all times the equipment is operating at normal representative conditions. Records shall be kept of the times that the equipment is not operating. If the equipment is operating but abnormal conditions prevail, additional observations and sampling should be taken with a record made of the nature of the abnormality. If for reasons beyond its control, the operator fails to make required observations, sampling, maintenance procedures, or record keeping, reasons for this must be recorded. At its discretion, IDEM may excuse such failure providing adequate justification is documented and such failures do not exceed 5 percent of the operating time in any quarter. Temporary, unscheduled unavailability of staff qualified to perform the required observations, sampling, maintenance procedures, or record keeping shall be considered a valid reason.

C.12 General Record Keeping Requirements

- (a) Records of all required monitoring data and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location and available within one hour upon verbal request of an IDEM, OAM representative, for a minimum of three (3) years. They may be stored elsewhere for the remaining two years providing they are made available within thirty (30) days after written request.
- (b) Records of required monitoring information shall include:
  - (1) The date, place, and time of sampling or measurements;
  - (2) The dates analyses were performed;
  - (3) The company or entity performing the analyses;
  - (4) The analytic techniques or methods used;
  - (5) The results of such analyses; and
  - (6) The operating conditions existing at the time of sampling or measurement.
- (c) Support information shall include:
  - (1) Copies of all reports required by this permit;
  - (2) All original strip chart recordings for continuous monitoring instrumentation;
  - (3) All calibration and maintenance records;
  - (4) All preventive maintenance and corrective actions that were implemented. Such records shall briefly describe what was done and indicate who did it;
  - (5) Relevant work purchases orders;
  - (6) Quality assurance and quality control procedures;

- (7) Operator's standard operating procedures;
- (8) Manufacturer's specifications or their equivalent; and
- (9) Equipment "troubleshooting" guidance.

**C.13 General Reporting Requirements**

- (a) Reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management  
Compliance Data Section, Office of Air Management  
100 North Senate Avenue, P.O. Box 6015  
Indianapolis, Indiana 46206-6015

and

IDEM/Northwest Indiana Office  
Gainer Bank Building  
504 North Broadway, Suite 418  
Gary, Indiana 46402-1921

- (b) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be timely if:
- (1) Delivered by U.S. mail and postmarked on or before the date it is due; or
  - (2) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.
- (c) All instances of deviations from any requirements of this permit must be clearly identified in such reports.
- (d) Any corrective actions taken as a result of an exceedance of a limit, an excursion from the parametric values, or a malfunction that may have caused excess emissions must be clearly identified in such reports.

**D.1 FACILITY OPERATION CONDITIONS - railcar painting railcar coating operation**

the railcar coating operation, with a maximum rating of 4.3 gallons of coating per hour.

**Emissions Limitations and Standards [326 IAC 2-8-4(1)] [326 IAC 8-2-9] [326 IAC 6]**

**D.1.1 Volatile Organic Compounds**

- (a) That pursuant to 326 IAC 8-2-9 (Miscellaneous Metal Coating Operations), and CP-039-4784, issued on December 29, 1995, the volatile organic compound (VOC) content of coatings applied to the metal shall be limited to 3.5 pounds of VOC per gallon of coating less water.
- (b) That pursuant to 326 IAC 8-2-9 (Miscellaneous Metal Coating Operations), solvent sprayed from the application equipment during clean up or color changes shall be directed into containers. Such containers shall be closed as soon as such solvent spraying is complete, and the waste solvent shall be disposed of in such a manner that evaporation is minimized.

- (c) That the amount of volatile organic compounds (VOCs) delivered to the applicators plus the amount of VOCs used for clean-up shall not exceed 2.0 tons per month. Therefore, the requirements of 326 IAC 2-7 (Part 70) do not apply.

D.1.2 Hazardous Air Pollutants

That the hazardous air pollutant emissions shall be limited as follows:

- (a) The amount of any single hazardous air pollutant (HAP) delivered to the applicator plus the amount of any single HAP used for clean-up shall not exceed 0.75 tons per month.
- (b) The amount of any combination of HAPs delivered to the applicator plus the amount of any combination of HAPs used for clean-up shall not exceed 2.0 tons per month.

Therefore, the requirements of 326 IAC 2-7 (Part 70) do not apply.

D.1.3 Particulate Matter Overspray

The facility shall comply with 326 IAC 6-3-2 (c). Use the equation  $E = 4.1 \times P^{0.67}$ , where E is the emission rate in pounds per hour and P is the process weight in tons per hour.

**Compliance Monitoring Requirements [326 IAC 2-8-5(a)(1)]**

D.1.4 Preventive Maintenance [326 IAC 2-8-4(9)]

A Preventive Maintenance Plan, in accordance with condition B.13 of this permit, is required for this facility.

**Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]**

D.1.5 Volatile Organic Compound (VOC) Usage

That the Permittee shall maintain records at the source of the materials used that contain any VOCs. The records shall be complete and sufficient to establish compliance with the VOC usage limits and VOC emission limits established in this permit. The records shall contain a minimum of the following:

- (a) The weight of VOC containing material used, including purchase orders and invoices necessary to verify the type and amount used;
- (b) The VOC content (**weight percent**) of each material used. Testing for VOC content shall be in conformance with 326 IAC 8-1-4 (Testing Procedures); and
- (c) The weight of VOCs emitted for each compliance period, considering capture and control efficiency, if applicable.

D.1.6 Hazardous Air Pollutant (HAP)

That the Permittee shall maintain records at the facility of the materials used that contain any HAPs. The records shall be complete and sufficient to establish compliance with the HAP usage limits and HAP emission limits that may be established in this permit. The records shall contain a minimum of the following:

- (a) The weight of HAP containing material used, including purchase orders and invoices necessary to verify the type and amount used;
- (b) The HAP content (**weight percent**) of each material used;

- (c) The weight of HAPs emitted for each compliance period, considering capture and control efficiency, if applicable; and
- (d) Identification of the facility or facilities associated with the usage of each HAP.

**D.1.7 Quarterly Reporting**

That a quarterly summary to document compliance with operation conditions numbers D.1.1 and D.1.2 shall be submitted to the addresses listed in Section C (General Reporting Requirements), using the enclosed forms or their equivalent, within thirty (30) days after the end of the quarter being reported.

**D.2 FACILITY OPERATION CONDITIONS - sandblasting operation sandblast 1**

sandblasting operation identified as sandblast 1, with a maximum rating of 1 ton per hour. Emissions shall be controlled by dust collection system.

**Emissions Limitations [326 IAC 2-8-4(1)] [326 IAC 6-3] [326 IAC 2-2]**

**D.2.1 Particulate Matter less than ten microns (PM10)**

That pursuant to 326 IAC 2-8 (FESOP), the PM10 emissions from the sand blasting system shall not exceed 17.2 pounds per hour. Therefore, the requirements of 326 IAC 2-7 (Part 70) will not apply.

**D.2.2 Particulate Matter**

Pursuant to 326 IAC 6-1-2, the particulate matter emissions from the sand blasting operation shall not exceed 0.03 grains per dry standard cubic foot (dscf).

**Compliance Monitoring Requirements [326 IAC 2-8-5(a)(1)]**

**D.2.3 Visible Emission Observations**

Visible emission notations of the sand blasting stack exhaust shall be performed once per working shift. A trained employee will record whether emissions are normal or abnormal. For processes operated continuously "normal" means those conditions prevailing, or expected to prevail, 80 percent of the time the process is in operation, not counting startup or shutdown time. In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions. A trained employee is an employee who has worked at the plant at least one month and has been trained in the appearance and characteristics of normal visible emissions for that specific process. The Preventive Maintenance Plan shall contain troubleshooting contingency and corrective actions for when an abnormal emission is observed.

**D.2.4 Preventive Maintenance**

A Preventive Maintenance Plan, in accordance with condition B.13 of this permit, is required for this facility.

**Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]**

**D.2.5 Record Keeping**

That the Permittee shall maintain records of preventive maintenance, visible emissions observations, all corrective actions taken and the outcome from each. These records shall be made available upon request of the Office of Air Management (OAM) staff.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
OFFICE OF AIR MANAGEMENT  
COMPLIANCE DATA SECTION**

**FESOP CERTIFICATION**

Source Name: **Hoosier Railcar**  
Source Address: **Kennedy and Michigan Avenue, East Chicago, Indiana 46312**  
FESOP No.: **F089-5874-00370**

**This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this permit.**

Please check what document is being certified:

- 9 Deviation Occurrence Reporting Form (For Control Equipment Monitoring)
- 9 Deviation Occurrence Reporting Form (For Material Usage, Quality, Etc.)
- 9 Relocation Notification
- 9 Test Result (specify) \_\_\_\_\_
- 9 Report (specify) \_\_\_\_\_
- 9 Notification (specify) \_\_\_\_\_
- 9 Other (specify) \_\_\_\_\_

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Date:



**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
OFFICE OF AIR MANAGEMENT  
COMPLIANCE DATA SECTION**

**DEVIATION OCCURRENCE REPORTING FORM**  
For material usage, quantity, etc.

Source Name: **Hoosier Railcar**  
 Source Address: **Kennedy and Michigan Avenue, East Chicago, Indiana 46312**  
 FESOP No.: **F089-5874-00370**

A separate copy of this report must be submitted for each material type, quantity usage and operation limitation (except control equipment monitoring) listed in this permit. Attach a signed certification to complete this report.

Stack/Vent ID:
Equipment/Operation:
Parameter Subject to Material Type, Quantity Usage or Operation Limitations Specified in the Permit: (ex: 2500 lb/day, 300 hours/yr, 5000 gallons/month)
Determination Period for this Parameter: (ex: 365-day rolling sum, fixed monthly rate)
<b>9</b> Permit Has No Rate Limitations for this Parameter.
Content Restriction for this Parameter: (ex: maximum of 40% VOC in inks, 0.5% sulfur content)
Demonstration Method for this Parameter: (ex: MSDS, Supplier, material sampling & analysis)
<b>9</b> Permit Has No Content Limitations for this Parameter.
Comments:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
 OFFICE OF AIR MANAGEMENT  
 COMPLIANCE DATA SECTION**

**FESOP Quarterly Report**

Source Name: Hoosier Railcar  
 Source Address: Kennedy and Michigan Avenue, East Chicago, Indiana 46312  
 FESOP No.: F089-5874-00370  
 Facility: surface coating  
 Parameter: VOC usage, HAP usage  
 Limits: 2.0 tons VOC per month, 0.75 tons any single HAP per month, 2.0 tons any combination of HAPs per month, 3.5 pounds of VOC per gallon of coating less water

**Year:** \_\_\_\_\_

Month	VOC Usage (tons/month)	HAP Usage -- combination of all HAPs delivered to the applicator (tons/month)	HAP Usage -- worst case single HAP delivered to applicator (tons/month)

- 9 No deviation occurred in this quarter.
- 9 Deviation/s occurred in this quarter.  
 Deviation has been reported on: \_\_\_\_\_

Submitted by: \_\_\_\_\_  
 Title/Position: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

# Indiana Department of Environmental Management Office of Air Management

## Technical Support Document (TSD) for a Federally Enforceable State Operating Permit (FESOP)

### Background And Description

**Source Name:** Hoosier Railcar  
**Source Location:** Kennedy and Michigan Avenue, East Chicago, IN 46312  
**County:** Lake  
**Operation Permit No.:** F089-5874-00370  
**Permit Reviewer:** Nisha Sizemore

The Office of Air Management (OAM) has reviewed a Federally Enforceable State Operating Permit (FESOP) application from Hoosier Railcar relating to the operation of a railcar repair operation.

This source is seeking approval under 326 IAC 2-1 in addition to approval under 326 IAC 2-8 for the following emission units and pollution control devices:

- (a) railcar painting operation utilizing air atomization, identified as spray paint 1, with a maximum rating of 4.3 gallons per hour.
- (b) railcar painting operation utilizing air atomization, identified as spray paint 2, with a maximum rating of 4.3 gallons per hour.
- (c) sandblasting operation, identified as sandblast 1, with a maximum rating of 1 ton per hour. Emissions shall be controlled by dust collection system.

This source also includes the following insignificant activities, as defined in 326 IAC 2-7-1(20):

- (a) Natural gas-fired combustion unit(s) with heat input equal to or less than ten million (10,000,000) Btu per hour.

### Enforcement Issues

IDEM is aware that the following facilities have been constructed and/or operated prior to receipt of the proper permits. IDEM is reviewing this matter and will take appropriate action. This proposed FESOP will also satisfy the requirements of the construction permit rules.

- (a) railcar painting operation utilizing air atomization, identified as spray paint 1, with a maximum rating of 4.3 gallons per hour.
- (b) railcar painting operation utilizing air atomization, identified as spray paint 2, with a maximum rating of 4.3 gallons per hour.
- (c) sandblasting operation, identified as sandblast 1, with a maximum rating of 1 ton per hour. Emissions shall be controlled by dust collection system.

There are no Enforcement actions pending against this emission source.

### Recommendation

The staff recommends to the Commissioner that the FESOP be approved. This recommendation is based on the following facts and conditions:

This emission source, required to have a Part 70 permit as described in 326 IAC 2-7-2(a), has applied to Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) for a Federally Enforceable State Operating Permit (FESOP).

A complete FESOP application for the purposes of this review was received on December 04, 1996.

Information used in this review was derived from the application and from additional information submitted by the applicant, unless otherwise stated.

### County Attainment Status

This emission source is located in Lake County, which has the following attainment designations for criteria pollutants:

<u>Pollutant</u>	<u>Designation</u>
CO	Attainment
LEAD	Attainment
PM	Primary Nonattainment
PM10	Moderate Nonattainment
SO2	Primary Nonattainment
Ozone	Severe Nonattainment

Lake County has been classified as a severe ozone nonattainment area, requiring the major source threshold for volatile organic compounds to be reduced from 100 tons per year to 25 tons per year.

The deadline for the annual emission statement required under 326 IAC 2-6 is April 15.

### Potential to Emit (PTE) Calculations

See *Appendix A* for detailed calculations.

### Source PTE Emissions

Potential to emit (PTE) is defined as the maximum capacity of an emission source to emit a pollutant under its physical and operational design, operating 24 hours per day, 365 days per year unless limited otherwise by federally enforceable permit conditions. Based on this criteria, source PTE is as follows:

<u>Pollutant</u>	<u>Emissions (Tons per Year)</u>
CO	0.00
HAPS(Single)	>10.00
HAPS(Total)	>25.00
LEAD	0.00
NOX	0.00
PM	242.66
PM10	242.66
SO2	0.00
VOC	31.10

Potential emissions (as defined in the Indiana Rule) of volatile organic compound (VOC) are greater than 25 tons per year. Potential emissions of particulate matter less than 10 microns (PM10) are greater than 100 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7-1.

Potential emissions (as defined in Indiana Rule) of any single HAP are greater than or equal to 10 tons per year and emissions of total HAPs are greater than or equal to 25 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7-1.

A source with “potential to emit” high enough to make it a “major source” but whose actual emissions are below the Part 70 emission levels may elect to avoid the Part 70 Operating Permit Program by agreeing to accept a permit with federally enforceable limits that restrict its PTE to below the major source emission levels. The permit containing these restrictions is called a Federally Enforceable State Operating Permit (FESOP).

The source has accepted a federally enforceable volatile organic compound (VOC) limit of 24 tons per year, and a PM10 limit of 99 tons per year.

The source has accepted HAP limit of 9 tons per year and 24 tons per year for any HAP combination.

**FESOP Conditions**

The source has been given a Federally Enforceable limit of 24 tons per year of volatile organic compound (VOC) emissions, 99 tons per year of PM10 emissions, 9 tons per year of any single HAP emissions, and 24 tons per year of any combination of HAPs emissions.

Process/ facility	Limited Emissions (tons/year)						
	PM	PM10	SO2	VOC	CO	NOx	HAPS
surface coating	23.7	23.7	0.00	24.0	0.00	0.00	24.0
sandblasting	23.1	23.1	0.00	0.00	0.00	0.00	0.00
welding	0.02	0.02	0.00	0.00	0.00	0.00	0.00
natural gas combustion	0.00	0.00	0.00	0.00	0.00	0.10	0.00
Totals	46.82	46.82	0.00	24.0	0.00	0.10	24.0

The attached tables on pages 7-9 summarize the permit conditions and requirements.

**State Rule Applicability - Entire Source**

Pursuant to 326 IAC 5-1-2 (Visible Emissions Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), visible emissions shall meet the following:

- (a) visible emissions shall not exceed an average of 20 percent opacity in 24 consecutive readings.

Pursuant to 326 IAC 4-1-2, the applicant shall not open burn any material, except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6.

Pursuant to 326 IAC 6-4, fugitive dust shall not be visibly crossing the property lines except as provided in 326 IAC 6-4-6 (Exceptions).

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted on December 4, 1996. The plan consists of watering the roads on an as-needed basis.

This source is subject to 326 IAC 6-1-2. This rule places various particulate emission limits on sources and facilities located in nonattainment counties. A copy of the rule is enclosed in *Appendix B*.

Pursuant to 326 IAC 6-1-11.1, emission sources located in Lake County shall comply with the following limits:

- (a) Paved roads and parking lots: 10 percent opacity.
- (b) Unpaved roads and parking lots: 10 percent opacity.
- (c) Material batch transfer operations: 10 percent opacity.
- (d) Continuous transfer of material onto and out of storage piles: 10 percent opacity.
- (e) Transfer of slag and kish from pots and trucks into pits: 20 percent opacity.
- (f) Continuous transfer of material onto and out of storage piles: 10 percent opacity.
- (g) Wind erosion from storage piles and exposed areas: 10 percent opacity.
- (h) Emissions from material shall comply with the following limits during transportation:
  - (1) during inplant transportation by truck or rail: 0 percent opacity.
  - (2) during inplant transportation by front end loaders and skip hoists: 10 percent opacity.
- (i) Material processing facilities shall comply with the following limits:
  - (1) PM<sub>10</sub> stack and building vent emissions: 0.022 gr/dscf and 10 percent opacity.
  - (2) Fugitive particulate emissions from outdoor crushing operations: 15 percent opacity.
  - (3) Fugitive particulate emissions from outdoor operations other than crushing: 10 percent opacity.
  - (4) Fugitive particulate emissions from buildings: 0 percent opacity.
- (j) Dust handling equipment: 10 percent opacity.
- (k) Any facility or operation not otherwise specified in this condition: 20 percent opacity.

#### **State Rule Applicability - railcar painting railcar coating operation**

The surface coating operation shall comply with 326 IAC 6-3-2 (Process Operations). Use the equation  $E = 4.1 \times P^{0.67}$ , where E is the emission rate in pounds per hour and P is the process weight in tons per hour.

Pursuant to 326 IAC 8-2-9 (Miscellaneous Metal Coating Operations), the volatile organic compound (VOC) content of coatings applied to metal shall be limited as follows:

- (a) Clear (unpigmented) coatings: 4.3 pounds VOC per gallon of coating delivered to the applicator, excluding water.

- (b) Coatings dried by forced warm air: 3.5 pounds VOC per gallon of coating delivered to the applicator, excluding water.
- (c) Extreme performance coatings: 3.5 pounds VOC per gallon of coating delivered to the applicator, excluding water.
- (d) All other coatings: 3.0 pounds VOC per gallon of coating delivered to the applicator, excluding water.

#### **Federal Rule Applicability - railcar painting railcar coating operation**

There are no New Source Performance Standards (326 IAC 12) applicable to this facility.

There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) applicable to this facility.

#### **State Rule Applicability - sandblasting operation sandblast 1**

Pursuant to 326 IAC 6-1-2, emissions from this facility shall not exceed 0.03 grains per dry standard cubic foot (dscf) which is equivalent to 5.27 pounds per hour.

#### **Federal Rule Applicability - sandblasting operation sandblast 1**

There are no New Source Performance Standards (326 IAC 12) applicable to this facility.

There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) applicable to this facility.

#### **Compliance Monitoring**

1. The surface coating process has applicable compliance monitoring conditions as specified below:

The type and amount of coatings used, the amount of VOCs delivered to the applicators, the amount of any single HAP delivered to the applicators, and the amount of any combination of HAPs delivered to the applicators must be monitored and recorded on a monthly basis. This information must be reported to OAM on a quarterly basis. Material Safety Data Sheets must be submitted for each coating used during the quarter being reported.

These monitoring conditions are necessary because the VOC and HAP emissions must be limited to below Title V levels. The source must demonstrate compliance with the FESOP limit and also with the limits established in 326 IAC 8-2-9.

2. The shotblasting operation has applicable compliance monitoring conditions as specified below:

Visible emissions notations at the shotblasting stack shall be performed once per shift. A trained employee shall record whether emissions are normal or abnormal.

These monitoring conditions are necessary because the PM10 emissions must be limited to below Title V levels.

### **Hazardous Air Pollutant (HAP) Emissions**

Indiana presently requests applicants to provide information on emissions of the 189 hazardous air pollutants set out in the Clean Air Act Amendments of 1990. These pollutants are either carcinogenic or otherwise considered toxic and are commonly emitted by industries. They are listed as hazardous air pollutants (HAPs) on the Office of Air Management (OAM) Application Form GSD-08.

This emission source emits levels of hazardous air pollutants less than those which constitute a major source according to Section 112 of the Clean Air Act.

### **Conclusion**

The operation of this emission source, a railcar repair operation, will be subject to the conditions of the attached proposed **Part 70 Permit No. F089-5874-00370**.

**Description of facility:** railcar painting operation utilizing air atomization spray paint 1  
**Max Rating:** 4.3 gallons / hour  
**Construction Date:** January 31, 1981  
**Control Device:** none

**Facility class:** 020 **Description:** Surface Coating of: Miscellaneous Metal

<b>EMISSION LIMITATIONS</b>	
<b>Numerical Emission Limit:</b>	Clear Coatings: 4.3 lb VOC/gallon coating Forced Warm-Air Dried Coatings: 3.5 lb VOC/gallon coating Extreme performance coatings: 3.5 lb VOC/gallon coating All other coatings: 3.0 lb VOC/gallon coating
<b>Regulation/Citation:</b>	326 IAC 8-2-9
<b>Compliance Demonstration:</b>	
<b>PERFORMANCE TESTING</b>	
<b>Parameter/Pollutant to be Tested:</b>	---
<b>Testing Method/Analysis:</b>	---
<b>Testing Frequency/Schedule:</b>	---
<b>Submittal of Test Results:</b>	---
<b>COMPLIANCE MONITORING</b>	
<b>Monitoring Description:</b>	Emissions Minimization
<b>Monitoring Method:</b>	Spray Waste VOC into Containers
<b>Monitoring Regulation/Citation:</b>	326 IAC 8-2-9
<b>Monitoring Frequency:</b>	---
<b>RECORD KEEPING</b>	
<b>Parameter/Pollutant to be Recorded:</b>	VOC and HAPs delivered to the applicators and used for clean-up
<b>Recording Frequency:</b>	monthly
<b>Submittal Schedule of Reports:</b>	quarterly
<b>REPORTING REQUIREMENTS</b>	
<b>Information in Report:</b>	VOC and HAPs delivered to the applicators and used for clean-up
<b>Reporting Frequency/Submittal:</b>	quarterly

**Description of facility:** railcar painting operation utilizing air atomization spray paint 2  
**Max Rating:** 4.3 gallons / hour  
**Construction Date:** January 31, 1981  
**Control Device:** none

**Facility class:** 020 **Description:** Surface Coating of: Miscellaneous Metal

<b>EMISSION LIMITATIONS</b>	
<b>Numerical Emission Limit:</b>	Clear Coatings: 4.3 lb VOC/gallon coating Forced Warm-Air Dried Coatings: 3.5 lb VOC/gallon coating Extreme performance coatings: 3.5 lb VOC/gallon coating All other coatings: 3.0 lb VOC/gallon coating
<b>Regulation/Citation:</b>	326 IAC 8-2-9
<b>Compliance Demonstration:</b>	
<b>PERFORMANCE TESTING</b>	
<b>Parameter/Pollutant to be Tested:</b>	---
<b>Testing Method/Analysis:</b>	---
<b>Testing Frequency/Schedule:</b>	---
<b>Submittal of Test Results:</b>	---
<b>COMPLIANCE MONITORING</b>	
<b>Monitoring Description:</b>	Emissions Minimization
<b>Monitoring Method:</b>	Spray Waste VOC into Containers
<b>Monitoring Regulation/Citation:</b>	326 IAC 8-2-9
<b>Monitoring Frequency:</b>	---
<b>RECORD KEEPING</b>	
<b>Parameter/Pollutant to be Recorded:</b>	VOC and HAPs delivered to the applicators and used for clean-up
<b>Recording Frequency:</b>	monthly
<b>Submittal Schedule of Reports:</b>	quarterly
<b>REPORTING REQUIREMENTS</b>	
<b>Information in Report:</b>	VOC and HAPs delivered to the applicators and used for clean-up
<b>Reporting Frequency/Submittal:</b>	quarterly

**Description of facility:** sandblasting operation identified as sandblast 1  
**Max Rating:** 1 ton / hour  
**Construction Date:** January 31, 1981  
**Control Device:** dust collection system

**Facility class:** 042      **Description:** Shot Blasting or Sand Blasting

<b>EMISSION LIMITATIONS</b>				
<b>Numerical Emission Limit:</b>	PM: 0.03 gr/dscf	PM10: 16 lbs/hr		
<b>Regulation/Citation:</b>	326 IAC 6-1-2	326 IAC 2-8-4		
<b>Compliance Demonstration:</b>	---			
<b>PERFORMANCE TESTING</b>				
<b>Parameter/Pollutant to be Tested:</b>	---			
<b>Testing Method/Analysis:</b>	---			
<b>Testing Frequency/Schedule:</b>	---			
<b>Submittal of Test Results:</b>	---			
<b>COMPLIANCE MONITORING</b>				
<b>Monitoring Description:</b>	visible emissions checks			
<b>Monitoring Method:</b>				
<b>Monitoring Regulation/Citation:</b>	326 IAC 2-8-5			
<b>Monitoring Frequency:</b>	once per shift			
<b>RECORD KEEPING</b>				
<b>Parameter/Pollutant to be Recorded:</b>	---			
<b>Recording Frequency:</b>	---			
<b>Submittal Schedule of Reports:</b>	---			
<b>REPORTING REQUIREMENTS</b>				
<b>Information in Report:</b>	---			
<b>Reporting Frequency/Submittal:</b>	---			

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

Addendum to the  
Technical Support Document for Federally Enforceable State Operating Permit (FESOP)

**Hoosier Railcar  
Kennedy and Michigan Avenue  
East Chicago, Indiana 46312**

**F-089-5874, Plt ID-089-00370**

On February 25, 1997, the Office of Air Management (OAM) had a notice published in the Gary Post Tribune and the Hammond Times, Gary, Indiana, stating that Hoosier Railcar had applied for a Federally Enforceable State Operating Permit (FESOP) to operate a railcar repair operation. The notice also stated that OAM proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

On March 19, 1997 Charles Greskovich submitted comments on the proposed FESOP. The summary of the comments is as follows:

**Comment 1**

We have unattainable air quality in Lake County. The potential to emit 243 tons of PM10 and 31 tons of VOC per year is a health risk to the community. Many diseases stem from air pollution, including chronic bronchitis, emphysema, lung cancer, asthma and pediatric asthma. The U.S.E.P.A. rates Lake County as the eighth worst county in the U.S.A. when it comes to air pollution. (Revised April 26, 1996 U.S.E.P.A. - G.L.N.P.O.). There is an environmental crisis in Lake County.

**Response 1**

Even though the potential emissions of PM10 and VOC are 243 and 31 tons per year, respectively; the FESOP limits the emissions of PM10 to 47 tons per year and VOC to 24 tons per year. PM is also limited to 47 tons per year. Compliance with these limits will qualify Hoosier Railcar as a minor source with regard to Emission Offset and Prevention of Significant Deterioration requirements. Air quality modeling performed by OAM also shows that this source will not have a significant impact on the air quality in Lake County.

**Comment 2**

The existing surveillance system at the facility is haphazard and unscientific with no accuracy or technical records kept. The permit does not mention the equipment's capacity to control and reduce air particulates. The EPA requires that every monitoring device and measurement taken is to have a written and approved quality assurance program and project plan. No such plan exists in the permit application.

**Response 2**

The OAM believes that by “surveillance system” the commentor is referring to the requirement to perform visible emission notations once per shift. The OAM does not require FESOP sources to utilize Method 9 when performing these visible emission observations. In order to utilize method 9, the source would be required to have employees attend training courses in reading visible emissions. The OAM believes that in regards to FESOP sources, the cost incurred by the source if required to perform method 9 visible emission observations would far outweigh the benefits. Noting whether visible emissions are normal or abnormal is a reasonable requirement and should be sufficient to establish that the facility is in proper working order. The source is required to keep records of each observation taken and whether emissions were observed to be normal or abnormal. The source is also required to take appropriate corrective action if an abnormal visible emission is observed, and to keep a record of any such corrective action taken. The OAM will still use Method 9 to determine compliance with 326 IAC 5-1 (Opacity Limits) during regular inspections of the source.

The dust collection system has the capacity to reduce particulate emissions from the sandblasting operation by 95 percent. The condition in the FESOP requiring the source to perform visible emissions observations of the sandblasting stack exhaust will serve to ensure that the dust collection system operates properly at all times.

The FESOP requires the source to have a Preventive Maintenance Plan for the railcar coating operation and the sandblasting operation. The source is not required to submit this plan as part of their FESOP application. This plan is to be on file at the source and is subject to review and approval by the OAM. The OAM has reviewed and approved the Preventive Maintenance Plans for these facilities.

**Comment 3**

Hoosier Railcar has potential emissions above the Title V thresholds. How is the source able to qualify for a FESOP if future operations remain the same as in the past? Air pollution control equipment is not used for emission reduction in all plant operations. There is no hazard evaluation. I am referring to all receptors of concern resulting from exposure to the released air contaminants in the plant and outside the plant.

**Response 3**

The OAM has calculated the potential to emit criteria pollutants from all sources of emissions at Hoosier Railcar. The permit requires the source to limit the emissions to below Title V thresholds and to comply with all state and federal air pollution requirements. The FESOP requires that the source utilize a dust collection system to control PM and PM10 emissions from the sandblasting operation. According to calculations performed by the OAM, this will be sufficient to limit the PM10 emissions to below the Title V thresholds and to limit the PM emissions to comply with the requirements of 326 IAC 6-1-2 (Nonattainment Area Particulate Limitations). Additionally, in order to ensure that the dust collection system is sufficient to limit the PM and PM10 emissions, the FESOP requires that visible emission notations of the sand blasting stack exhaust be performed once per working shift. This requirement will help to ensure that the dust collection system is working properly during every operating shift.

In order to limit VOC emissions to below the Title V thresholds, the FESOP requires that the source limit and keep records of all VOCs and hazardous air pollutants used in the railcar coating operation and associated clean-up activities. No pollution control equipment is needed for this facility to maintain compliance with the VOC FESOP limits. The source plans to maintain compliance by limiting the amount of coatings and clean-up solvents used during each month.

**Comment 4**

The permit does not address the use of fuel, synthetic inorganic chemicals, paints and products removed by abrasive and blasting that in combination produce environmental and health hazards. In previous years the industrial paints contained a lot of lead.

**Response 4**

The OAM believes that the sandblasting operation will not produce any environmental or health hazards. Any materials removed from the railcars during the sandblasting process will be controlled by the dust collection system.

**Comment 5**

This source also has the potential to emit large amounts of PM, SO<sub>x</sub>, NO<sub>2</sub>, lead, and other toxics. The permit application fails to address discharge rates for these pollutants and how these pollutants will be controlled in the future.

**Response 5**

According to the calculations completed by the OAM, the source does not have the potential to emit SO<sub>x</sub> or lead from any of the facilities listed in the application. The source has the potential to emit negligible amounts of NO<sub>x</sub> from insignificant natural gas combustion units. The source does have the potential to emit other toxics from the surface coating process; however, the FESOP limits the amount of any single HAP to 0.75 tons per month and total HAPs are limited to 2.0 tons per month. The source does have the potential to emit 243 tons per year of PM. Most of the potential PM emissions are from the sandblasting operation. The FESOP requires the use of the dust collection system in order to limit the PM emissions. The FESOP also limits the PM emissions from the sandblasting operation to 0.03 grains per dry standard cubic foot of exhaust air, pursuant to 326 IAC 6-1-2.

**Comment 6**

An environmental impact statement is requested due to the cumulative effect of other toxic industrial dischargers in Northwest Indiana. No such statement is included in the application.

**Response 6**

The permitting rules regarding major sources do not apply to this source. These rules require rigorous air quality analyses of the impact of a source's emissions on air quality. In the past, the OAM has performed numerous air quality analyses to ensure that the issuance of a minor source permit would not result in a violation of any NAAQS, PSD air quality increment, or other appropriate standard. The FESOP limits for Lake County sources are low enough that the emissions from any individual FESOP source will have no discernible effect on ambient air concentrations.

**Comment 7**

For the reasons discussed above, I would like to request a public hearing to discuss the proposed FESOP for Hoosier Railcar.

**Response 7**

The FESOP contains a compliance monitoring condition requiring visible emission notations of the sandblasting stack exhaust once per shift in order to ensure that the dust collection system controlling the sandblasting operation is operating properly at all times. When the dust collection system operates properly, there should be no problems with PM and PM10 emissions from the facility. The FESOP requires the source to limit and keep records of the VOCs and HAPs used in the railcar coating operation. The FESOP also requires a Preventive Maintenance Plan for these facilities. These conditions, in combination with the explanations provided in this document, will hopefully alleviate the commentor's concerns. The construction permit rules are intended to ensure that new facilities will comply with applicable emission limits and will not cause or contribute to a violation of any air quality standard. The OAM reviewed this application and proposed conditions which fulfill these requirements. The OAM has no authority to require any restrictions beyond those included in this final permit. The OAM, through this addendum, has attempted to address the concerns of the commentor. Hopefully, these responses obviate the necessity of a public hearing.