

Michigan Department of Natural Resources and Environment
Air Quality Division

State Registration Number
B4197

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-B4197-2011

AAR Mobility Systems

SRN: B4197

Located at:
201 Haynes Street, Cadillac,
Wexford County, Michigan 49601

Permit Number: MI-ROP-B4197-2011

Staff Report Date: January 31, 2011

This Staff Report is published in accordance with Sections 5506 and 5511 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, Rule 214(1) requires that the Michigan Department of Natural Resources and Environment (MDNRE), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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1/31/11 STAFF REPORT

Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with a ROP pursuant to Title V of the federal Clean Air Act of 1990 and Michigan's Administrative Rules for air pollution control pursuant to Section 5506(1) of Act 451. Sources subject to the ROP program are defined by criteria in Rule 211(1). The ROP is intended to simplify and clarify a stationary source's applicable requirements and compliance with them by consolidating all state and federal air quality requirements into one document.

This report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft permit terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft permit pursuant to Rule 212(5), and any determination made pursuant to Rule 213(6)(a)(ii) regarding requirements that are not applicable to the stationary source.

General Information

Stationary Source Mailing Address:	AAR Mobility Systems 201 Haynes Street Cadillac, Michigan 49601
Source Registration Number (SRN):	B4197
North American Industry Classification System (NAICS) Code:	332311
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	200900187
Responsible Official:	Mr. Lee Krantz, General Manager 231-779-4833
AQD Contact:	Mr. Allen Retlewski, Environmental Quality Analyst 231-876-4414
Date Permit Application Received:	December 23, 2009
Date Application Was Administratively Complete:	December 29, 2009
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	January 31, 2011
Deadline for Public Comment:	March 2, 2011

Source Description

AAR Mobility Systems is located within the City of Cadillac and manufactures air cargo transportation equipment for the military including containers, pallets, and aircraft floor panels. The products are composed of various combinations of aluminum, balsa wood, and fiberglass. Processes in the manufacture of these products include woodworking, metal preparation and machining, adhesive coating application, gluing, paint application, and assembly. In addition to manufacturing new products, AAR Mobility Systems also rebuilds old containers and pallets.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System in the **2009** submittal.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	0
Lead (Pb)	0
Nitrogen Oxides (NO _x)	0
Particulate Matter (PM)	0.7
Sulfur Dioxide (SO ₂)	0
Volatile Organic Compounds (VOCs)	11.0
Individual Hazardous Air Pollutants (HAPs) **	
Methanol	0.16
Toluene	2.76
4,4-Diphenyl methane diisocyanate	0.28
Total Hazardous Air Pollutants (HAPs)	3.37

**As listed pursuant to Section 112(b) of the federal Clean Air Act.

See Parts C and D in the draft ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are explained below in the Non-Applicable Requirement part of the Staff Report and identified in Part E of the ROP.

The stationary source is located in Wexford County, which is currently designated by the U.S. Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants.

The stationary source is subject to Title 40 of the Code of Federal Regulations (CFR), Part 70, because the potential to emit of any single HAP regulated by the federal Clean Air Act, Section 112, is more than 10 tons per year and/or the potential to emit of all HAPs combined is more than 25 tons per year.

No emissions units at the stationary source are currently subject to the Prevention of Significant Deterioration (PSD) regulations of Part 18, Prevention of Significant Deterioration of Air Quality of Act 451, because at the time of New Source Review permitting the potential to emit of volatile organic compounds was less than 250 tons per year.

EU197LINENOCTRL, EUCONTNRNOCTRL, EU197LINE, EUCONTAINERLINE, EUBALSACORE, EUCLEANUP, EUSKINORRAIL, at the stationary source are subject to the Maximum Achievable Control Technology

Standards for Surface coating of miscellaneous metal parts and products promulgated in 40 CFR, Part 63, Subparts A and MMMM.

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the DEQ "Procedure for Evaluating Periodic Monitoring Submittals."

EU197LINE, EUCONTAINERLINE, EUBALSACORE, EUSKINORRAIL at the stationary source are subject to the federal Compliance Assurance Monitoring (CAM) rule under 40 CFR, Part 64. Each emission unit has a control device and potential pre-control emissions of VOC greater than the major source threshold level.

Please refer to Parts B, C and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Source-wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document.

The following table lists all individual PTIs that were incorporated into previous ROPs. PTIs issued after the effective date of ROP No. MI-ROP-B4197-2005a, are identified in Appendix 6 of the ROP.

PTI Number			
1007-84	934-93	293-91	261-00
163-07			

Equivalent Requirements

This permit does not include any equivalent requirements pursuant to Rule 212(5). Equivalent requirements are enforceable applicable requirements that are equivalent to the applicable requirements contained in the original PTI, a Consent Order/Judgment, and/or the State Implementation Plan.

Non-applicable Requirements

Part E of the draft ROP lists requirements that are not applicable to this source as determined by the AQD, if any were proposed in the application. These determinations are incorporated into the permit shield provision set forth in Part A (General Conditions 26 through 29) of the draft ROP pursuant to Rule 213(6)(a)(ii).

Processes in Application Not Identified in Draft ROP

The following table lists processes that were included in the ROP application as exempt devices under Rule 212(4). These processes are not subject to any process-specific emission limits or standards in any applicable requirement.

Exempt Emission Unit ID	Description of Exempt Emission Unit	ROP Exemption	PTI Permit Exemption
EU500HPBOILER	1.3MMBTU/hr natural gas fired boiler	212(4)(b)	282(b)(i)
EU400HPBOILER	1MMBTU/hr natural gas fired boiler	212(4)(b)	282(b)(i)
EUPLASTIC	Double miter saw and 2 table saws	212(3)(f)	285(l)(vi)

Draft ROP Terms/Conditions Not Agreed to by Applicant

This permit does not contain any terms and/or conditions that the AQD and the applicant did not agree upon pursuant to Rule 214(2).

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements as of the effective date of this ROP.

Action taken by the DEQ

The AQD proposes to approve this permit. A final decision on the ROP will not be made until the public and affected states have had an opportunity to comment on the AQD's proposed action and draft permit. In addition, the U.S. Environmental Protection Agency (USEPA) is allowed up to 45 days to review the draft permit and related material. The AQD is not required to accept recommendations that are not based on applicable requirements. The delegated decision maker for the AQD is Ms. Janis Denmam, Cadillac District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the permit application, a judgment that the stationary source will be able to comply with applicable emission limits and other terms and conditions, and resolution of any objections by the USEPA.

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03/03/2011 STAFF REPORT ADDENDUM

Purpose

A Staff Report dated 1/31/2011, was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Mr. Lee Krantz, General Manager 231-779-4833
AQD Contact:	Mr. Allen Retlewski, Environmental Quality Analyst 231-876-4414

Summary of Pertinent Comments

No pertinent comments were received during the 30-day public comment period.