



ASSOCIATED RACK CORPORATION

70 Athens Drive
Mt. Juliet, Tennessee 37122

Phone: (615) 288-4204
Fax: (615) 288-4573

Able Rack Co.
St. Louis, MO

American Rack Co.
Chicago, IL

American Rack Co.
Grand Rapids, MI

Southeastern Rack Co.
Vero Beach, FL

Southeastern Rack Co.
Rutherfordton, NC

Southwestern Rack Co.
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Lynwood, CA

Visit us at:
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March 21, 2017

Mr. David Morgan
MDEQ – Air Quality Division
Grand Rapids District Office
350 Ottawa Avenue, NW Unit 10
Grand Rapids, MI 49503



**re: American Rack (SRN P0384)
Violation Notice of March 3rd**

Dear Mr. Morgan,

American Rack Company is in receipt of your Violation Notice of March 3rd alleging a violation of Permit-to-Install (PTI) No. 151-12. Specifically, the alleged violations are:

- ◆ Based on test results, hydrogen chloride (HCl) emission were 25.5 pounds per hour which is above the permit limit of 16.33 pounds per hour.
- ◆ Based on test results and operating data, HCl emissions have exceeded the 9.0 ton per year permit limit. This limit restricts the facility from being a major source of HAPs.
- ◆ Failure to obtain a Renewable Operating Permit (ROP). Under Rule 210(5), an administratively complete ROP should be submitted not more than 12 months after the stationary source exceeds that major source threshold of 10 tons per year for an individual HAP.

You have requested that actions be initiated to correct the alleged violations and have also requested a written response by March 24, 2017. You have indicated that the written response should include the dates that the violations occurred, an explanation of the cause and duration of the violation, whether the violation is ongoing, a summary of the actions that have been taken and are proposed to be taken to correct the violation and that dates by which these actions will take place, and what steps are being taken to prevent a reoccurrence.

As you are aware and cite in your Violation Notice, American Rack Company conducted an emissions test on the exhaust of the burn-off oven at our Kraft Avenue facility on February 2, 2017. Results of that test indicated that the average HCl emission rate over the duration of the test was 25.5 pounds per hour versus the emission limit in PTI 151-12 of 16.33 pounds per hour.

Note that the 16.33 pounds per hour emission limit was based on a batch size of 140 pounds of plastisol coating being burned off. During the test of February 2nd, the burn-off oven batch was much larger (263 pounds burned off) than the average batch. This larger batch size resulted in a higher a HCl emission rate over the course of the batch.



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To ensure that hourly HCl emissions remain at or below the emission limit, American Rack proposes to limit the batch size to the batch size in the original PTI application of 140 pounds. We will begin verifying the batch size by weighing the racks both before entering and after leaving the burn-off oven. The difference will be used as a basis for our air emissions records moving forward. We plan on implementing this practice as soon as practical but no later than April 1, 2017.

However, this method of achieving compliance with our permit is only a short-term solution as this will require that we process more batches to keep up with customer requirements. As a result, we will eventually exceed the 220 batches per 12-month rolling period limit in our permit. Therefore, we have elected to amend the existing PTI to allow for a larger batch size. We will prepare the amendment application on a priority basis, not later than April 15th. However, this will increase the facility potential to emit of hydrogen chloride to major source thresholds of over 10 tons per year. We understand that an ROP application will also be required and it will be prepared and submitted after the issuance of the revised PTI.

As you mentioned to our consultant, we know that the MDEQ is concerned about the hydrogen chloride emissions and their effect on the FAA employees working on the airport control tower adjacent to our Kraft Avenue location. The FAA is now contacting us before employees are to work on the tower. The burn-off oven is then not operated of those days. This arrangement has worked well to eliminate this issue and we intend to continue this arrangement while the operation remains at the Kraft Avenue location.

Please note that the long-term solution to the FAA nuisance issue is to relocate the Kraft Avenue facility to a different location. While we have not as of yet purchased or leased suitable site, we have submitted an offer for a building in the Grand Rapids area. A copy of this recent offer is attached to demonstrate that the process of relocating has begun in earnest. When a new location is found, we intend on applying for a new PTI for the new location prior to the move. When we have moved, and have begun operating at the new site, we will void the PTIs associated with our current Kraft Avenue location.

Please let us know if you have any questions and thank you for your time and cooperation in this matter.

Sincerely,

American Rack, Grand Rapids

A Division of Associated Rack Corporation