State of Ohio Environmental Protection Agency

RE: FINAL PERMIT TO INSTALL MODIFICATION **CERTIFIED MAIL**
BUTLER COUNTY

Street Address:
122 S. Front Street

Lazarus Gov. Center **TELE:** (614) 644-3020 **FAX:** (614) 644-2329

Mailing Address:
Lazarus Gov. Center
P.O. Box 1049

Application No: 14-04409
Fac ID: 1409040212
DATE: 7/13/2006

SMART Papers LLC
Kenneth Hardesty
601 North B Street
Hamilton, OH 45013

Enclosed Please find a modification to the Ohio EPA Permit To Install referenced above which will modify the terms and conditions.

You are hereby notified that this action of the Director is final and may be appealed to the Environmental Review Appeals Commission pursuant to Section 3745.04 of the Ohio Revised Code. The appeal must be in writing and set forth the action complained of and the grounds upon which the appeal is based. The appeal must be filed with the Commission within thirty (30) days after notice of the Director's action. The appeal must be accompanied by a filing fee of $70.00 which the Commission, in its discretion, may reduce if by affidavit you demonstrate that payment of the full amount of the fee would cause extreme hardship. Notice of the filing of the appeal shall be filed with the Director within three (3) days of filing with the Commission. Ohio EPA requests that a copy of the appeal be served upon the Ohio Attorney General's Office, Environmental Enforcement Section. An appeal may be filed with the Environmental Review Appeals Commission at the following address:

Environmental Review Appeals Commission
309 South Fourth Street, Room 222
Columbus, OH 43215

Sincerely,

Michael W. Ahern

Michael W. Ahern, Manager
Permit Issuance and Data Management Section
Division of Air Pollution Control

CC: **USEPA** **HCDES**

STATE OF OHIO ENVIRONMENTAL PROTECTION AGENCY

Permit To Install **Issue Date: 7/13/2006**
Terms and Conditions **Effective Date: 7/13/2006**

FINAL ADMINISTRATIVE MODIFICATION OF PERMIT TO INSTALL 14-04409

Application Number:	14-04409
Facility ID:	1409040212
Permit Fee:	**$250**
Name of Facility:	SMART Papers LLC
Person to Contact:	Kenneth Hardesty
Address:	601 North B Street Hamilton, OH 45013

Location of proposed air contaminant source(s) [emissions unit(s)]:
601 North B St
Hamilton, **Ohio**

Description of proposed emissions unit(s):
Administrative Modification to No. 3 Paper Machine Rod Coater PTI 14-04409, issued 8/5/1998.

The above named entity is hereby granted a modification to the permit to install described above pursuant to Chapter 3745-31 of the Ohio Administrative Code. Issuance of this modification does not constitute expressed or implied approval or agreement that, if constructed or modified in accordance with the plans included in the application, the above described source(s) of environmental pollutants will operate in compliance with applicable State and Federal laws and regulations, and does not constitute expressed or implied assurance that if constructed or modified in accordance with those plans included in the application, the above described source(s) of pollutants will be granted the necessary operating permits.

This permit is granted subject to the conditions attached hereto.

Ohio Environmental Protection Agency

Joseph P. Koncelik

Director

Part I - GENERAL TERMS AND CONDITIONS

A. State and Federally Enforceable Permit-To-Install General Terms and Conditions

1. Monitoring and Related Recordkeeping and Reporting Requirements

a. Except as may otherwise be provided in the terms and conditions for a specific emissions unit, the permittee shall maintain records that include the following, where applicable, for any required monitoring under this permit:

i. The date, place (as defined in the permit), and time of sampling or measurements.

ii. The date(s) analyses were performed.

iii. The company or entity that performed the analyses.

iv. The analytical techniques or methods used.

v. The results of such analyses.

vi. The operating conditions existing at the time of sampling or measurement.

b. Each record of any monitoring data, testing data, and support information required pursuant to this permit shall be retained for a period of five years from the date the record was created. Support information shall include, but not be limited to, all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit. Such records may be maintained in computerized form.

c. Except as may otherwise be provided in the terms and conditions for a specific emissions unit, the permittee shall submit required reports in the following manner:

i. Reports of any required monitoring and/or recordkeeping of federally enforceable information shall be submitted to the appropriate Ohio EPA District Office or local air agency.

ii. Quarterly written reports of (i) any deviations from federally enforceable emission limitations, operational restrictions, and control device operating parameter limitations, excluding deviations resulting from malfunctions reported in accordance with OAC rule 3745-15-06, that have been detected by the testing, monitoring and recordkeeping requirements specified in this permit, (ii) the probable cause of such deviations, and (iii) any corrective actions or preventive measures taken, shall be made to

the appropriate Ohio EPA District Office or local air agency. The written reports shall be submitted (i.e., postmarked) quarterly, by January 31, April 30, July 31, and October 31 of each year and shall cover the previous calendar quarters. See B.9 below if no deviations occurred during the quarter.

iii. Written reports, which identify any deviations from the federally enforceable monitoring, recordkeeping, and reporting requirements contained in this permit shall be submitted (i.e., postmarked) to the appropriate Ohio EPA District Office or local air agency every six months, by January 31 and July 31 of each year for the previous six calendar months. If no deviations occurred during a six-month period, the permittee shall submit a semi-annual report, which states that no deviations occurred during that period.

iv. If this permit is for an emissions unit located at a Title V facility, then each written report shall be signed by a responsible official certifying that, based on information and belief formed after reasonable inquiry, the statements and information in the report are true, accurate, and complete.

d. The permittee shall report actual emissions pursuant to OAC Chapter 3745-78 for the purpose of collecting Air Pollution Control Fees.

2. Scheduled Maintenance/Malfunction Reporting

Any scheduled maintenance of air pollution control equipment shall be performed in accordance with paragraph (A) of OAC rule 3745-15-06. The malfunction, i.e., upset, of any emissions units or any associated air pollution control system(s) shall be reported to the appropriate Ohio EPA District Office or local air agency in accordance with paragraph (B) of OAC rule 3745-15-06. (The definition of an upset condition shall be the same as that used in OAC rule 3745-15-06(B)(1) for a malfunction.) The verbal and written reports shall be submitted pursuant to OAC rule 3745-15-06.

Except as provided in that rule, any scheduled maintenance or malfunction necessitating the shutdown or bypassing of any air pollution control system(s) shall be accompanied by the shutdown of the emission unit(s) that is (are) served by such control system(s).

3. Risk Management Plans

If the permittee is required to develop and register a risk management plan pursuant to section 112(r) of the Clean Air Act, as amended, 42 U.S.C. 7401 et seq. ("Act"), the permittee shall comply with the requirement to register such a plan.

4. Title IV Provisions

If the permittee is subject to the requirements of 40 CFR Part 72 concerning acid rain, the permittee shall ensure that any affected emissions unit complies with those requirements. Emissions exceeding any allowances that are lawfully held under Title IV of the Act, or any regulations adopted thereunder, are prohibited.

5. Severability Clause

A determination that any term or condition of this permit is invalid shall not invalidate the force or effect of any other term or condition thereof, except to the extent that any other term or condition depends in whole or in part for its operation or implementation upon the term or condition declared invalid.

6. General Requirements

a. The permittee must comply with all terms and conditions of this permit. Any noncompliance with the federally enforceable terms and conditions of this permit constitutes a violation of the Act, and is grounds for enforcement action or for permit revocation, revocation and re-issuance, or modification

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 federally enforceable terms and conditions of this permit.

c. This permit may be modified, revoked, or revoked and reissued, for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or revocation, or of a notification of planned changes or anticipated noncompliance does not stay any term and condition of this permit.

d. This permit does not convey any property rights of any sort, or any exclusive privilege.

e. The permittee shall furnish to the Director of the Ohio EPA, or an authorized representative of the Director, upon receipt of a written request and within a reasonable time, any information that may be requested to determine whether cause exists for modifying or revoking this permit or to determine compliance with this permit. Upon request, the permittee shall also furnish to the Director or an authorized representative of the Director, copies of records required to be kept by this permit. For information claimed to be confidential in the submittal to

the Director, if the Administrator of the U.S. EPA requests such information, the permittee may furnish such records directly to the Administrator along with a claim of confidentiality.

7. Fees

The permittee shall pay fees to the Director of the Ohio EPA in accordance with ORC section 3745.11 and OAC Chapter 3745-78. The permittee shall pay all applicable permit-to-install fees within 30 days after the issuance of any permit-to-install. The permittee shall pay all applicable permit-to-operate fees within thirty days of the issuance of the invoice.

8. Federal and State Enforceability

Only those terms and conditions designated in this permit as federally enforceable, that are required under the Act, or any its applicable requirements, including relevant provisions designed to limit the potential to emit of a source, are enforceable by the Administrator of the U.S. EPA and the State and by citizens (to the extent allowed by section 304 of the Act) under the Act. All other terms and conditions of this permit shall not be federally enforceable and shall be enforceable under State law only.

9. Compliance Requirements

a. Any document (including reports) required to be submitted and required by a federally applicable requirement in this permit shall include a certification by a responsible official that, based on information and belief formed after reasonable inquiry, the statements in the document are true, accurate, and complete.

b. Upon presentation of credentials and other documents as may be required by law, the permittee shall allow the Director of the Ohio EPA or an authorized representative of the Director to:

i. At reasonable times, enter upon the permittee's premises where a source is located or the emissions-related activity is conducted, or where records must be kept under the conditions of this permit.

ii. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit, subject to the protection from disclosure to the public of confidential information consistent with ORC section 3704.08.

iii. Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit.

iv. As authorized by the Act, sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit and applicable requirements.

c. The permittee shall submit progress reports to the appropriate Ohio EPA District Office or local air agency concerning any schedule of compliance for meeting an applicable requirement. Progress reports shall be submitted semiannually, or more frequently if specified in the applicable requirement or by the Director of the Ohio EPA. Progress reports shall contain the following:

i. Dates for achieving the activities, milestones, or compliance required in any schedule of compliance, and dates when such activities, milestones, or compliance were achieved.

ii. An explanation of why any dates in any schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.

10. Permit-To-Operate Application

a. If the permittee is required to apply for a Title V permit pursuant to OAC Chapter 3745-77, the permittee shall submit a complete Title V permit application or a complete Title V permit modification application within twelve (12) months after commencing operation of the emissions units covered by this permit. However, if the proposed new or modified source(s) would be prohibited by the terms and conditions of an existing Title V permit, a Title V permit modification must be obtained before the operation of such new or modified source(s) pursuant to OAC rule 3745-77-04(D) and OAC rule 3745-77-08(C)(3)(d).

b. If the permittee is required to apply for permit(s) pursuant to OAC Chapter 3745-35, the source(s) identified in this permit is (are) permitted to operate for a period of up to one year from the date the source(s) commenced operation. Permission to operate is granted only if the facility complies with all requirements contained in this permit and all applicable air pollution laws, regulations, and policies. Pursuant to OAC Chapter 3745-35, the permittee shall submit a complete operating permit application within ninety (90) days after commencing operation of the source(s) covered by this permit.

11. Best Available Technology

As specified in OAC Rule 3745-31-05, all new sources must employ Best Available Technology (BAT). Compliance with the terms and conditions of this permit will fulfill this requirement.

12. Air Pollution Nuisance

The air contaminants emitted by the emissions units covered by this permit shall not cause a public nuisance, in violation of OAC rule 3745-15-07.

13. Permit-To-Install

A permit-to-install must be obtained pursuant to OAC Chapter 3745-31 prior to "installation" of "any air contaminant source" as defined in OAC rule 3745-31-01, or "modification", as defined in OAC rule 3745-31-01, of any emissions unit included in this permit.

B. State Only Enforceable Permit-To-Install General Terms and Conditions

1. Compliance Requirements

The emissions unit(s) identified in this Permit shall remain in full compliance with all applicable State laws and regulations and the terms and conditions of this permit.

2. Reporting Requirements

The permittee shall submit required reports in the following manner:

a. Reports of any required monitoring and/or recordkeeping of state-only enforceable information shall be submitted to the appropriate Ohio EPA District Office or local air agency.

b. Except as otherwise may be provided in the terms and conditions for a specific emissions unit, quarterly written reports of (a) any deviations (excursions) from state-only required emission limitations, operational restrictions, and control device operating parameter limitations that have been detected by the testing, monitoring, and recordkeeping requirements specified in this permit, (b) the probable cause of such deviations, and (c) any corrective actions or preventive measures which have been or will be taken, shall be submitted to the appropriate Ohio EPA District Office or local air agency. If no deviations occurred during a calendar quarter, the permittee shall submit a quarterly report, which states that no deviations occurred during that quarter. The reports shall be submitted (i.e., postmarked) quarterly, by January 31, April 30, July 31, and October 31 of each year and shall cover the previous calendar quarters. (These quarterly reports shall exclude deviations resulting from malfunctions reported in accordance with OAC rule 3745-15-06.)

3. Permit Transfers

Any transferee of this permit shall assume the responsibilities of the prior permit holder.

The appropriate Ohio EPA District Office or local air agency must be notified in writing of any transfer of this permit.

4. Authorization To Install or Modify

If applicable, authorization to install or modify any new or existing emissions unit included in this permit shall terminate within eighteen months of the effective date of the permit if the owner or operator has not undertaken a continuing program of installation or modification or has not entered into a binding contractual obligation to undertake and complete within a reasonable time a continuing program of installation or modification. This deadline may be extended by up to 12 months if application is made to the Director within a reasonable time before the termination date and the party shows good cause for any such extension.

5. Construction of New Sources(s)

This permit does not constitute an assurance that the proposed source will operate in compliance with all Ohio laws and regulations. This permit does not constitute expressed or implied assurance that the proposed facility has been constructed in accordance with the application and terms and conditions of this permit. The action of beginning and/or completing construction prior to obtaining the Director's approval constitutes a violation of OAC rule 3745-31-02. Furthermore, issuance of this permit does not constitute an assurance that the proposed source will operate in compliance with all Ohio laws and regulations. Issuance of this permit is not to be construed as a waiver of any rights that the Ohio Environmental Protection Agency (or other persons) may have against the applicant for starting construction prior to the effective date of the permit. Additional facilities shall be installed upon orders of the Ohio Environmental Protection Agency if the proposed facilities cannot meet the requirements of this permit or cannot meet applicable standards.

6. Public Disclosure

The facility is hereby notified that this permit, and all agency records concerning the operation of this permitted source, are subject to public disclosure in accordance with OAC rule 3745-49-03.

7. Applicability

This Permit to Install is applicable only to the emissions unit(s) identified in the Permit To Install. Separate application must be made to the Director for the installation or modification of any other emissions unit(s).

8. Construction Compliance Certification

If applicable, the applicant shall provide Ohio EPA with a written certification (see enclosed form if applicable) that the facility has been constructed in accordance with the permit-to-install application and the terms and conditions of the permit-to-install. The certification shall be provided to Ohio EPA upon completion of construction but prior to startup of the source.

9. Additional Reporting Requirements When There Are No Deviations of Federally Enforceable Emission Limitations, Operational Restrictions, or Control Device Operating Parameter Limitations (See Section A of This Permit)

If no deviations occurred during a calendar quarter, the permittee shall submit a quarterly report, which states that no deviations occurred during that quarter. The reports shall be submitted quarterly (i.e., postmarked), by January 31, April 30, July 31, and October 31 of each year and shall cover the previous calendar quarters.

C. Permit-To-Install Summary of Allowable Emissions

The following information summarizes the total allowable emissions, by pollutant, based on the individual allowable emissions of each air contaminant source identified in this permit.

SUMMARY (for informational purposes only)
TOTAL PERMIT TO INSTALL ALLOWABLE EMISSIONS

Pollutant	Tons Per Year
VOC	16.25

Part II - FACILITY SPECIFIC TERMS AND CONDITIONS

A. State and Federally Enforceable Permit To Install Facility Specific Terms and Conditions

None

B. State Only Enforceable Permit To Install Facility Specific Terms and Conditions

None

Emissions Unit ID: K005

Part III - SPECIAL TERMS AND CONDITIONS FOR SPECIFIC EMISSIONS UNIT(S)

A. State and Federally Enforceable Section

I. Applicable Emissions Limitations and/or Control Requirements

1. The specific operations(s), property, and/or equipment which constitute this emissions unit are listed in the following table along with the applicable rules and/or requirements and with the applicable emissions limitations and/or control measures. Emissions from this unit shall not exceed the listed limitations, and the listed control measures shall be specified in narrative form following the table.

Operations, Property, and/or Equipment	Applicable Rules/Requirements	Applicable Emissions Limitations/Control Measures
K005 - No. 3 Paper Machine Rod Coater - Modification	OAC rule 3745-31-05(A)(3)	Volatile organic compound (VOC) emissions shall not exceed 211 pounds per hour.* *The hourly emissions limitation outlined above is based on the emission unit's potential to emit (PTE). Therefore, no hourly records are required to demonstrate compliance with this limit. The requirements of this rule also include compliance with the requirements of OAC rule 3745-21-09(F) and OAC rule 3745-31-05(C).
	OAC rule 3745-21-09(F)	See terms and conditions A.I.2.a.
	OAC rule 3745-31-05(C) Synthetic Minor to avoid nonattainment new source review and the emissions offset policy	VOC emissions shall not exceed 16.25 tons per year (TPY) as a rolling 12-month summation of the monthly emissions. See terms and conditions A.II.1.

2. Additional Terms and Conditions

2.a The VOC content, as applied, of each coating employed shall not exceed 2.9 pounds of VOC per gallon of coating, excluding water and exempt solvents.

2.b Compliance with OAC rule 3745-31-05(A)(3) shall be demonstrated by compliance with the VOC content restriction and the rolling, 12-month emission and VOC input limitation.

II. Operational Restrictions

1. The maximum annual VOC input, as applied, of coatings employed in this emissions unit shall not exceed 16.25 tons per year as a rolling 12-month summation. The VOC input shall be determined by multiplying the number of gallons of coating employed per month by the VOC content of each coating in pounds per gallon, excluding water and exempt solvents (see record keeping requirements in terms and conditions A.III.1). Since this is an existing source, the company has existing records to demonstrate compliance with this limitation.

III. Monitoring and/or Recordkeeping Requirements

1. The permittee shall collect and record the following information each month for this emissions unit:

   a. The name and identification number of each coating, as applied.

   b. The VOC content of each coating, in pounds of VOC per gallon, excluding water and exempt solvents, as applied.

   c. the water and exempt solvent content of each coating, as applied, in percent by weight.

   d. The amount of each coating employed, in gallons, excluding water and exempt solvents.

   e. The monthly VOC input (the summation of the results of the value from line b. multiplied by the value from line d. for each coating employed).

   f. the updated rolling, 12-month summation total, in tons, of VOC input (the total amount of VOC input for the current month recorded in line e. plus the total amount of VOC input for the previous eleven calendar months).

2. The permittee shall maintain monthly records of the following information for this emissions unit in order to monitor compliance with the rolling, 12-month summation

emission limitation:

a. the total emissions, in tons, of VOC for each month; and

b. the updated rolling, 12-month summation emissions total, in tons, of VOC (the total amount of emissions for the current month plus the total amount of emissions for the previous eleven calendar months).

IV. Reporting Requirements

1. The permittee shall submit quarterly deviation (excursion) reports to the Hamilton County Department of Environmental Services which identify all exceedances of the following:

   a. an identification of all exceedances of the rolling 12-month VOC input operational restriction as specified in Section A.II.1.;

   b. an identification of all exceedances of the rolling 12-month emissions limitation for VOC as specified in Section A.I.1.

   The permittee shall submit the reports by January 31, April 30, July 31 and October 31 of each year and shall cover the previous calendar quarters (October through December, January through March, April through June and July through September, respectively).

   If no deviations occurred during the reporting period, the permittee shall state so in the report.

2. The permittee shall notify the Hamilton County Department of Environmental Services in writing of any monthly record showing the use of noncomplying coatings (i.e., VOC contents). The notification shall include a copy of such record and shall be sent to the Hamilton County Department of Environmental Services within 30 days following the end of the calendar month.

V. Testing Requirements

1. Compliance with the emission limitations in Section A.I. of these terms and conditions shall be determined in accordance with the following methods:

   a. Emission Limitation:

211 pounds per hour VOC

Applicable Compliance Method:
The hourly emission limitation specified above is based on the emissions unit's potential to emit and the operational parameters as provided in the PTI application 14-04409, submitted May 24, 1996.

If required, the permittee shall demonstrate compliance with this emission limitation through emission tests performed in accordance with 40 CFR Part 60, Appendix A, Methods 1 through 4 and 25.

b. Emission Limitation:
16.25 TPY VOC as a rolling, 12-month summation of monthly emissions

Applicable Compliance Method:
Compliance with the VOC emission limitation specified above shall be determined by the record keeping requirements specified in Section A.III.2.

c. Emission Limitation:
2.9 pounds of VOC per gallon of coating, excluding water and exempt solvents.

Applicable Compliance Method:
Compliance shall be based upon the record keeping requirements specified in Section A.III.1.

In accordance with OAC rule 3745-21-04(B)(5), USEPA Method 24 shall be used to determine the VOC contents of the coatings. If, pursuant to 40 CFR Part 60, Appendix A, an owner or operator determines that Method 24 cannot be used for a particular coating, the permittee shall so notify the Administrator of the USEPA and shall use formulation data for that coating to demonstrate compliance until the USEPA provides alternative analytical procedures or alternative precision statements for Method 24.

d. Operational Restriction:
16.25 TPY as a rolling, 12-month summation of monthly VOC input

Applicable Compliance Method:
Compliance with the operational restriction specified above shall be determined by the record keeping requirements specified in Sections A.III.1.and A.III.2.

VI. Miscellaneous Requirements

1. The terms and conditions in this permit to install shall supercede the terms and conditions for emissions unit K005 contained in permit to install #14-04409, issued August 5, 1998.

B. State Only Enforceable Section

I. Applicable Emissions Limitations and/or Control Requirements

1. The specific operations(s), property, and/or equipment which constitute this emissions unit are listed in the following table along with the applicable rules and/or requirements and with the applicable emissions limitations and/or control measures. Emissions from this unit shall not exceed the listed limitations, and the listed control measures shall be specified in narrative form following the table.

Operations, Property, and/or Equipment	Applicable Rules/Requirements	Applicable Emissions Limitations/Control Measures
K005 - No. 3 Paper Machine Rod Coater - Modification		See term and condition B.VI.1.

2. Additional Terms and Conditions

2.a None

II. Operational Restrictions

None

III. Monitoring and/or Recordkeeping Requirements

None

IV. Reporting Requirements

None

V. Testing Requirements

None

VI. Miscellaneous Requirements

1. Modeling to demonstrate compliance with the Ohio EPA's "Air Toxic Policy" was not

necessary because the emissions unit's maximum annual emissions for each toxic pollutant is less than 1.0 ton. OAC Chapter 3745-31 requires a permittee to apply for and obtain a new or modified permit to install prior to making a "modification" as defined by OAC rule 3745-31-01. The permittee is hereby advised that a new permit to install

application would be required for an emissions unit if changes in the composition of the materials or use of new materials would cause the emissions of any pollutant that has a listed Threshold Limit Value (TLV), as documented in the most current version of the American Conference of Governmental Industrial Hygienists' (ACGIH's) handbook entitled "TLVs and BEIs" ("Threshold Limit Values for Chemical Substances and Physical Agents, Biological Exposure Indices"), to increase to above 1.0 ton per year.