



American Foundry Society  
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Director Office of Regulatory Policy & Management, Office of Policy  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
WJC-N 3521-A, MC 1804  
Washington, DC 20460

Re: Follow Up to June 20, 2017 Meeting

Dear Ms. Rees:

We would like to thank you and Mr. Patrick Davis for meeting with our group from the American Foundry Society on June 20, 2017. During the meeting you requested additional information on air quality regulations affecting the metalcasting industry, particularly with respect to the New Source Review (NSR) and Prevention of Significant Deterioration (PSD) programs. In response, we asked our air quality technical committee to prepare a list of the most critical issues that impact the metalcasting industry. While this list is not a comprehensive list of the air quality regulatory burdens facing metalcasting operations, we have provided below a brief summary of some of the most significant issues for the industry.

We would appreciate the opportunity to discuss these issues further with you and your team at EPA, and we are happy to make our industry experts available to discuss how these issues that affect our industry and identify potential solutions that are protective of human health and the environment.

**New Source Review (NSR)/Prevention of Significant Deterioration (PSD)**

*Applicability Criteria*

1. Iron and Steel Foundries are not “secondary metal production plants” and therefore should not be part of the 28 source categories subject to the 100 TPY major source threshold. EPA should alter the current policy in this regard such that Iron and Steel Foundries are correctly subject to the 250 TPY threshold, or at least be allowed to be nested sources similar to aluminum foundries with a major source threshold of 250 TPY rather than 100 TPY.
2. The “Statute of Limitations” circuit court rulings on PSD look backs should become national EPA policy. States should be required not to revisit prior PSD applicability determinations beyond five years from construction.
3. Exclude condensable particulate matter (CPM) from PM10 and PM2.5 emissions calculations, relying on filterable PM emissions until better data is available to quantify and to justify the impacts of CPM on ambient air quality levels.
4. Modify and/or clarify the definition of Routine Repairs, Maintenance and Replacement (RMRR) to reflect real world situations that routinely occur in industrial environments including a bright line cutoff for repairs and maintenance activities that are less than 20 percent of a comparable new piece of equipment.

5. Review and clarify the “contiguous and adjacent” policy. If facilities are not contiguous, treat them as separate sources as the rule is written and consistent with several circuit court decisions.
6. Modify and/or clarify treatment of “Affected Units” and “Debottlenecking” emission units.
7. Modify and/or clarify definition of “project” in relation to project aggregation.
8. Allow “project netting” (i.e., taking credit for emissions reductions associated with the shutdown of existing equipment as part of a modification) without triggering a full netting exercise for the contemporaneous look-back period.
9. Clarify factors reviewed for circumvention (aka “sham permitting”) and clarify that projects permitted within two years of each other need not be aggregated unless there is a clear finding that the projects were conceptually, economically and technically dependent upon each other from the outset.
10. Raise Major Source threshold for CO to 1000 tpy and significance threshold to 250 tpy. (Would take regulatory or statutory changes).
11. Implement a more definitive and practical policy on when pollution control devices are “integral to the process” and not considered emission control devices for the purpose of determining PSD applicability. Where materials controlled have economic value the use of a baghouse for example would be integral to the process. Wouldn’t have to demonstrate net economic gain. (Bin vent filters on material silos would be considered integral to the process).
12. Guidance to address use of certain emission factors commonly misunderstood or misused in the foundry industry.
13. Could policies on Actual-to-Projected-Actual (ATPA) test be revised? Clearer and better guidance on “could have accommodated”.

#### *BACT/LAER Determinations*

1. Limit EPA role in commenting on and or overruling State BACT determinations to large or complex sources only
2. Emission units with potential emissions less than two tpy of all criteria pollutants are exempt from BACT.
3. EPA should create and maintain a database of presumptive BACT for emission units. Examples include emergency diesel generators, small fuel storage tanks, small natural gas fired heaters and boilers, units below designated emissions thresholds. Examples of presumptive BACT levels include the following:
  - 0.002 gr/dscf for fabric filter dust collectors,
  - Less than 20 ppm VOC,
  - NOx threshold for smaller heaters and boilers, and
  - federal standards for new engines v. NSPS and or NESHAPs technology limits established in the last 15 years.
4. Only BACT/LAER clearinghouse determinations that have been demonstrated in practice shall be considered in any BACT/LAER evaluation. For example, an emission control device intended to control odors that coincidentally controls PSD regulated pollutants will be given lower weighting, if any, in a BACT or LAER determination.
5. Policy addressing non-applicability of certain technologies as infeasible or inappropriate for certain applications: e.g. flares or combustion controls for exhaust streams less than a certain level of ppm for VOC.

#### *Air Quality Assessments*

1. Reinstatement moratorium on inclusion of CPM until a better understanding of the measurement and mechanism for CPM. This would apply to applicability, BACT and air quality.
2. Allow the use of “representative” background air quality levels rather than data from the nearest available monitoring station. Rural sources could use data from a similar rural area rather than the closest (urban) monitor.

3. Address issues in AERMOD air dispersion modeling software related to highly conservative assumptions that results in overly conservative concentration estimates. Exclude emission sources below certain emission threshold and/or distances from a source from the full air quality assessment.
4. Implement a clear policy that there are no applicable models for Ozone air quality impacts and PSD applications would not need to include any “modeling” in the application.
5. Treat PM<sub>2.5</sub> and NO<sub>x</sub> as regional pollutants like ozone and eliminate/modify modeling requirements for these pollutants.
6. Allow use of realistic assumptions of “worst-case” modeled emission rates (i.e., do not require simultaneous modeling of all emissions sources at the highest-possible, short-term startup emission rates).
7. Allow PSD applications that have been submitted and are under review to be “grandfathered” so that they are reviewed under regulations, standards or policies (collectively “Review Procedures”) that were in place when the application was submitted, unless the applicant waived the “grandfathered” status and opts for review under the new Review Procedures (to apply for newly promulgated NAAQS, etc.).
8. Allow companies to offset emission increases by obtaining “offsets” in lieu of PSD modeling demonstration.

#### *Re-designations for Non-Attainment Areas*

Allow areas to be re-designated to attainment based on implementation of all plan strategies and one-year air quality data, rather than requiring three years of data.

#### *Administrative and Policy Decisions*

1. Policy review on project related activities that can take place prior to issuance of a PSD or EOR permit.
2. Review of why certain states have not been able to get SIP approval of their PSD rules. SIP delegated states are at a disadvantage since any appeal automatically stays the permit.
3. Impose a 180-day permit issuance requirement.
4. Revisit and modify definition of “commence construction” to allow applicants to begin early construction activities at their own risk before final permit issuance.
5. EPA should be required to formally object (e.g. by Regional Administrator) to any provisions of a public noticed permit during the 30-day public comment period. If no formal objection is filed, then EPA should not be allowed to appeal or overrule a state’s determination.
6. Limit EPA’s review and oversight of state permitting actions to large or complex projects only.

#### **Other Issues**

##### *Title V Permitting*

1. Exclude small sources from compliance monitoring obligations.
2. Guidance on enforcement action thresholds for self-reported deviation.
3. Audit privilege under Title V for self-discovered deviations/violations.
4. Removal of compliance monitoring requirements where a clear pattern is shown that little or no benefit is derived from the monitoring (i.e., why continue to do daily visible emissions observations where you never see anything).
5. More consistent state permitting requirements and exemption of any unit with emissions less than two tpy for each criteria pollutant that does not emit a HAP.

##### *National Emissions Standards for Hazardous Air Pollutants (NESHAPs)*

1. Prohibit state regulation of toxics that are already subject to regulation by a NESHAP.
2. Clarify the term “contiguous” for defining a facility for regulatory purposes.
3. Address issues related to Startup, Shutdown and Malfunction (SSM) requirements.

4. Revisit and modify process for Residual Risk and Technology Review (RTR) so that it is consistent with statutory language and intent.

*Startup, Shutdown and Malfunction*

EPA should revisit the startup shutdown policy and allow affirmative defense for bona fide malfunctions.

*Enforcement*

1. EPA should allow states to be primary enforcement agency where they find alleged violations.
2. EPA should coordinate inspection and enforcement activities with the appropriate state and/or local air agencies, affording state and local agencies the opportunity to participate in these activities with EPA.

*Sector Strategies Program*

Reinstate the Sector Strategies Program that was a cooperative working relationship among government, industry trade groups, and other stakeholders to promote the improvement of environmental performance of selected industry sectors. EPA, the metalcasting industry, and the public benefitted from this valuable program by increasing the positive dialogue among all stakeholders, reducing unnecessary regulatory burdens, and improving the environmental performance of the industry.

**Conclusion**

Thank you again for the opportunity to meet and provide this information on issues impacting the metalcasting industry. We look forward to discussing these issues further and would be happy to arrange a convenient time to meet with you and your team on identifying details on how to help reduce regulatory burdens for the metalcasting industry while continuing to protect human health and the environment. Please feel free to contact us to arrange a meeting or to provide any additional information that may be helpful to you.

Best regards,

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