

**STATE OF MISSISSIPPI
AIR POLLUTION CONTROL
TITLE V PERMIT**

TO OPERATE AIR EMISSIONS EQUIPMENT

THIS CERTIFIES THAT

VT Halter Marine, Pascagoula Operations
900 Bayou Casotte Parkway
Pascagoula, Mississippi
Jackson County

has been granted permission to operate air emissions equipment in accordance with emission limitations, monitoring requirements and conditions set forth herein. This permit is issued in accordance with Title V of the Federal Clean Air Act (42 U.S.C.A. § 7401 - 7671) and the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

Permit Issued: _____

Effective Date: As specified herein.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD

AUTHORIZED SIGNATURE
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Expires: [Date not to exceed 5 years from issuance]

Permit No.: 1280-00008

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SECTION 1. GENERAL CONDITIONS

- 1.1 The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Federal Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(a).)

- 1.2 It shall not be a defense for a 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(b).)

- 1.3 This permit and/or any part thereof may be modified, revoked, reopened, and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(c).)

- 1.4 Prior to its expiration, this permit may be reopened in accordance with the provisions listed below.

(a) This permit shall be reopened and revised under any of the following circumstances:

- (1) Additional applicable requirements under the Federal Act become applicable to a major Title V source with a remaining permit term of 3 or more years. Such a reopening shall be completed no later than 18 months after promulgation of the applicable requirement. No such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended.
- (2) Additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the permit.
- (3) The Permit Board or EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit.
- (4) The Administrator or the Permit Board determines that the permit must be revised or revoked to assure compliance with the applicable requirements.

- (b) Proceedings to reopen and issue this permit shall follow the same procedures as apply to initial permit issuance and shall only affect those parts of the permit for which cause to reopen exists. Such reopening shall be made as expeditiously as practicable.
- (c) Reopenings shall not be initiated before a notice of such intent is provided to the Title V source by the DEQ at least 30 days in advance of the date that the permit is to be reopened, except that the Permit Board may provide a shorter time period in the case of an emergency.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.G.)

- 1.5 The permittee shall furnish to the DEQ within a reasonable time any information the DEQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the DEQ copies of records required to be kept by the permittee or, for information to be confidential, the permittee shall furnish such records to DEQ along with a claim of confidentiality. The permittee may furnish such records directly to the Administrator along with a claim of confidentiality.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(e).)

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

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(d).)

- 1.7 The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(5).)

- 1.8 The permittee shall pay to the DEQ an annual permit fee. The amount of fee shall be determined each year based on the provisions of regulated pollutants for fee purposes and the fee schedule specified in the Commission on Environmental Quality's order which shall be issued in accordance with the procedure outlined in Regulation 11 Miss. Admin. Code Pt. 2, Ch. 6.

- (a) For purposes of fee assessment and collection, the permittee shall elect for actual or allowable emissions to be used in determining the annual quantity of emissions unless the Commission determines by order that the method chosen by the applicant for calculating actual emissions fails to reasonably represent actual emissions. Actual emissions shall be calculated using emission monitoring data or direct emissions measurements for the pollutant(s); mass balance calculations such as the amounts of the pollutant(s) entering and leaving process equipment and where mass balance calculations can be supported by direct measurement of process parameters,

such direct measurement data shall be supplied; published emission factors such as those relating release quantities to throughput or equipment type (e.g., air emission factors); or other approaches such as engineering calculations (e.g., estimating volatilization using published mathematical formulas) or best engineering judgments where such judgments are derived from process and/or emission data which supports the estimates of maximum actual emission.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.A(2).)

- (b) If the Commission determines that there is not sufficient information available on a facility's emissions, the determination of the fee shall be based upon the permitted allowable emissions until such time as an adequate determination of actual emissions is made. Such determination may be made anytime within one year of the submittal of actual emissions data by the permittee.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.A(2).)

- (c) If at any time within the year the Commission determines that the information submitted by the permittee on actual emissions is insufficient or incorrect, the permittee will be notified of the deficiencies and the adjusted fee schedule. Past due fees from the adjusted fee schedule will be paid on the next scheduled quarterly payment time.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.D(2).)

- (d) The fee shall be due September 1 of each year. By July 1 of each year the permittee shall submit an inventory of emissions for the previous year on which the fee is to be assessed. The permittee may elect a quarterly payment method of four (4) equal payments; notification of the election of quarterly payments must be made to the DEQ by the first payment date of September 1. The permittee shall be liable for penalty as prescribed by State Law for failure to pay the fee or quarterly portion thereof by the date due.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.D.)

- (e) If in disagreement with the calculation or applicability of the Title V permit fee, the permittee may petition the Commission in writing for a hearing in accordance with State Law. Any disputed portion of the fee for which a hearing has been requested will not incur any penalty or interest from and after the receipt by the Commission of the hearing petition.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.C.)

- 1.9 No permit revision shall be required under any approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are

provided for in this permit.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(8).)

- 1.10 Any document required by this permit to be submitted to the DEQ shall contain a certification by a responsible official that states that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.2.E.)

- 1.11 The permittee shall allow the DEQ, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to perform the following:
- (a) enter upon the permittee's premises where a Title V source is located or emissions-related activity is conducted, or where records must be 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 the permit; and
 - (d) as authorized by the Federal Act, sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.C(2).)

- 1.12 Except as otherwise specified or limited herein, the permittee shall have necessary sampling ports and ease of accessibility for any new air pollution control equipment, obtained after May 8, 1970, and vented to the atmosphere.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.I(1).)

- 1.13 Except as otherwise specified or limited herein, the permittee shall provide the necessary sampling ports and ease of accessibility when deemed necessary by the Permit Board for air pollution control equipment that was in existence prior to May 8, 1970.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.I(2).)

- 1.14 Compliance with the conditions of this permit shall be deemed compliance with any applicable requirements as of the date of permit issuance where such applicable requirements are included and are specifically identified in the permit or where the permit

contains a determination, or summary thereof, by the Permit Board that requirements specifically identified previously are not applicable to the source.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.F(1).)

1.15 Nothing in this permit shall alter or affect the following:

- (a) the provisions of Section 303 of the Federal Act (emergency orders), including the authority of the Administrator under that section;
- (b) the liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;
- (c) the applicable requirements of the acid rain program, consistent with Section 408(a) of the Federal Act.
- (d) the ability of EPA to obtain information from a source pursuant to Section 114 of the Federal Act.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.F(2).)

1.16 The permittee shall comply with the requirement to register a Risk Management Plan if permittee's facility is required pursuant to Section 112(r) of the Act to register such a plan.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.H.)

1.17 Expiration of this permit terminates the permittee's right to operate unless a timely and complete renewal application has been submitted. A timely application is one which is submitted at least six (6) months prior to expiration of the Title V permit. If the permittee submits a timely and complete application, the failure to have a Title V permit is not a violation of regulations until the Permit Board takes final action on the permit application. This protection shall cease to apply if, subsequent to the completeness determination, the permittee fails to submit by the deadline specified in writing by the DEQ any additional information identified as being needed to process the application.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.C(2)., R. 6.4.B., and R. 6.2.A(1)(c).)

1.18 The permittee is authorized to make changes within their facility without requiring a permit revision (ref: Section 502(b)(10) of the Act) if:

- (a) the changes are not modifications under any provision of Title I of the Act;
- (b) the changes do not exceed the emissions allowable under this permit;
- (c) the permittee provides the Administrator and the Department with written notification in advance of the proposed changes (at least seven (7) days, or such

other time frame as provided in other regulations for emergencies) and the notification includes:

- (1) a brief description of the change(s),
 - (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;
- (d) the permit shield shall not apply to any Section 502(b)(10) change.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.F(1).)

- 1.19 Should the Executive Director of the Mississippi Department of Environmental Quality declare an Air Pollution Emergency Episode, the permittee will be required to operate in accordance with the permittee's previously approved Emissions Reduction Schedule or, in the absence of an approved schedule, with the appropriate requirements specified in 11 Miss. Admin. Code Pt. 2, Ch. 3., "Regulations for the Prevention of Air Pollution Emergency Episodes" for the level of emergency declared.

(Ref.: 11 Miss. Admin. Code Pt. 2, Ch. 3.)

- 1.20 Except as otherwise provided herein, a modification of the facility may require a Permit to Construct in accordance with the provisions of Regulations 11 Miss. Admin. Code Pt. 2, Ch. 2., "Permit Regulations for the Construction and/or Operation of Air Emissions Equipment", and may require modification of this permit in accordance with Regulations 11 Miss. Admin. Code Pt. 2, Ch. 6., "Air Emissions Operating Permit Regulations for the Purposes of Title V of the Federal Clean Air Act". Modification is defined as "[a]ny physical change in or change in the method of operation of a facility which increases the actual emissions or the potential uncontrolled emissions of any air pollutant subject to regulation under the Federal Act emitted into the atmosphere by that facility or which results in the emission of any air pollutant subject to regulation under the Federal Act into the atmosphere not previously emitted. A physical change or change in the method of operation shall not include:

- (a) routine maintenance, repair, and replacement;
- (b) use of an alternative fuel or raw material by reason of an order under Sections 2 (a) and (b) of the Federal Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation) or by reason of a natural gas curtailment plan pursuant to the Federal Power Act;

- (c) use of an alternative fuel by reason of an order or rule under Section 125 of the Federal Act;
- (d) use of an alternative fuel or raw material by a stationary source which:
 - (1) the source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR 51, Subpart I, or 40 CFR 51.166; or
 - (2) the source is approved to use under any permit issued under 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Part 51, Subpart I, or 40 CFR 51.166;
- (e) an increase in the hours of operation or in the production rate unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Subpart I or 40 CFR 51.166; or
- (f) any change in ownership of the stationary source.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.C(15).)

- 1.21 Any change in ownership or operational control must be approved by the Permit Board.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.D(4).)

- 1.22 This permit is a Federally approved operating permit under Title V of the Federal Clean Air Act as amended in 1990. All terms and conditions, including any designed to limit the source's potential to emit, are enforceable by the Administrator and citizens under the Federal Act as well as the Commission.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.B(1).)

- 1.23 Except as otherwise specified or limited herein, the open burning of residential, commercial, institutional, or industrial solid waste, is prohibited. This prohibition does not apply to infrequent burning of agricultural wastes in the field, silvicultural wastes for forest management purposes, land-clearing debris, debris from emergency clean-up operations, and ordnance. Open burning of land-clearing debris must not use starter or auxiliary fuels which cause excessive smoke (rubber tires, plastics, etc.); must not be performed if prohibited by local ordinances; must not cause a traffic hazard; must not take place where there is a High Fire Danger Alert declared by the Mississippi Forestry Commission or Emergency Air Pollution Episode Alert imposed by the Executive Director and must meet the following buffer zones.

- (a) Open burning without a forced-draft air system must not occur within 500 yards of an occupied dwelling.
- (b) Open burning utilizing a forced-draft air system on all fires to improve the combustion rate and reduce smoke may be done within 500 yards of but not within 50 yards of an occupied dwelling.
- (c) Burning must not occur within 500 yards of commercial airport property, private air fields, or marked off-runway aircraft approach corridors unless written approval to conduct burning is secured from the proper airport authority, owner or operator.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.G.)

1.24 Except as otherwise specified herein, the permittee shall be subject to the following provision with respect to emergencies:

- (a) Except as otherwise specified herein, an "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.
- (b) An emergency constitutes an affirmative defense to an action brought for noncompliance with such technology-based emission limitations if the conditions specified in (c) following are met.
- (c) The affirmative defense of emergency shall be demonstrated through properly signed contemporaneous operating logs, or other relevant evidence that include information as follows:
 - (1) an emergency occurred and that the permittee can identify the cause(s) of the emergency;
 - (2) the permitted facility was at the time being properly operated;
 - (3) during the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and
 - (4) the permittee submitted notice of the emergency to the DEQ within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a description of the emergency, any steps

taken to mitigate emissions, and corrective actions taken.

- (d) In any enforcement proceeding, the permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (e) This provision is in addition to any emergency or upset provision contained in any applicable requirement specified elsewhere herein.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.G.)

1.25 Except as otherwise specified herein, the permittee shall be subject to the following provisions with respect to upsets, startups, and shutdowns.

- (a) Upsets (as defined in 11 Miss. Admin. Code Pt. 2, R. 1.2.)
 - (1) For an upset, the Commission may pursue an enforcement action for noncompliance with an emission standard or other requirement of an applicable rule, regulation, or permit. In determining whether to pursue enforcement action, and/or the appropriate enforcement action to take, the Commission may consider whether the source has demonstrated through properly signed contemporaneous operating logs or other relevant evidence the following:
 - (i) An upset occurred and that the source can identify the cause(s) of the upset;
 - (ii) The source was at the time being properly operated;
 - (iii) During the upset the source took all reasonable steps to minimize levels of emissions that exceeded the emission standard or other requirement of an applicable rule, regulation, or permit;
 - (iv) That within 5 working days of the time the upset began, the source submitted a written report to the Department describing the upset, the steps taken to mitigate excess emissions or any other noncompliance, and the corrective actions taken and;
 - (v) That as soon as practicable but no later than 24 hours of becoming aware of an upset that caused an immediate adverse impact to human health or the environment beyond the source boundary or caused a general nuisance to the public, the source provided notification to the Department.
 - (2) In any enforcement proceeding by the Commission, the source seeking to establish the occurrence of an upset has the burden of proof.
 - (3) This provision is in addition to any upset provision contained in any applicable

requirement.

- (4) These upset provisions apply only to enforcement actions by the Commission and are not intended to prohibit EPA or third party enforcement actions.
- (b) Startups and Shutdowns (as defined in 11 Miss. Admin. Code Pt. 2, R. 1.2.)
- (1) Startups and shutdowns are part of normal source operation. Emission limitations apply during startups and shutdowns unless source specific emission limitations or work practice standards for startups and shutdowns are defined by an applicable rule, regulation, or permit.
 - (2) Where the source is unable to comply with existing emission limitations established under the State Implementation Plan (SIP) and defined in this regulation, 11 Mississippi Administrative Code, Part 2, Chapter 1, the Department will consider establishing source specific emission limitations or work practice standards for startups and shutdowns. Source specific emission limitations or work practice standards established for startups and shutdowns are subject to the requirements prescribed in 11 Miss. Admin. Code Pt. 2, R. 1.10.B(2)(a) through (e).
 - (3) Where an upset as defined in Rule 1.2 occurs during startup or shutdown, see the upset requirements above.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.10.)

- 1.26 The permittee shall comply with all applicable standards for demolition and renovation activities pursuant to the requirements of 40 CFR Part 61, Subpart M, as adopted by reference in Regulation 11 Miss Admin. Code Pt. 2, R. 1.8. The permittee shall not be required to obtain a modification of this permit in order to perform the referenced activities.

(Ref.: 11 Miss Admin. Code Pt. 2, R. 1.8.)

- 1.27 For the entire facility, the permittee shall not cause, permit, or allow the emission of particles or any contaminants in sufficient amounts or of such duration from any process as to be injurious to humans, animals, plants, or property, or to be a public nuisance, or create a condition of air pollution.
- (a) The permittee shall not cause or permit the handling, transporting, or storage of any material in a manner which allows or may allow unnecessary amounts of particulate matter to become airborne.
 - (b) When dust, fumes, gases, mist, odorous matter, vapors, or any combination thereof escape from a building or equipment in such a manner and amount as to cause a nuisance to property other than that from which it originated or to violate any other provision of 11 Miss. Admin. Code Pt. 2, Ch. 1, the Commission may order such

corrected in a way that all air and gases or air and gasborne material leaving the building or equipment are controlled or removed prior to discharge to the open air.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.C.)

SECTION 2. EMISSION POINTS & POLLUTION CONTROL DEVICES

Emission Point	Description
AA-001	Facility-Wide Surface Coating Operations including the following emission sources: <ul style="list-style-type: none">• Main Paint Booth and Small Parts Paint Booth located in the Blasting and Painting Building (AA-006)• Outdoor surface coating
AA-002	Abrasive Blasting Operations conducted at various locations throughout the shipyard
AA-004	Facility-Wide Welding Operations
AA-005	Blast Booth located at the Blasting and Painting Building. Air from the Blast Booth is filtered through dust collectors and recirculated back to the Blast Booth. Therefore, there are no direct emissions to the atmosphere from the Blast Booth.
AA-006	Main Paint Booth and Small Parts Paint Booth, both located at the Blasting and Painting Building. Exhaust air from each booth passes through wall-mounted dry filters prior to venting to the atmosphere.

SECTION 3. EMISSION LIMITATIONS & STANDARDS

A. Facility-Wide Emission Limitations & Standards

3.A.1 Except as otherwise specified or limited herein, the permittee shall not cause, permit, or allow the emission of smoke from a point source into the open air from any manufacturing, industrial, commercial or waste disposal process which exceeds forty (40) percent opacity subject to the exceptions provided in (a) & (b).

(a) Startup operations may produce emissions which exceed 40% opacity for up to fifteen (15) minutes per startup in any one hour and not to exceed three (3) startups per stack in any twenty-four (24) hour period.

(b) Emissions resulting from soot blowing operations shall be permitted provided such emissions do not exceed 60 percent opacity, and provided further that the aggregate duration of such emissions during any twenty-four (24) hour period does not exceed ten (10) minutes per billion BTU gross heating value of fuel in any one hour.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.A.)

3.A.2 Except as otherwise specified or limited herein, the permittee shall not cause, allow, or permit the discharge into the ambient air from any point source or emissions, any air contaminant of such opacity as to obscure an observer's view to a degree in excess of 40% opacity, equivalent to that provided in Paragraph 3.A.1. This shall not apply to vision obscuration caused by uncombined water droplets.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.B.)

B. Emission Point Specific Emission Limitations & Standards

Emission Point	Applicable Requirement	Condition Number	Pollutant/Parameter	Limit/Standard
AA-001	40 CFR Part 63, Subpart II NESHAP for Shipbuilding and Ship Repair (Surface Coating) 40 CFR 63.780, 63.781(a), and Table 1	3.B.1	VOHAP	General Applicability
	40 CFR 63.783(a), Subpart II	3.B.2	VOHAP	As-applied VOHAP content limit dependent on the type of coating
	40 CFR 63.781(b), Subpart II	3.B.3	VOHAP	Low-usage exemption
	40 CFR 63.781(c), Subpart II	3.B.4	VOHAP	Exemption for aerosol containers
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 1.3.F(1).	3.B.5	PM (filterable only)	$E = 4.1(p)^{0.67}$
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10), as established in the Title V Operating Permit issued April 13, 2005 (PSD-Avoidance Limit)	3.B.6	VOC	Not to exceed 245.0 tons per year (TPY)
AA-005	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10), as established in the Title V Operating Permit issued Herein	3.B.7	Exhaust Air Recirculation	Recirculate all exhaust air from the blast booth
AA-006	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10), as established in the Title V Operating Permit issued Herein	3.B.8	PM (overspray)	Route exhaust air through dry filters for control of overspray

3.B.1 Emission Point AA-001 is a surface coating operation that is subject to and shall comply with 40 CFR Part 63, Subpart II – National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair and the applicable provisions of 40 CFR Part 63, Subpart A – General Provisions, as specified in Table 1 to Subpart II.

(Ref.: 40 CFR 63.780, 63.781(a), and Table 1, Subpart II)

3.B.2 For Emission Point AA-001, the permittee shall not cause or allow the application of any coating to a ship with an as-applied volatile organic hazardous air pollutant (VOHAP) content exceeding the applicable limit given in Table 2 of Subpart II (included in Appendix B). The as-applied VOHAP content shall be determined by using the procedures described in Condition 5.B.2.

(Ref.: 40 CFR 63.783(a), Subpart II)

- 3.B.3 For Emission Point AA-001, the provisions of Subpart II do not apply to any coating used in a volume less than 52.8 gallons per year provided the total volume of all exempted coatings used at the facility does not exceed 264 gallons per year. Each exempt coating used shall be labeled as “low-usage exempt” and the records concerning the usage of each shall be maintained in accordance with Condition 5.B.7.

(Ref.: 40 CFR 63.781(b), Subpart II)

- 3.B.4 For Emission Point AA-001, the provisions of Subpart II do not apply to coatings applied with hand-held, non-refillable, aerosol containers.

(Ref.: 40 CFR 63.781(c), Subpart II)

- 3.B.5 For the entire facility, the permittee shall not cause, permit, or allow the emission of particulate matter in total quantities in any one hour from any manufacturing process, which includes any associated stacks, vents, outlets, or combination thereof, to exceed the amount determined by the relationship $E = 4.1(p)^{0.67}$, where E is the emission rate in pounds per hour and p is the process weight input rate in tons per hour.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.F(1).)

- 3.B.6 For the entire facility, the permittee shall limit total volatile organic compound (VOC) emissions to no more than 245.0 TPY for each consecutive 12-month period.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)., as established in the Title V Operating Permit issued April 13, 2005 (PSD-Avoidance Limit))

- 3.B.7 For Emission Point AA-005, the permittee shall recirculate all exhaust from the Blast Booth through dust collectors and back to the booth such that no emissions vent directly from the Blast Booth.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)., as established in the Title V Operating Permit issued Herein)

- 3.B.8 For Emission Point AA-006, the permittee shall route exhaust air from the Main Paint Booth and Small Parts Paint Booth through dry filters prior to venting to the atmosphere.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)., as established in the Title V Operating Permit issued Herein)

C. Insignificant and Trivial Activity Emission Limitations & Standards

Applicable Requirement	Condition Number	Pollutant/Parameter	Limit/Standard
11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)(a).	3.C.1	PM (filterable only)	0.6 lb/MMBTU
11 Miss. Admin. Code Pt. 2, R. 1.4.A(1).	3.C.2	SO ₂	4.8 lb/MMBTU

3.C.1 The maximum permissible emission of ash and/or particulate matter from fossil fuel burning installations of less than 10 million BTU per hour heat input shall not exceed 0.6 pounds per million BTU per hour heat input.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)(a).)

3.C.2 The maximum discharge of sulfur oxides from any fuel burning installation in which the fuel is burned primarily to produce heat or power by indirect heat transfer shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.4.A(1).)

D. Work Practice Standards

Emission Point(s)	Applicable Requirement	Condition Number(s)	Pollutant/Parameter	Limit/Standard
AA-001	40 CFR 63.783(b), Subpart II	3.D.1	VOHAP	Handling, transfer, and condition of containers and piping systems
AA-005	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)., as established in the Title V Operating Permit issued Herein	3.D.2	Work Practice Requirements	Minimization of particulate matter emissions.

3.D.1 For Emission Point AA-001, those surface coating operations subject to 40 CFR 63, Subpart II, the permittee shall ensure that:

- (a) At all times the permittee must operate and maintain the affected source in a manner consistent with safety and good air pollution control practices for minimizing emissions. Determination of whether such operation and maintenance procedures are being used will be based on information available to the DEQ which may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the

source.

- (b) All handling and transfer of VOHAP-containing materials to and from containers, tanks, vats, drums, and piping systems is conducted in a manner that minimizes spills.
- (c) All containers, tanks, vats, drums, and piping systems are free of cracks, holes, and other defects and remain closed unless materials are being added to or removed from them.

(Ref.: 40 CFR 63.783(b), Subpart II)

3.D.2 For Emission Points AA-005 and AA-006, the permittee shall comply with the following operating work practices:

- (a) Maintain a negative pressure inside the Blast Booth, Main Paint Booth, and Small Parts Painting Booth, all located at the Blasting and Painting Building.
- (b) When a module has been placed in the Blasting and Painting Building Blast Booth, Blast Booth doors shall be closed prior to blasting activities occurring.
- (c) Dust within the Blasting and Painting Building blasting chamber shall be swept up prior to blast booth doors being opened when a module is in line to be moved into a paint booth.
- (d) Dust collected and stored outside in 55-gallon drums or other containers shall be checked daily, when operating, and disposed of properly to prevent overfilling and dust accumulation that may become windborne.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)., as established in the Title V Operating Permit issued Herein)

SECTION 4. COMPLIANCE SCHEDULE

- 4.1 Unless otherwise specified herein, the permittee shall be in compliance with all requirements contained herein upon issuance of this permit.
- 4.2 Except as otherwise specified herein, the permittee shall submit to the Permit Board and to the Administrator of EPA Region IV a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, by January 31 for the preceding calendar year. Each compliance certification shall include the following:
- (a) the identification of each term or condition of the permit that is the basis of the certification;
 - (b) the compliance status;
 - (c) whether compliance was continuous or intermittent;
 - (d) the method(s) used for determining the compliance status of the source, currently and over the applicable reporting period;
 - (e) such other facts as may be specified as pertinent in specific conditions elsewhere in this permit.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.C(5)(a), (c), & (d).)

SECTION 5. MONITORING, RECORDKEEPING & REPORTING REQUIREMENTS

A. General Monitoring, Recordkeeping and Reporting Requirements

- 5.A.1 The permittee shall install, maintain, and operate equipment and/or institute procedures as necessary to perform the monitoring and recordkeeping specified below.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).)

- 5.A.2 In addition to the recordkeeping specified below, the permittee shall include with all records of required monitoring information the following:

- (a) the date, place as defined in the permit, and time of sampling or measurements;
- (b) the date(s) analyses were performed;
- (c) the company or entity that performed the analyses;
- (d) the analytical techniques or methods used;
- (e) the results of such analyses; and
- (f) the operating conditions existing at the time of sampling or measurement.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(b)(1).)

- 5.A.3 Except where a longer duration is specified in an applicable requirement, the permittee shall retain records of all required monitoring data and support information for a period of at least five (5) years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(b)(2).)

- 5.A.4 Except as otherwise specified herein, the permittee shall submit reports of any required monitoring by July 31 and January 31 for the preceding six-month period. All instances of deviations from permit requirements must be clearly identified in such reports and all required reports must be certified by a responsible official consistent with 11 Miss. Admin. Code Pt. 2, R. 6.2.E.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).)

5.A.5 Except as otherwise specified herein, the permittee shall report all deviations from permit requirements, including those attributable to upsets, the probable cause of such deviations, and any corrective actions or preventive measures taken. Said report shall be made within five (5) days of the time the deviation began.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(2).)

5.A.6 Except as otherwise specified herein, the permittee shall perform emissions sampling and analysis in accordance with EPA Test Methods and with any continuous emission monitoring requirements, if applicable. All test methods shall be those versions or their equivalents approved by the DEQ and the EPA.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).)

5.A.7 The permittee shall maintain records of any alterations, additions, or changes in equipment or operation.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).)

B. Specific Monitoring and Recordkeeping Requirements

Emission Point(s)	Applicable Requirement	Condition Number	Pollutant/Parameter Monitored	Monitoring/Recordkeeping Requirement
AA-001	40 CFR 63.785(a), Subpart II	5.B.1	VOHAP	Determination and certification of compliance with VOHAP limit(s)
	40 CFR 63.785(b), (c), and (d), Subpart II	5.B.2		Compliance demonstration for VOHAP limit(s)
	40 CFR 63.785(e), Subpart II	5.B.3		Demonstrate continuous compliance
	40 CFR 63.786(a), (b), and (c), Subpart II	5.B.4		Compliance test methods and procedures
	40 CFR 63.786(d), Subpart II	5.B.5		Use of proper forms and procedures
	40 CFR 63.787(b), Subpart II	5.B.6		Prepare and maintain a written implementation plan
	40 CFR 63.788(b)(2) and (3), Subpart II	5.B.7		Monthly records requirement
	40 CFR 63.788(b)(4), Subpart II	5.B.8		Specific deviation/violation recordkeeping requirements
AA-005	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).	5.B.9	Pressure differential	Monitor pressure differential inside and outside booths to ensure negative pressure

Emission Point(s)	Applicable Requirement	Condition Number	Pollutant/Parameter Monitored	Monitoring/Recordkeeping Requirement
AA-006	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).	5.B.10	Filter Inspections	Daily, when operating, inspect dry filters
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).	5.B.11	VOC	Monitor and record amount of VOC-containing materials used each month and calculate monthly and 12-month rolling total VOC emissions
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).	5.B.12	Best Management Practices for Dust	Comply with site-specific dust control plan in Appendix C

5.B.1 For Emission Point AA-001, for each batch of coating received for use, the permittee shall:

- (a) Determine the coating category and applicable VOHAP limit as specified in Condition 3.B.2 of the federally enforceable permit herein; and
- (b) Certify the as-supplied VOC content of the batch of coating using a certification supplied by the manufacturer for the batch, although the permittee retains liability should subsequent testing reveal a violation. If the permittee performs the certification testing, only one of the containers in which the batch of coating was received is required to be tested.

(Ref.: 40 CFR 63.785(a), Subpart II)

5.B.2 For Emission Point AA-001, as an alternative to testing each batch of coating, as applied, the permittee may determine compliance with the applicable limits determined in Condition 5.B.1(a) using any combination of the following procedures. The procedure used for each coating shall be determined and documented prior to application. The results of any compliance demonstration conducted using Method 24 shall take precedence over the results using the procedures in paragraphs (a) through (c) below. The results of any compliance demonstration conducted by the permittee or any regulatory agency using an approved test method to determine VOHAP content shall take precedence over the results using the procedures in paragraph (d) below.

- (a) For coatings to which thinning solvent (or any other material) will not be added under any circumstance or to which only water is added, the permittee shall:
 - (1) Certify the as-applied VOC content of each batch of coating.
 - (2) Notify the persons responsible for applying the coating that no thinning solvent may be added to the coating by affixing a label to each container of coating in the batch or through another means described in the implementation plan required in Condition 5.C.1 of the federally enforceable permit herein.

- (3) If the certified as-applied VOC content of each batch of coating used during a calendar month is less than or equal to the applicable VOHAP limit in 5.B.1(a), then compliance is demonstrated for that calendar month, unless a violation is revealed using Method 24 of Appendix A of 40 CFR Part 60.
- (b) For a coating to which thinning solvent is routinely or sometimes added, the permittee shall:
 - (1) Prior to the first application of each batch, designate a single thinner for the coating and calculate the maximum allowable thinning ratio (or ratios) using the equation and procedures specified in 40 CFR 63.785(c)(2)(i).
 - (2) Prior to the first application of each batch, notify painters and other persons, as necessary, of the designated thinner and maximum allowable thinning ratio(s) for each batch of the coating by affixing a label to each container of coating or through another means described in the implementation plan required in Condition 5.B.6.
 - (3) By the 15th day of each calendar month, determine the volume of each batch of the coating used, as-supplied during the previous month.
 - (4) By the 15th day of each calendar month, determine the total allowable volume of thinner for the coating used during the previous month using Equation 3 specified in 40 CFR 63.785(c)(2)(iv).
 - (5) By the 15th day of each calendar month, determine the volume of thinner actually used with the coating during the previous month.
 - (6) If the volume of thinner actually used with the coating is less than or equal to the total allowable volume of thinner for the coating, then compliance is demonstrated, unless a violation is revealed using Method 24 of Appendix A of 40 CFR Part 60.
- (c) For coatings to which the same thinning solvent (or other material) is routinely or sometimes added, the permittee shall:
 - (1) Designate a single thinner to be added to each coating during the month and "group" coatings according to their designated thinner.
 - (2) Prior to the first application of each batch, calculate the maximum allowable thinning ratio for each batch of coating in the group using the equations in 40 CFR 63.785(c)(2)(i).
 - (3) Prior to the first application of each "batch," notify painters and other persons, as necessary, of the designated thinner and maximum allowable thinning ratio(s) for each batch in the group by affixing a label to each

container of coating or through another means described in the implementation plan required in Condition 5.C.1 of the federally enforceable permit herein.

- (4) By the 15th day of each calendar month, determine the volume of each batch of the group used, as-supplied, during the previous month.
 - (5) By the 15th day of each calendar month, determine the total allowable volume of thinner for the group for the previous month using Equation 3 specified in 40 CFR 63.785(c)(2)(iv).
 - (6) By the 15th day of each calendar month, determine the volume of thinner actually used with the group during the previous month.
 - (7) If the volume of thinner actually used with the group is less than or equal to the total allowable volume of thinner for the group, then compliance is demonstrated, unless a violation is revealed using Method 24 of Appendix A of 40 CFR Part 60.
- (d) For demonstrating compliance through alternative test methods, the permittee shall follow the requirements below.
- (1) Certify the as-supplied VOHAP content (g_{VOHAP}/L_{solids}) of each batch of coating.
 - (2) If no thinning solvent will be added to the coating, the permittee shall follow the procedure described in paragraph (a) of this condition, except that VOHAP content shall be used in lieu of VOC content.
 - (3) If thinning solvent will be added to the coating, the permittee shall follow the procedure described in paragraph (b) or (c) of this condition, except that in Equation 1 of this 40 CFR 63.785(c)(2), the term “mVOC” shall be replaced by the term “mVOHAP,” defined as the VOHAP content of the coating as supplied ($g_{VOHAP}/L_{coating}$) and the term “Dth” shall be replaced by the term “Dth(VOHAP)” defined as the average density of the VOHAP thinner(s) (g/L).
- (e) A violation revealed through any approved test method shall result in a 1-day violation for enforcement purposes. A violation revealed through the recordkeeping procedures shall result in a 30-day violation for enforcement purposes, unless the owner or operator provides sufficient data to demonstrate the specific days during which noncompliant coatings were applied.

(Ref.: 40 CFR 63.785(b), (c), and (d), Subpart II)

- 5.B.3 For Emission Point AA-001, the permittee shall demonstrate continuous compliance with the emissions standards and operating limits of Subpart II by using the performance test methods and procedures in Conditions 5.B.4 and 5.B.5 for each affected source. The permittee must monitor and collect data, and provide a site specific monitoring plan, as required by Condition 5.B.6.

(Ref.: 40 CFR 63.785(c), Subpart II)

- 5.B.4 For Emission Point AA-001, the permittee shall use the following test methods and procedures as applicable:

- (a) When using the compliance procedures described in Condition 5.B.2(a) through (c), the permittee shall use Method 24 of Appendix A of 40 CFR Part 60 to determine the VOC content of coatings as-supplied or as-applied. When a coating or thinner contains exempt compounds that are volatile HAP or VOHAP, the permittee shall ensure, when determining the VOC content of a coating, that the mass of these exempt compounds is included.
- (b) When using the compliance procedure described in Condition 5.B.2(d), the permittee shall use a DEQ-approved method that meets the specified accuracy limits in 40 CFR 63.786(b).
- (c) The permittee may use batch formulation data as a test method in lieu of Method 24 of Appendix A of 40 CFR Part 60 to certify the as-supplied VOC content of a coating if it has been determined that the batch formulation data have a consistent and quantitatively known relationship to Method 24 results. This determination shall consider the role of cure volatiles, which may cause emissions to exceed an amount based solely upon coating formulation data. Notwithstanding such determination, in the event of conflicting results, Method 24 of appendix A of 40 CFR part 60 shall take precedence.

(Ref.: 40 CFR 63.786(a), (b), and (c), Subpart II)

- 5.B.5 For Emission Point AA-001, the permittee shall use or ensure that the manufacturer uses the forms and procedures in Appendix A of Subpart II to determine the values for the thinner and coating parameters to be used in Equations 1 and 2 of 40 CFR 63.785(c). The permittee shall ensure that the coating/thinner manufacturer (or supplier) provides information on the VOC and VOHAP contents of the coatings/thinners and the procedure(s) used to determine these values.

(Ref.: 40 CFR 63.786(d), Subpart II)

- 5.B.6 For Emission Point AA-001, the permittee shall prepare and maintain a written implementation plan that addresses the following subject areas:

- (a) *Coating compliance procedures.* The implementation plan shall include the compliance procedure(s) under Condition 5.B.2(a)-(d) that the source intends to use.

- (b) *Recordkeeping procedures.* The implementation plan shall include the procedures for maintaining the records required under Condition 5.B.7, including the procedures for gathering the necessary data and making the necessary calculations.
- (c) *Transfer, handling, and storage procedures.* The implementation plan shall include the procedures for ensuring compliance with Condition 3.D.1.

(Ref.: 40 CFR 63.787(b), Subpart II)

5.B.7 For Emission Point AA-001, the permittee shall keep the following records on a monthly basis and retain them in accordance with Condition 5.A.3:

- (a) All documentation supporting initial notification;
- (b) A copy of the approved implementation plan;
- (c) The volume of each low-usage exempt coating applied;
- (d) Identification of the coatings used, their appropriate coating categories, and the applicable VOHAP limit;
- (e) Certification of the as-supplied VOC content of each batch coating;
- (f) A determination of whether containers meet the standards as described in 40 CFR 63.783(b)(2) (Condition 3.D.1(c)); and
- (g) The results of any Method 24 or approved VOHAP measurement test conducted on individual containers or coating, as-applied.

In addition to the records in (a) through (g) above, the permittee shall also include additional records required in 40 CFR 63.788(b)(3)(i) through (iv), as determined by the compliance procedure(s) described in Condition 5.B.2(a)-(d) and summarized in Table 3 to Subpart II (included in Appendix B).

(Ref.: 40 CFR 63.788(b)(2) and (3), Subpart II)

5.B.8 For Emission Point AA-001, if the permittee detects a violation of the standards specified in Condition 3.B.2 and 3.D.1, the permittee shall, for the remainder of the reporting period during which the violation(s) occurred, include the following information in the records:

- (a) A summary of the number and duration of deviations during the reporting period classified by reason, including known causes for which a Federally-approved or promulgated exemption from an emission limitation or standard may apply.
- (b) Identification of the data availability achieved during the reporting period, including a summary of the number and total duration of incidents that the monitoring protocol failed to perform in accordance with the design of the protocol or produced data that did not meet minimum data accuracy and precision requirements, classified by reason.

- (c) Identification of the compliance status as of the last day of the reporting period and whether compliance was continuous or intermittent during the reporting period.
- (d) If, pursuant to paragraph (c), the permittee identifies any deviation as resulting from a known cause for which no Federally-approved or promulgated exemption from an emission limitation or standard applies, the monitoring report shall also include all records that the source is required to maintain that pertain to the periods during which such deviation occurred and:
 - (1) The magnitude of each deviation;
 - (2) The reason for each deviation;
 - (3) A description of the corrective action taken for each deviation, including action taken to minimize each deviation and action taken to prevent recurrence; and
 - (4) All quality assurance activities performed on any element of the monitoring protocol.

(Ref.: 40 CFR 63.788(b)(4), Subpart II)

- 5.B.9 For Emission Points AA-005 and AA-006, to ensure negative pressure is maintained on the booths, the permittee shall continuously monitor the pressure differential of the Blast Booth and both paint booths, as determined by measuring the pressure inside and outside the booths. For each work shift during which blasting and/or painting takes place at the Blasting and Painting Building, the permittee shall record in log form the date, time, pressure differential for each booth, and initials of the employee observing the pressure. The log shall also note the duration the booths are not maintained at a negative air pressure during operations or any time the pressure monitors are taken out of service. The reason for deviation and monitor downtime and the corrective measures taken to address such periods and prevent recurrence shall also be documented.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).)

- 5.B.10 For Emission Point AA-006, the permittee shall conduct daily inspections (if operating during the given day) of the dry filters in both the main paint booth and small parts paint booth. The filters shall be inspected per the manufacturer's recommendations or per internal procedures developed by the permittee, which shall be kept on site and made available for review by DEQ personnel. The permittee shall record in log form the date, time, and initials of the employee conducting the inspection. The log shall also note whether any filters were replaced and the reason they were replaced (e.g., clogged, hole, etc.).

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).)

5.B.11 To demonstrate compliance with facility-wide VOC limit, the permittee shall monitor and maintain records for each coating, solvent, or other VOC-containing material used. These records shall include the following information:

- (a) The identification of each coating, solvent, or other VOC-containing material;
- (b) The total gallons of each coating, solvent, or other VOC-containing material used on a monthly basis;
- (c) The VOC content of each coating, solvent, or other VOC-containing material used, including a description of the method used to determine the VOC content;
- (d) The density of each coating, solvent, or other VOC-containing material used (if VOC content is provided as a percent); and
- (e) The VOC emissions for each month and total VOC emissions for each consecutive 12-month period.

For determining the VOC content, the permittee may use data supplied by the manufacturer or analysis of the VOC content by EPA Test Method 24 of 40 CFR Part 60, Appendix A.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).)

5.B.12 To minimize fugitive emissions of particulate matter site-wide and comply with Condition 1.27, the permittee shall utilize best management practices, as stated in the permittee's site-specific dust control plan located in Appendix C of the permit. The site-specific dust control plan shall be updated to address changes to best management practices needed to reflect changes in operations at the facility or to implement corrective actions. Any records (e.g., inspection forms) required by the plan shall be maintained on-site and made readily available for review by DEQ personnel.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(a)(2).)

C. Specific Reporting Requirements

Emission Point(s)	Applicable Requirement	Condition Number	Pollutant/Parameter Monitored	Reporting Requirement
AA-001	40 CFR 63.788(c), Subpart II	5.C.1	VOHAP	Semiannual report
AA-005, AA-006	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).	5.C.2	Pressure differential, filter inspections	Submit pressure differential and filter inspection logs and any deviations and monitor downtime
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).	5.C.3	VOC	Semiannual report of VOC-containing materials and VOC emissions

Emission Point(s)	Applicable Requirement	Condition Number	Pollutant/Parameter Monitored	Reporting Requirement
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).	5.C.4	Best management practices	Semiannual certification of compliance with the site-specific dust control plan
Facility-wide	11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).	5.C.5	Best management practices	Semiannual submittal of revised site-specific dust control plan or statement declaring no changes

5.C.1 For Emission Point AA-001, the permittee shall submit a semiannual report to the DEQ, in accordance with Condition 5.A.4, of all of the information that must be retained pursuant to Condition 5.B.7, except for the following (1) initial notifications and implementation plan, (2) manufacturer's certifications, and (3) the density and mass fraction of water and exempt compounds of each thinner and the volume fraction of solids in each batch. If a violation at an affected source is detected, the permittee shall also report the information specified in Condition 5.B.8 for the reporting period during which the violation(s) occurred. To the extent possible, the report shall be organized according to the compliance procedure(s) followed each month by the permittee.

(Ref.: 40 CFR 63.788(c), Subpart II)

5.C.2 For Emission Points AA-005 and AA-006, in accordance with Condition 5.A.4, the permittee shall submit semiannual reports of the pressure differential logs and filter inspection logs. The permittee shall also submit a report of any deviations recorded and subsequent corrective measures and the monitoring downtime, as required in Conditions 5.B.9.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).)

5.C.3 In accordance with Condition 5.A.4, the permittee shall submit semiannual reports of the information required by Condition 5.B.11, including the total monthly and 12-month rolling total VOC emissions.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).)

5.C.4 The permittee shall include in the semiannual reports required by Condition 5.A.4 a certification by the Responsible Official that the permittee implemented and followed the site specific dust control plan, located in Appendix C, for the minimization of fugitive particulate matter emissions.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).)

5.C.5 In accordance with Condition 5.A.4, the permittee shall submit a semiannual notification summarizing revisions made to the dust control plan (if any). If an amendment is made to the plan in any semiannual period, the permittee shall include the revised plan with the corresponding semiannual monitoring report. If no amendments are made to the plan during the semiannual period, the permittee shall include a statement declaring that no

revisions occurred. DEQ reserves the right to comment on the plan or request changes, as needed, to ensure fugitive dust does not create nuisance conditions off-site.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).)

SECTION 6. ALTERNATIVE OPERATING SCENARIOS

6.1 None permitted.

SECTION 7. TITLE VI REQUIREMENTS

The following are applicable or potentially applicable requirements originating from Title VI of the Clean Air Act – Stratospheric Ozone Protection. The full text of the referenced regulations may be found on-line at <http://www.ecfr.gov/> under Title 40, or DEQ shall provide a copy upon request from the permittee.

- 7.1 If the permittee produces, transforms, destroys, imports or exports a controlled substance or imports or exports a controlled product, the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart A – Production and Consumption Controls.
- 7.2 If the permittee performs service on a motor vehicle for consideration when this service involves the refrigerant in the motor vehicle air conditioner (MVAC), the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart B – Servicing of Motor Vehicle Air Conditioners.
- 7.3 The permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart E – The Labeling of Products Using Ozone-Depleting Substances, for the following containers and products:
 - (a) All containers in which a class I or class II substance is stored or transported;
 - (b) All products containing a class I substance; and
 - (c) All products directly manufactured with a process that uses a class I substance, unless otherwise exempted by this subpart or, unless EPA determines for a particular product that there are no substitute products or manufacturing processes for such product that do not rely on the use of a class I substance, that reduce overall risk to human health and the environment, and that are currently or potentially available. If the EPA makes such a determination for a particular product, then the requirements of this subpart are effective for such product no later than January 1, 2015.
- 7.4 If the permittee performs any of the following activities, the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart F – Recycling and Emissions Reduction:
 - (a) Servicing, maintaining, or repairing appliances;
 - (b) Disposing of appliances, including small appliances and motor vehicle air conditioners; or
 - (c) Refrigerant reclaimers, technician certifying programs, appliance owners and operators, manufacturers of appliances, manufacturers of recycling and recovery equipment, approved recycling and recovery equipment testing organizations, as well

as persons selling, offering for sale, and/or purchasing class I, class II, or non-exempt substitute refrigerants.

- 7.5 The permittee shall be allowed to switch from any ozone-depleting substance to any acceptable alternative that is listed in the Significant New Alternatives Policy (SNAP) program promulgated pursuant to 40 CFR Part 82, Subpart G – Significant New Alternatives Policy Program. The permittee shall also comply with any use conditions for the acceptable alternative substance.
- 7.6 If the permittee performs any of the following activities, the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart H – Halon Emissions Reduction:
- (a) Any person testing, servicing, maintaining, repairing, or disposing of equipment that contains halons or using such equipment during technician training;
 - (b) Any person disposing of halons;
 - (c) Manufacturers of halon blends; or
 - (d) Organizations that employ technicians who service halon-containing equipment.

APPENDIX A

List of Abbreviations Used In this Permit

11 Miss. Admin. Code Pt. 2, Ch. 1.	Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants
11 Miss. Admin. Code Pt. 2, Ch. 2.	Permit Regulations for the Construction and/or Operation of Air Emissions Equipment
11 Miss. Admin. Code Pt. 2, Ch. 3.	Regulations for the Prevention of Air Pollution Emergency Episodes
11 Miss. Admin. Code Pt. 2, Ch. 4.	Ambient Air Quality Standards
11 Miss. Admin. Code Pt. 2, Ch. 5.	Regulations for the Prevention of Significant Deterioration of Air Quality
11 Miss. Admin. Code Pt. 2, Ch. 6.	Air Emissions Operating Permit Regulations for the Purposes of Title V of the Federal Clean Air Act
11 Miss. Admin. Code Pt. 2, Ch. 7.	Acid Rain Program Permit Regulations for Purposes of Title IV of the Federal Clean Air Act
BACT	Best Available Control Technology
CEM	Continuous Emission Monitor
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CO	Carbon Monoxide
COM	Continuous Opacity Monitor
COMS	Continuous Opacity Monitoring System
DEQ	Mississippi Department of Environmental Quality
EPA	United States Environmental Protection Agency
gr/dscf	Grains Per Dry Standard Cubic Foot
HP	Horsepower
HAP	Hazardous Air Pollutant
lbs/hr	Pounds per Hour
M or K	Thousand
MACT	Maximum Achievable Control Technology
MM	Million
MMBTUH	Million British Thermal Units per Hour
NA	Not Applicable
NAAQS	National Ambient Air Quality Standards
NESHAP	National Emissions Standards for Hazardous Air Pollutants, 40 CFR 61 or National Emission Standards for Hazardous Air Pollutants for Source Categories, 40 CFR 63
NMVOC	Non-Methane Volatile Organic Compounds
NO _x	Nitrogen Oxides
NSPS	New Source Performance Standards, 40 CFR 60
O&M	Operation and Maintenance
PM	Particulate Matter
PM ₁₀	Particulate Matter less than 10 µm in diameter
ppm	Parts per Million
PSD	Prevention of Significant Deterioration, 40 CFR 52
SIP	State Implementation Plan
SO ₂	Sulfur Dioxide
TPY	Tons per Year
TRS	Total Reduced Sulfur
VEE	Visible Emissions Evaluation
VHAP	Volatile Hazardous Air Pollutant
VOC	Volatile Organic Compound

APPENDIX B

LIST OF REGULATIONS REFERENCED IN PERMIT

The full text of the regulations referenced in this permit may be found on-line at <http://www.mdeq.ms.gov/regulations> and <http://gov.ecfr.io>, or the Mississippi Department of Environmental Quality (MDEQ) will provide a copy upon request. A list of regulations referenced in this permit is shown below:

11 Miss. Admin. Code Pt. 2, Ch. 1, Mississippi Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants (Amended December 14, 2011)

11 Miss. Admin. Code Pt. 2, Ch. 2, Permit Regulations for the Construction and/or Operation of Air Emissions Equipment (Amended July 28, 2005)

11 Miss. Admin. Code Pt. 2, Ch. 6, Mississippi Air Emissions Operating Permit Regulations for the Purposes of Title V of the Federal Air Emissions Operating Permit Regulations for the Purpose of Title V of the Federal Clean Air Act (Amended December 14, 2011)

40 CFR Part 82 – Title VI of the Clean Air Act (Stratospheric Ozone Protection)

40 CFR Part 60, Appendix A, Method 24 – Determination of Volatile Matter Content, Water Content, Density, Volume Solids, And Weight Solids Of Surface Coatings

40 CFR Part 63, Subpart A – General Provisions

40 CFR Part 63, Subpart II – National Emission Standards for Shipbuilding and Ship Repair (Surface Coating)

Table 2 to Subpart II of Part 63—Volatile Organic HAP (VOHAP) Limits for Marine Coatings

Coating category	VOHAP limits ^{a b c}		
	Grams/liter coating (minus water and exempt compounds)	Grams/liter solids ^d	
		t ≥4.5 °C	t <4.5 °C ^e
General use	340	571	728
Specialty:			
Air flask	340	571	728
Antenna	530	1,439	
Antifoulant	400	765	971
Heat resistant	420	841	1,069
High-gloss	420	841	1,069
High-temperature	500	1,237	1,597
Inorganic zinc high-build	340	571	728
Military exterior	340	571	728
Mist	610	2,235	
Navigational aids	550	1,597	
Nonskid	340	571	728
Nuclear	420	841	1,069
Organic zinc	360	630	802
Pretreatment wash primer	780	11,095	
Repair and maint. of thermoplastics	550	1,597	
Rubber camouflage	340	571	728
Sealant for thermal spray aluminum	610	2,235	
Special marking	490	1,178	
Specialty interior	340	571	728
Tack coat	610	2,235	
Undersea weapons systems	340	571	728
Weld-through precon. primer	650	2,885	

^aThe limits are expressed in two sets of equivalent units. Either set of limits may be used for the compliance procedure described in §63.785(c)(1), but only the limits expressed in units of g/L solids (nonvolatiles) shall be used for the compliance procedures described §63.785(c) (2) through (4).

^bVOC (including exempt compounds listed as HAP) shall be used as a surrogate for VOHAP for those compliance procedures described in §63.785(c) (1) through (3).

^cTo convert from g/L to lb/gal, multiply by (3.785 L/gal)(1/453.6 lb/g) or 1/120. For compliance purposes, metric units define the standards.

^dVOHAP limits expressed in units of mass of VOHAP per volume of solids were derived from the VOHAP limits expressed in units of mass of VOHAP per volume of coating assuming the coatings contain no water or exempt compounds and that the volumes of all components within a coating are additive.

^eThese limits apply during cold-weather time periods, as defined in §63.782. Cold-weather allowances are not given to coatings in categories that permit less than 40 percent volume solids (nonvolatiles). Such coatings are subject to the same limits regardless of weather conditions.

Table 3 to Subpart II of Part 63—Summary of Recordkeeping and Reporting Requirements^{abc}

Requirement	All Opts.		Option 1		Option 2		Option 3	
	Rec	Rep	Rec	Rep	Rec	Rep	Rec	Rep
Notification (§63.9(a)-(d))	X	X						
Implementation plan (§63.787(b)) ^d	X	X						
Volume of coating applied at unaffected major sources (§63.781(b))	X							
Volume of each low-usage-exempt coating applied at affected sources (§63.781(c))	X	X						
ID of the coatings used, their appropriate coating categories, and the applicable VOHAP limit	X	X						
Determination of whether containers meet the standards described in §63.783(b)(3)	X	X						
Results of M-24 or other approved tests	X	X						
Certification of the as-supplied VOC content of each batch	X							
Certification of the as-applied VOC content of each batch			X					
Volume of each coating applied			X	X				
Density of each thinner and volume fraction of solids in each batch					X	X		
Maximum allowable thinning ratio(s) for each batch					X	X	X	X
Volume used of each batch, as supplied					X	X	X	X
Total allowable volume of thinner					X	X	X	X
Actual volume of thinner used					X	X	X	X
Identification of each group of coatings and designated thinners							X	X

^aAffected sources that comply with the cold-weather limits must record and report additional information, as specified in §63.788(b)(3) (ii)(C), (iii)(C), and (iv)(D).

^bAffected sources that detect a violation must record and report additional information, as specified in §63.788(b)(4).

^cOPTION 4: the recordkeeping and reporting requirements of Option 4 are identical to those of Options 1, 2, or 3, depending on whether and how thinners are used. However, when using Option 4, the term “VOHAP” shall be used in lieu of the term “VOC,” and the owner or operator shall record and report the Administrator-approved VOHAP test method or certification procedure.

^dMajor sources that intend to become area sources by the compliance date may, in lieu of submitting an implementation plan, choose to submit a statement of intent as specified in §63.787(b)(4).

[60 FR 64336, Dec. 15, 1995, as amended at 76 FR 72071, Nov. 21, 2011]

APPENDIX C

SITE-SPECIFIC DUST CONTROL PLAN



VT Halter Marine, Pascagoula Operations

900 Bayou Cassotte Parkway, Pascagoula, MS 39581

Site Dust Control Plan

May 2019

I. Responsible individuals for implementing the plan are as follows:

Responsibility	Responsible Person	Title	Phone Number
Development & Review	Ray Sprouse	Corp EH&S Manager	228-596-6573
Implementation of Plan	Alvin Erkhart	Director of Production	228-696-6702
Observance and Reporting of Dust	All Employees		N/A

II. Locations of potential/actual dust sources.

- A. VT Halter Marine, Pascagoula operations, is located on the west side of Pascagoula, MS on the west bank of the Pascagoula River, is covered by an approximately 30% soil-sand-aggregate the other 70% is paved in concrete. The entire yard is open to in-yard traffic by limited vehicles, forklifts, cranes and small transportation vehicles. Graveled parking lots and road ways are present at the yard as well. The north portion of the facility has been concreted or paved north of the main entrance road. During periods when the substrate is sufficiently dry, dust can be generated when material becomes airborne by equipment movement or by the wind located south of the main entrance road and dry dock area.
- B. Indoor main abrasive blasting and painting take place near the north portion of the facility in an enclosed Painting and Blasting Building. In the middle of the yard, west of the launch ways, open air blasting and painting will be performed using dust/blast curtains installed to enclose the operation on 4 sides.
- C. Abrasive blasting also takes place in various other places in the facility depending on the production requirements. These places include enclosed buildings ventilated through a curtain, or on the ship.
- D. VT Halter Marine uses a watering truck and sweeper truck when needed to assist in controlling the potential of offsite disbursement of dust.
- E. Spray painting operations may be conducted in open air on the yard south of the paint/blast building.

III. Peripheral areas of potential impact from dust.

The following areas are within 1 mile of VT Halter Marine:

- A. West of the facility would be residential areas.
- B. South of the facility would be VT Marine.
- C. East of the facility and across the Pascagoula River is commercial operations to include Chevron, Mississippi Phosphate and First Chemical.
- D. North of the facility would be the state boat launch, BDI Offshore, Bosarge Boats and a few residential homes.

IV. Suppressants used or available.

- A. Water is the sole item used to suppress road/yard dust.

V. Contingencies to address inability to control dust emissions.

The watering equipment is inspected at regular intervals and prior to use for serviceability by the maintenance department. If found inoperative during a dust generating event, a backup watering down device can be deployed. This back up unit can be deployed within two hours of discovering the breakdown of the dedicated watering unit. Logs are kept in the vehicles for immediate inspection.

Should blast screens become unserviceable around the outdoor blasting and painting areas, operations in this area will cease until blast screens are restored.

VI. Best Management Practices for controlling dust emissions.

A. Vehicle Speed Limits

Limit Vehicle traffic on unpaved roads.

Limit vehicle speeds to 5 MPH, exceedance of this could

Result in a citation and removal from the facility.

B. Containment during abrasive blasting/painting

1. Contained blasting

Blasting that occurs on the yard will be primarily conducted inside the Blasting and Painting Building, with minor blasting conducted outdoors either within the enclosed buildings, on the ship or contained with blast curtains on all 4 sides during blasting/coating operations. These BMPs significantly reduces most dust from escaping. Spent blasting material will be swept, scooped or vacuumed during and after completion of project and moved to another area of the facility for disposal. Records of blast material disposed of will be kept at VT Halter Marine supply warehouse and will be made available upon request by MDEQ or other regulatory agency.

2. Open air blasting

Open air blasting will be conducted during low wind conditions (<25 mph) *Please note; per process knowledge, modeling, and discussions with VT Halter's paint and management department, the 25 mph wind speed was established as a benchmark as to when/if blasting operations should be closely monitored. Any open air painting and blasting activities that occur when wind speeds exceed 25 mph will be visually monitored for opacity at the property boundary. Any time wind speeds exceed 25 mph and are blowing in the northern or western direction, VT Halter will avoid any open air blasting or painting. VT Halter will maintain a continuous log of wind direction and wind velocity when operations are being conducted. VT Halter will always use visual observations as a guideline to determine negative offsite impacts of any material being transferred / blown beyond the facility's property. In addition, low dust producing abrasive materials will be used when appropriate. This material would include grits produced from coal slag (Black Beauty). White quartz sand is avoided except when a specific profile is required for coatings.

Open air blasting operations will be monitored continuously for the effectiveness of the blast curtains by the paint department supervision. The blasting activities will occur as close to the curtains as possible to ensure effectiveness. The blasting curtains will be 10 feet higher than the item being blasted. The curtains will be constructed with overlapping seams. Any tears greater than one foot in length will be repaired before blasting continues. VT Halter will inspect these curtained areas daily when blasting is occurring within the curtained areas. As previously stated, should blast dust be observed escaping around or over the blast curtains, blasting operations will cease immediately. Blasting will resume when conditions change or have been adjusted to prevent dust escapement to the property line. Blast curtain inspections and incidents of dust escapement will be recorded by the supervisory personnel on site. Records will be kept within the paint department and wind speeds and conditions during that evaluation are recorded and upon request, made available to MDEQ personnel.

Touch up blasting and painting may occur on the ship while under construction. When this occurs, VT Halter will monitor for visible emissions at the property boundary and adjust operations if visible emissions are identified.

3. High Pressure Water Blasting

When feasible, high pressure (>40,000 psi) water blasting will be used in lieu of dry grit blasting. Using this technique, dust is all but eliminated.

4. Painting

Painting on ship components using spray equipment will be conducted within the same 4 sided curtain area that blasting operations were performed in to mitigate the migration of overspray off site.

Open air painting, will be conducted in various areas of the facility and will take advantage of the 4 sided blast curtains to mitigate the potential of overspray migrating offsite. Open air painting will be limited to low wind conditions. Brushing and rolling will be used, when appropriate, which eliminates overspray production.

C. Road Dust

Road dust is the primary dust that might be generated at VT Halters facilities. Limiting vehicle speed to 5 MPH greatly reduces the generation of dust. When needed, areas producing dust will be watered sufficiently to eliminate any production of dust. Dust suppression will be used anytime visible dust is noted at the property boundary caused by vehicles on VT Halter property. A daily log of the sweeper and water truck will be maintained showing the hours of operation of each and the areas cleaned.

During dust suppression using applied water, VT Halter Marine will never exceed a delivery volume that would cause runoff to occur. The water applied is absorbed into the surface substrate with very little pooling.

VII. Compliance with Plan

A. All employees who have the potential to create dust as presented in this plan are responsible to adhere to the plan's best management practices to minimize the creation and migration off site of dust.

B. All new employees will be given training on the minimization of dust creation on site. Specific, advanced training will be given to supervisory personnel relative to dust creation within their scope of work. Annual refresher training on mitigating dust creation will be presented through the gang box topic program.

C. Training records will be kept on site in the safety department and are available upon request.

Dust Escapement Log – VT Halter Marine

[illegible]

Certification by Responsible Official

I certify that I am familiar with the information contained in this Dust Management Plan for VT Halter Marine Pascagoula Facility and that to the best of my knowledge and belief such information is true, complete, and accurate. As an appropriate representative of VT Halter Marine, by my hand and signature I submit this Plan for fulfilling the requirements for a Title V permit and that to the best of my ability will commit the necessary resources and personnel to fulfill the plans requirements.

Ronald Baczkowski

CEO

Printed Name of Responsible Party

Title

Signature

Date

Contact: Ray Sprouse EH&S Manager

228-596-6573

Contact: Cody McCoy Safety Manager

228-712-2218