From: Linero, Alvaro
To: Svec, Ed
Subject: FW: Sea Ray Boats, Cape Canaveral Plant
Date: Friday, October 12, 2012 8:19:39 AM

From: Koerner, Jeff
Sent: Tuesday, August 28, 2012 9:23 AM
To: Linero, Alvaro; Green, Justin B.
Subject: FW: Sea Ray Boats, Cape Canaveral Plant

Justin, you need to get the history from Al on this one and then let us know if you think this decision affects our (and EPA's) previous determination.

Jeff

P.S. I believe the facility in this decision is an oil/gas production plant with a footprint of 43 square miles. Sounds different than Sea Ray ...

From: Shine, Caroline
Sent: Tuesday, August 28, 2012 8:10 AM
To: Koerner, Jeff; Green, Justin B.
Cc: Holtom, Jonathan; Rustin, Jeff
Subject: RE: Sea Ray Boats, Cape Canaveral Plant

Jeff/Justin,

Can you provide guidance on the email below? It is based on Summit Petroleum Corporation vs. United States Environmental Protection Agency determination, issued August 7, 2012). The two facilities below have been considered adjacent in past determinations.

http://docs.justia.com/cases/federal/appellate-courts/ca6/09-4348/09-4348-2012-08-07.pdf
http://www.mondaq.com/unitedstates/x/193698/Oil+Gas+Electricity/Sixth+Circuit+Vacates+EPA+Aggregation+Of+Gas+Facilities+As+Illogical

Thanks,

Caroline Shine, Program Administrator
Air Resource Management
FDEP, Central District
407-897-2927 (new) Fax 850-412-0455
Caroline.Shine@dep.state.fl.us

From: Randy Clunie [mailto:Randy.Clunie@searay.com]
Sent: Monday, August 27, 2012 6:09 PM
To: Shine, Caroline; Rustin, Jeff
Cc: Gary Zimmer; Randy Serfozo; Phil Miller
Subject: Sea Ray Boats, Cape Canaveral Plant

Caroline,

Per my August 17, 2012 conversation with Jeff Rustin, Sea Ray Boats is requesting that the operations associated with the Cape Canaveral plant be considered separate from our Merritt Island complex. Instead of being considered a single source and covered under one Title V permit (Permit #009093-014-AV), a new separate Minor Source air emissions permit could be issued specifically for the operations at the Cape Canaveral plant. The Sea Ray operations at the Cape Canaveral plant occupy Buildings 101 and 103 of the 1200 Sea Ray Drive, Merritt Island, FL address. As you are aware, the Sea Ray operations at the Cape Canaveral plant involve a Wood Shop, a UV Wood Coating and Curing Line and related support activities.

It has always been Sea Ray's position that the Cape Canaveral facility should be a stand alone facility and not aggregated with the operations of the Merritt Island Complex located more than a mile away. A recent U.S. Court of Appeal decision from the Sixth Circuit (Summit Petroleum Corporation vs. United States Environmental Protection Agency, issued August 7, 2012) that addressed the aggregation of facilities for PSD and Title V permitting purposes, as well for application of the federal hazardous air pollutant regulations, concluded EPA's term "adjacent" is unambiguous and is tied to geographical proximity and not interrelatedness and integrations of operations. The Sixth Circuit Court saw no reason to consider functional relationships, but only apply the term "adjacent" as physical proximity such as adjoining property lines or directly across the street. The Sixth Circuit Court overturned EPA's longstanding interpretation of "contiguous or adjacent."

Based upon the Sixth Circuit Court's finding, Sea Ray Boats and its legal counsel believe that it would be appropriate for FDEP to treat the Cape Canaveral plant operations as a separate source from the Merritt Island Complex. By doing so, this action will promote new economic opportunities and job growth opportunities for the existing Cape Canaveral operations. This would also provide for consistent and certain regulation aligned with the Sixth Circuit Court decision.

The Cape Canaveral plant is permitted at 29.6 tons VOC limit per year. As a separate source, the Cape Canaveral facility would not trigger major source thresholds based on its VOC, individual HAPS and/or combined HAPS limits. However, the current permit (which aggregates the Cape Canaveral plant into the Merritt Island Complex Title V) creates a situation whereby the two facilities are treated as a single major source. Appropriately treating the Cape Canaveral plant as a separate source would allow the facility to be properly permitted as a minor source.

Sea Ray Boats is seeking the determination from FDEP that its Cape Canaveral facility should be permit as a minor source, separate from the Merritt Island complex. Sea Ray Boats also desires direction from FDEP on the appropriate protocol to have a new minor source permit issued for the Cape Canaveral facility. FDEP's prompt response to evaluation of this determination and issuance of directions on how to best resolve the matter would be greatly appreciated. Thank you for the attention to this matter.

Thank you,

Randy Clunie
EHS Director for BBG Recreation Group
Address:

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100 Sea Ray Circle
Vonore, TN 37885
office phone: (423) 884-6631, ext # 3103
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e-mail: Randy.Clunie@searay.com

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