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The Natural Alternative

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BUREAU OF AIR REGULATION

April 16, 2003

Ms. Trina Vielhauer
Florida Department of Environmental Protection
Division of Air
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: CRB Project No. NAI 553-05; Nailite International, Inc., 1111 NW 165th Street,
Miami, Florida; Permit No. 0250407-005-AC (PSD-FL-289A)

Dear Ms. Vielhauer:

Please consider this document with attachments as a request to reissue the above referenced permit with modifications, as discussed below. The fundamental change requested by Nailite International, Inc. (Nailite) is the removal of the operational deadline for Paint Line No. 1 (EU001) of December 31, 2003. This paint line provides necessary production capacity for Nailite operations, and its continued operation is essential for the success of the facility.

Background

On August 28, 1998, Final Permit Number 0250504-001-AV was issued by DERM to the Nailite International, Inc. facility located at 1251 NW 165th Street, Miami, Florida 33169. This permit had a renewal application date of March 26, 2003 and an expiration date of August 27, 2003.

On September 26, 2000, Nailite applied for a construction permit in order to relocate the facility from 1251 NW 165th Street to 1111 NW 165th Street, Miami, Florida 33169. Pursuant to that application, Construction Permit No. 0250407-003-AC/PSD-FL-289 was issued. On February 21, 2002, Nailite applied to the Miami-Dade County Department of Environmental Resources Management (DERM) for a Title V Air Operation Permit Revision. The purpose of this permit revision was to incorporate the terms and conditions of Construction Permit No. 0250407-003-AC/PSD-FL-289 into the facility's current Title V Operating Permit.

The relocated facility included the No. 1 plastic panel spray line consisting of three spray booths, and eight injection-molding machines. The construction permit also authorized the installation of a Regenerative Thermal Oxidizer (RTO) and the No. 2 plastic panel spray line consisting of three continuous spray booths and a curing oven. Captured emissions from the No. 1 Line (Emission Unit 001) and the No. 2 Line (Emission Unit 004) were required to be routed to the RTO.

Section A.5 of Nailite's Title V Permit required the shutdown and discontinuance of operation of Paint Line No. 1 by January 1, 2003. On December 31, 2002, Nailite received approval from the Florida Department of Environmental Protection (FDEP) to extend the use of this paint line through December 31, 2003. This extension was approved in order to perform additional capture and destruction efficiency testing and to allow for continuing engineering research into modified painting techniques based on the results of that testing.

Emissions Reduction – Paint Usage

In attempt to reduce volatile organic compound (VOC) emissions on the front-end of the painting process, Nailite has recently incorporated the use of high-solids (low solvent) paints. It is anticipated that high-solids paints will be utilized for one hundred percent (100%) of the painting operations by the end of 2003.

Figure 1 displays Nailite's total emissions from 2000 through 2002. Before 2000, Nailite's yearly emissions showed a dramatic increase from 476,300 pounds (238 tons) in 1998 to 628,450 pounds (314 tons) in 1999 to 897,000 pounds (449 tons) in the year 2000, when they peaked. The diagram in attachment A shows that as a result of several changes at Nailite, 2002 exhibited the lowest emission rate (294,000 pounds or 147 tons) while usage rates will be at its highest.

Emissions Reduction – Capture and Destruction Efficiency

Capture and destruction efficiency testing was performed by Koogler and Associates Environmental Services (Koogler) between January 21 and 23, 2003. The capture efficiency test performed on Paint Line No. 1 indicated a capture efficiency of 84.8 percent. The test performed on Paint Line No. 2 indicated a capture efficiency of 81.5 percent. Destruction efficiency of the RTO unit was measured to be 99.54 percent.

The recent capture and destruction efficiency test results indicate that the RTO unit is **operating well above its designed efficiency value.** However, capture efficiency test results for both paint lines indicate that these lines are not performing as they were designed.

Compliance Plan

Nailite is committed to complying with all regulatory guidelines with regard to the operation of the two (2) paint lines. Initial plans to modify the paint lines to improve capture efficiency have been implemented. On April 11, 2003, a representative of George Koch Sons, LLC (GKS) was present at Nailite to evaluate the existing systems and offer guidance on improving the capture capabilities of the lines. **Preliminary observations made during that evaluation indicate that the construction of vented enclosures around the exposed sections of the lines will provide for additional capture and increase the efficiencies of the systems.** Nailite is currently awaiting a proposal for system improvements from GKS, as described in the letter included as

Attachment A. Once we receive the proposal we will be able to define a timeline for this compliance plan and further define the technical objectives.

Upon completion of the paint line modifications proposed by GKS, additional capture and destruction efficiency testing will be performed at the facility in order to determine the operating efficiency of the system. It is anticipated that the additional construction will allow the system to meet its optimum efficiency, and that permit conditions can be assigned based on those results.

Summary

Through a number of emission controls and continued research and development, Nailite achieved a three-fold reduction in emissions from close to 450 tons per year to approximately 150 tons per year. Projected future emissions at a self-imposed operations cap of 7,280 hours per year would keep the facility well under the threshold of a major facility (250 tons per year). Improvements to the construction of both paint lines will result in additional significant reductions in VOC emissions.

Based on the above, Nailite requests that permit 0250407-005-AC (PSD-FL-289A) be reissued with the following modifications:

1. Allow for the modification of Paint Lines No. 1 and 2 (EU-001 and EU-004) in order to increase the capture efficiency of the system.
2. Allow EU-001 to continue operation indefinitely.
3. Utilize results from emissions testing conducted subsequent to the construction of additional line modifications to establish capture and destruction efficiency requirements.

Per your request, the first pages of Form No. 62-210.900(1) are included as attachment. If you have any questions or concerns, please don't hesitate to contact me at (305) 620-6200 ext. 222.

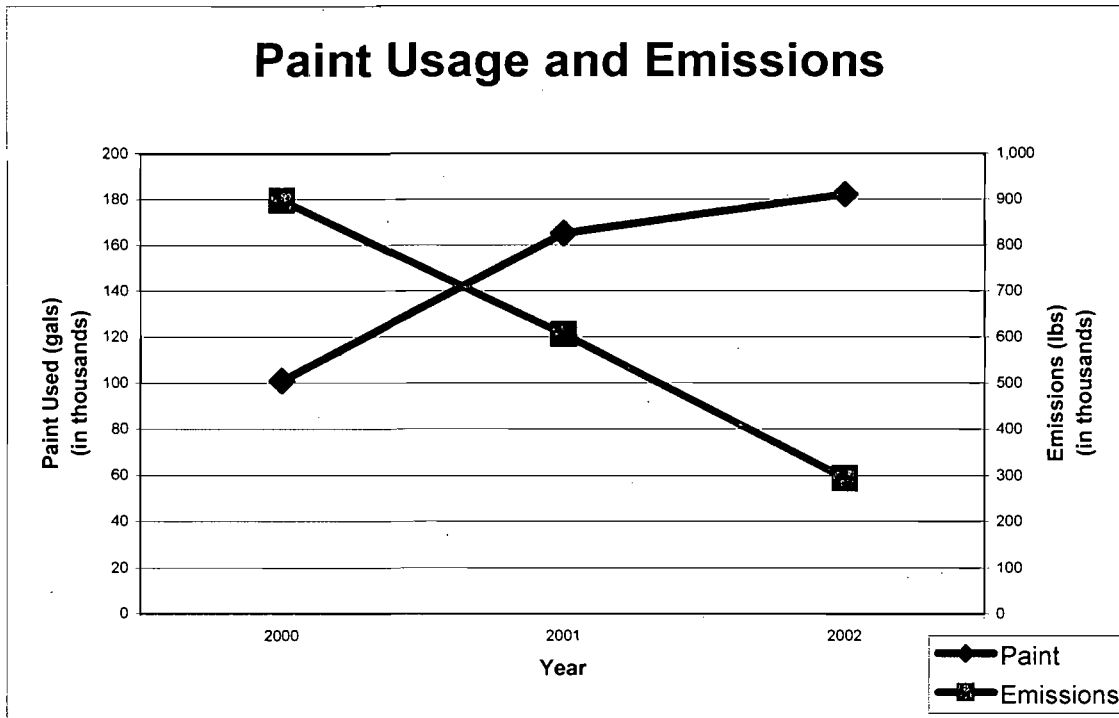
Very truly yours,
Nailite International, Inc.



Howard Wasserman
President & CEO

cc: Ms. Mallika Muthiah, P.E., DERM
Mr. Victor Rossinsky, Jr., P.G., Ph.D., CRB

ATTACHMENT A



George Koch Sons, LLC

10 South Eleventh Avenue
Evansville, IN 47744
(812) 465-9600



Stephen P. Foreman

Regional Sales Manager
Telephone: (812) 465-9668
Facsimile: (812) 465-9676
E-Mail: spf@kochllc.com

April 16, 2003

Mr. Kevin Martin
Nailite International
1111 Northwest 165th St.
Miami, FL 33169-5819
e-mail: kmartin@nailite.com

Dear Mr. Martin:

In follow up to our visit to your facility on April 11, 2003, we have compiled the information regarding your painting process, and are working to develop a bid for vented enclosures around the exposed sections of your paint finishing line.

We are working through the calculations for solvent removal, and pricing the necessary labor and materials required to enclose the open sections. Please forward the information on wet film thickness at each spray booth exit point as we will need these figures to finalize our bid.

Thank you for your hospitality during our recent visit. We look forward to working with you on this project.

Sincerely,

A handwritten signature in black ink that reads "Stephen Foreman". The signature is written in a cursive, flowing style.

SPForeman/tst
cc: Steve Martin
Mark Balthis

Enc.



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BUREAU OF AIR REGULATION

April 17, 2003

Ms. Mallika Muthiah, P.E.
Section Chief
Air Facilities Section
Miami-Dade County Department of
Environmental Resources Management
33 SW 2nd Avenue, Suite 900
Miami, Florida 33130-1540

Re: CRB Project No. NAI 553-05; Nailite International, Inc., located at 1111 NW 165th Street, Miami, Florida 33169

Dear Ms. Muthiah:

Pursuant to the conference telephone call held between the Florida Department of Environmental Protection (FDEP), the Miami-Dade County Department of Environmental Resources Management (DERM), CRB Geological & Environmental Services, Inc. (CRB), and Nailite International, Inc. (Nailite) on Thursday, April 10, 2003, this correspondence has been prepared to advise DERM that Nailite approves an extension of time to finalize the "completeness review" that is currently being conducted on the Application for Air Permit – Title V Source. This application was submitted to DERM on March 26, 2003.

Nailite is aware that DERM has sixty (60) days from the date of submittal in which to review the application and request additional information from the applicant. Currently, Nailite is working with the Florida Department of Environmental Protection (FDEP) in order to modify the parameters of the permit. In order to complete these modifications, additional time is necessary to evaluate the current configuration of the painting process and construct improvements to the system. The anticipated improvements will have a direct impact on the Title V air permit application and will enable Nailite to provide DERM with the required supplemental information.

It is anticipated that the sixty (60) day review period will expire prior to the completion of system modifications; therefore, Nailite waives this review period.

If you have any questions or require additional information, please feel free to call this office.

Very truly yours


Howard Wasserman
President & CEO

cc: Mr. Victor Rossinsky, Jr., P.G., Ph.D., CRB
Ms. Trina Vielhauer, FDEP