

**International Paper Company
McDavid, Florida**



RTP

Environmental Associates, Inc.

**Air Construction Permit
Application for
Modifications to the McDavid
Lumber Mill**

**RTP Environmental Associates
September 2004**



RTP ENVIRONMENTAL ASSOCIATES INC.®

AIR · WATER · SOLID WASTE CONSULTANTS

3115 Northington Court · Suite 141
Florence, Alabama 35630
(www.rtpenv.com)

Phone: (256) 740-5522
Fax: (256) 740-5530
e:mail: bandrews@rtpenv.com

October 8, 2004

Mr. James Pennington, P.E.
Bureau of Air Regulation
Florida Department of Environmental Protection
2600 Blairstone Road - Mail Station 5505
Tallahassee, FL 32399-2400

RECEIVED

OCT 12 2004

BUREAU OF AIR REGULATION

Re: International Paper Company – McDavid Lumber Mill

Dear ~~Mr. Pennington~~: *Jim*

As an authorized representative of International Paper Company, having been contracted to be the Professional Engineer of Record, enclosed are four copies of the air construction permit application for modifications that are needed at the McDavid Lumber Mill. The purpose of the proposed equipment modifications is to reduce downtime and allow the mill to operate at production rates up to the originally permitted level of 225 million board feet per year.

As we discussed, the applications are being sent to the Tallahassee office since the McDavid facility was subject to PSD permitting when it was originally permitted and the damage caused by Hurricane Ivan in the Pensacola area has made it difficult for the Northwest District Office to process permit applications.

Two of the four copies contain the original signature of the Responsible Official and the original signature and seal of the Professional Engineer of Record. This has been done so that both the Tallahassee office and the Northwest District can have originals of the air construction permit application.

Due to the high demand for lumber at this time, anything that can be done to expedite the processing of this application will be appreciated. If you have any questions or need additional information please contact me at (256) 740-5522.

Sincerely,

Barry D. Andrews, P.E.
Senior Air Program Manager

cc: Mr. Dearl Hilyer – IP McDavid Mill

Enclosures

**International Paper Company
McDavid, Florida**

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1.0 INTRODUCTION

1.1 Project Summary

International Paper proposes to modify its McDavid Lumber Mill located approximately 25 miles north of Pensacola, in Escambia County, Florida.

The proposed modification serves to increase the efficiency of specific equipment within the sawmill and reduce the downtime that has been associated with some existing equipment.

1.2 Project Objectives

International Paper has several objectives with regard to obtaining authorization for making modifications to the McDavid Lumber Mill. Specific objectives of this permit application are listed below:

1. Replace the North Chain Unscrambler with a new 6 Stage Log Singulator.
2. Replace the pantograph arms, modify the out feed rolls on the curve sawing gang saws and install 2 vibrating conveyers.
3. Reduce equipment downtime such that annual production rate can continue to increase toward the originally permitted level of 225 million board feet per year.

1.3 Report Organization

International Paper's permit application has been subdivided into several sections:

- Chapter 2.0 contains relevant project information, including the site location as well as a permitting and operating history for the McDavid Mill;
- Chapter 3.0 gives the equipment emissions inventory data, including information on allowable emissions and the potential-to-emit for sources that are addressed by this permit application;
- Chapter 4.0 contains a summary of applicable rules and demonstrates source compliance with each rule; and
- Technical references cited in the application are listed in Chapter 5.0.

The application also contains several technical appendices, which provide additional details, such as specific calculations and information associated with the equipment that is being proposed for this project. FDEP permit forms are provided in Appendix A.

2.0 PROJECT DESCRIPTION

2.1 Project Location

International Paper's McDavid Lumber Mill is located approximately 25 miles north of Pensacola, in Santa Rosa County, Florida. The UTM coordinates for the facility are 3406.5 kmN and 468.74 kmE. A plot plan of the facility is included as Figure 2-1.

2.2 Existing Facility

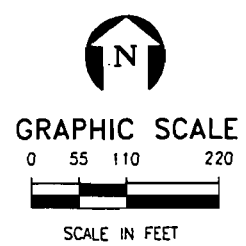
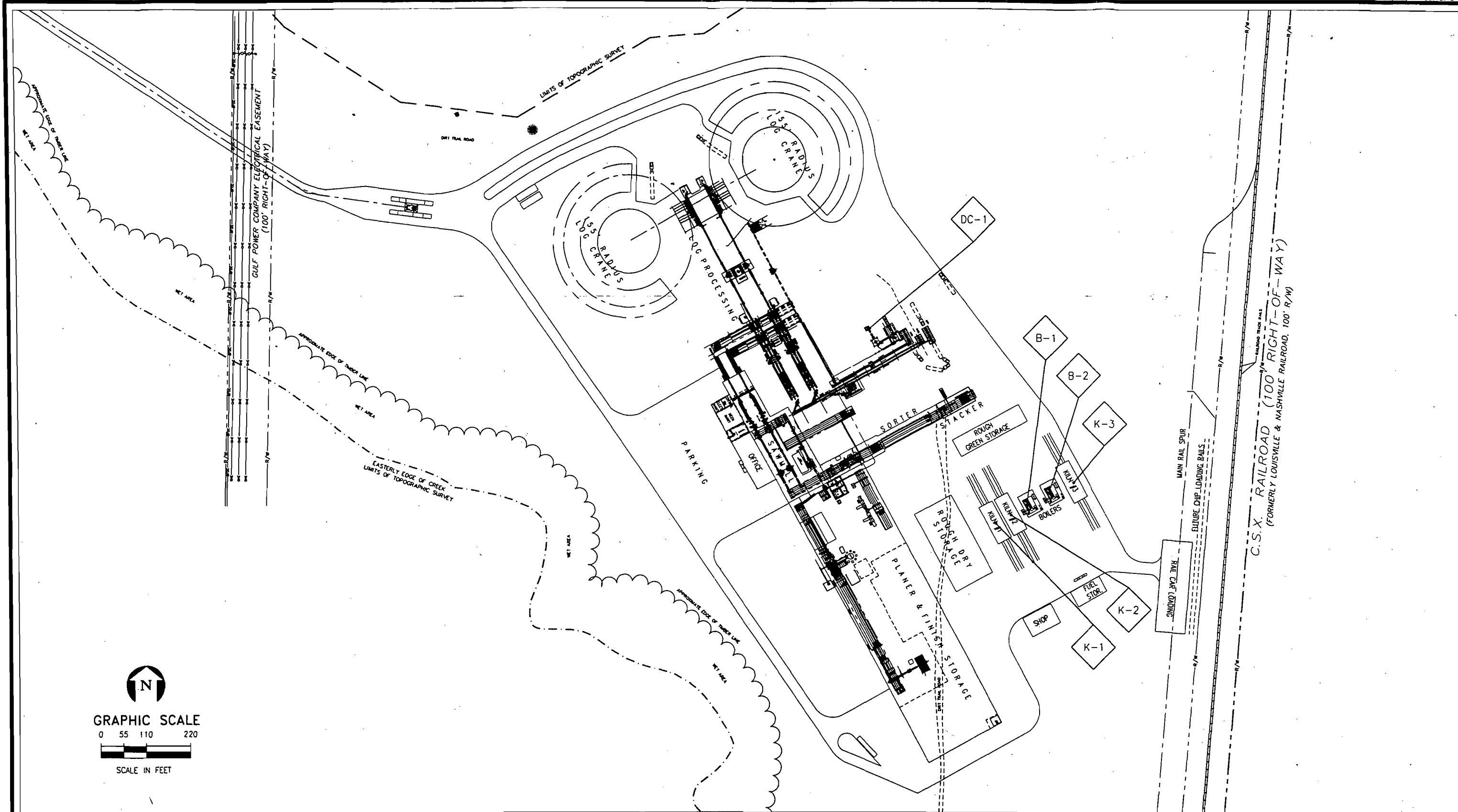
The primary activity at International Paper's McDavid Lumber Mill is the conversion of southern yellow pine logs into lumber (Standard Industrial Classification [SIC] code 2421). The primary sources at the mill include two natural gas fired boilers, three lumber drying kilns and a planer mill operation. A process flow diagram of the facility is included as Figure 2-2.

2.3 Proposed Facility Modifications

The changes that are proposed to International Paper's McDavid Lumber Mill will be limited to equipment on the sawmill side (portion of mill that is producing green lumber from logs) of the mill. These changes are to enable the mill to operate more efficiently using equipment that is common to other lumber mills owned and operated by International Paper. It was decided that these changes are necessary since the mill as originally constructed was owned and operated by Champion International Corporation, which designed the mill to include equipment that is not consistent with the design of mills owned and operated by International Paper. The equipment changes proposed for the mill include.

- Replacing the North Chain Unscrambler with a new 6 Stage Log Singulator.
- Replacing the pantograph arms, modifying the out feed rolls on the curve sawing gang saws and installing 2 vibrating conveyers.

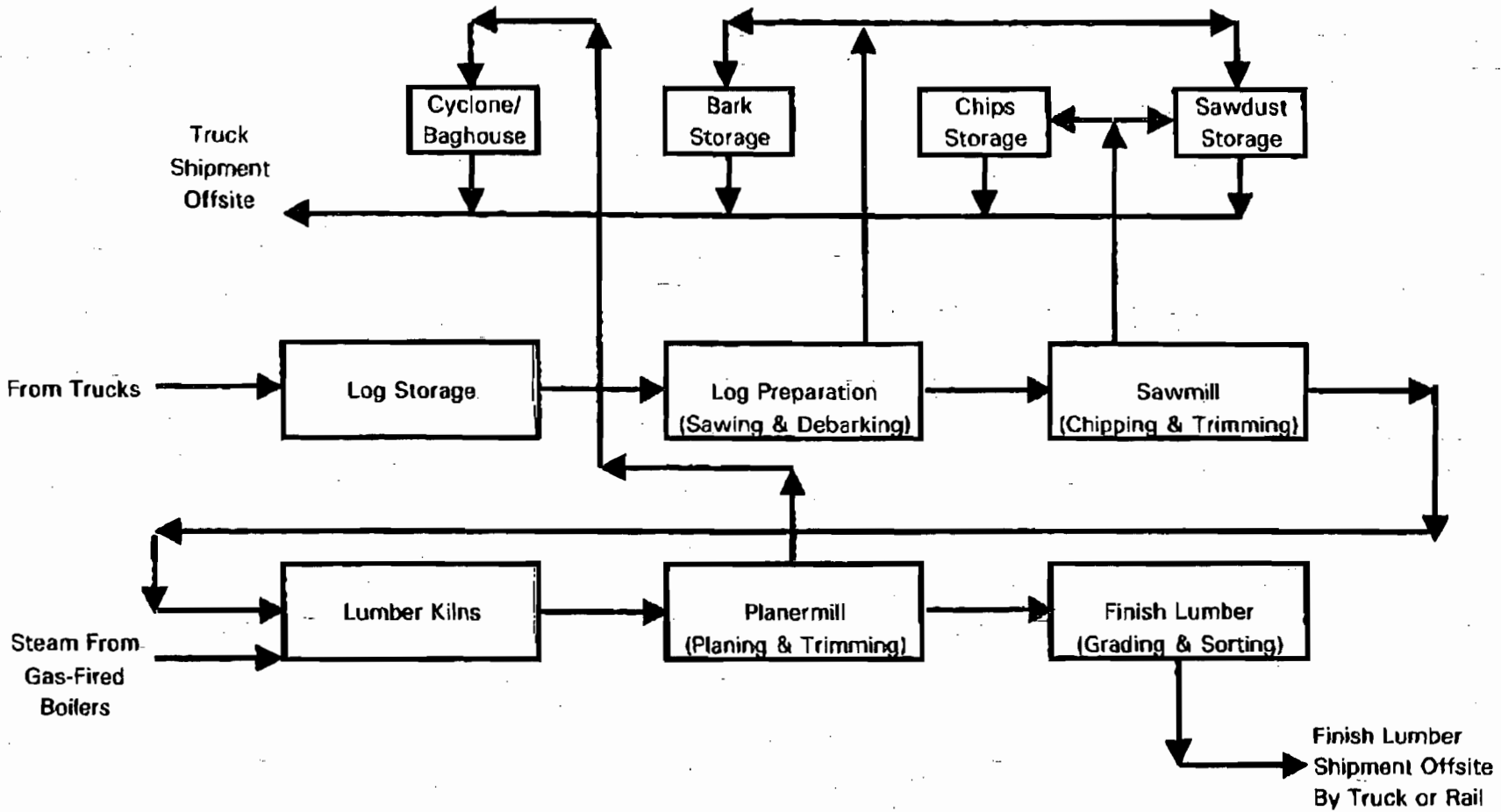
The equipment changes described above will enable the mill to operate more efficiently by reducing the amount of equipment downtime that has plagued the existing equipment. By reducing the amount of equipment downtime the mill will be able to operate closer to the original design production level of 225 million board feet per year. It should be noted that this rate of 225 million board feet per year was the level at which the mill was permitted to operate when the construction/PSD permit was issued to Champion International Corporation on September 10, 1999.



FACILITY PLOT PLAN - POINT EMISSION SOURCES

Sources: Mid-South Engineering, 1999; ECT, 1999.





PROCESS FLOW DIAGRAM

Source: ECT, 1999.

ECT
 Environmental Consulting & Technology, Inc.

2.4 Background Information Prompting Request for Modification

The McDavid lumber mill as designed by Champion International Corporation utilizes equipment that has needed numerous repairs, resulting in loss of production. For example, the existing North Chain Unscrambler has not been able to supply the mill with logs at a constant rate due to frequent repairs. This situation will be alleviated by replacing the North Chain Unscrambler with a new 6 Stage Log Singulator, the same equipment that is used by other mills owned and operated by International Paper. Experience has demonstrated that the 6 Stage Log Singulator allows the mill to have a constant log gap, which allows the equipment to operate at its design capacity.

The other part of the sawmill design that is being addressed by this permit application is associated with the existing Curve Saw. The pantograph arm assembly is the original one that came with the curve sawing gangs. The existing pantograph arm assembly is tubular steel with the drive belts enclosed in the tubing. This design is not desirable since it is necessary to dismantle the entire assembly when belts break and have to be replaced.

By using an updated pantograph system as is common to other International Paper lumber mills, the belts are not enclosed in a tubular frame and are instead exposed for easier and less time consuming replacement. Added to this will be the installation of shifting out feed rolls and vibrating conveyors. This will enable the mill to increase the hours of operation since the existing out feed rolls are fixed, producing shims that cause cross ups and downtime at the out feed of the gang. The conversion to shifting out feed rolls is a proven technology for removal of shims on the out feed rolls.

3.0 EMISSIONS INVENTORY

3.1 Current Emissions

3.1.1 Allowable Emissions

The operations at International Paper's McDavid Lumber Mill are authorized by Major Source Operating Permit No. 0330260-003-AV which was issued to the facility on March 10, 2002. A review of the operating permit indicates that emissions limitations were imposed on the natural gas fired boilers and the Planermill operations.

The operating permit does not impose any emissions limitations on the three lumber drying kilns. The permit does however state that lumber processed through the kilns (all kilns combined) shall not exceed 225 million board feet in any consecutive 12-month period. Though not included as an emissions limit, the permit does state that the applicant has estimated the potential to emit from the three kilns combined to be 319.5 tons per year of VOC and 4.2 tons per year of PM/PM₁₀. This level of emissions exceeded the PSD regulation threshold of 250 tons per year and required the facility to undergo PSD review when the original construction permit application was prepared and submitted by Champion International Corporation.

3.2 Project Emissions Changes

The equipment changes proposed for International Paper's McDavid Lumber Mill will result in production increases solely due to reducing equipment downtime. In no way will the lumber production increase at the mill due to increasing the mill's design capacity, which was designed and permitted for a maximum 225 million board feet per year.

Since taking over ownership and operation of the mill in 2001, International Paper has identified several pieces of equipment which have required frequent repairs resulting in substantial downtime. This downtime has made it difficult to operate at the level the mill was designed and permitted. In fact, International Paper has experienced an ongoing process of identifying and fixing problems with the original mill design. This is illustrated by the mill's production records which indicate a large increase in the production level after the first year of operation, then steady increases in production from that time to the present. This gradual increase in the production level is shown as follows in Table 3-1 which provides production from the time of beginning operation in January 2001 to mid-year 2004.

Table 3-1

Actual Lumber Production (Kiln-Dried)

Production Year	Production Level (Million Board Feet)
2001	88
2002	154
2003	173
2004*	102

* Production shown for 2004 is for the six-month period ending on June 30, 2004.

4.0 REGULATORY APPLICABILITY AND COMPLIANCE

4.1 Regulatory Applicability

The proposed equipment changes to the McDavid mill will not result in any regulatory applicability issues other than that addressed in the current operating permit. In fact, it has been determined that the equipment changes proposed will not require any changes to be made to the current operating permit.

An issue that has arisen with regard to the proposed equipment changes is whether or not the changes would require the mill to be evaluated in accordance with the PSD regulations (i.e., comparison of two-year actual emissions to future potential to emit). Given the fact that the mill was subject to PSD review in 1999 and has continued to ramp-up production to what would be considered to represent normal operation (i.e., 225 million board feet per year), it was determined that the PSD rules would allow the federally enforceable permit limits to represent actual emissions. Therefore, since the actual emissions would be equivalent to the future potential to emit, the proposed equipment changes would result in no net emissions increase and would be exempt from PSD review.

Included in Appendix B is a letter dated April 23, 2004 that evaluates the PSD applicability issue in greater detail. Also included in Appendix B are other letters of correspondence between International Paper and FDEP that are related to these projects.

4.2 Regulatory Compliance

International Paper's McDavid Lumber Mill will comply with all applicable statutes and regulations that address each of the modified sources that are part of this project. As discussed above, the proposed projects will in no way require any changes to be made to current permit conditions contained in the operating permit.

5.0 REFERENCES

EPA, 1990a. *New Source Review Workshop Manual (Draft) Office of Air Quality Planning and Standards*, Research Triangle Park, North Carolina.

APPENDIX A

FDEP Permit Application Forms



Department of Environmental Protection

Division of Air Resource Management

APPLICATION FOR AIR PERMIT - LONG FORM

I. APPLICATION INFORMATION

Air Construction Permit – Use this form to apply for an air construction permit for a proposed project:

- subject to prevention of significant deterioration (PSD) review, nonattainment area (NAA) new source review, or maximum achievable control technology (MACT) review; or
- where the applicant proposes to assume a restriction on the potential emissions of one or more pollutants to escape a federal program requirement such as PSD review, NAA new source review, Title V, or MACT; or
- at an existing federally enforceable state air operation permit (FESOP) or Title V permitted facility.

Air Operation Permit – Use this form to apply for:

- an initial federally enforceable state air operation permit (FESOP); or
- an initial/revised/renewal Title V air operation permit.

Air Construction Permit & Revised/Renewal Title V Air Operation Permit (Concurrent Processing Option)

– Use this form to apply for both an air construction permit and a revised or renewal Title V air operation permit incorporating the proposed project.

To ensure accuracy, please see form instructions.

Identification of Facility

1. Facility Owner/Company Name: International Paper Company	
2. Site Name: McDavid Softwood Converting Facility	
3. Facility Identification Number: 0330260	
4. Facility Location: Street Address or Other Locator: 401 Champion Drive City: McDavid County: Escambia Zip Code: 32568	
5. Relocatable Facility? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6. Existing Title V Permitted Facility? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Application Contact

1. Application Contact Name: Dearl Hilyer	
2. Application Contact Mailing Address... Organization/Firm: International Paper Company Street Address: 401 Champion Drive City: McDavid State: FL Zip Code: 32568	
3. Application Contact Telephone Numbers... Telephone: (850) 587-1084 ext. Fax: (850) 587-1003	
4. Application Contact Email Address:	

Application Processing Information (DEP Use)

1. Date of Receipt of Application:	10/18/04
2. Project Number(s):	0330260-004-AC
3. PSD Number (if applicable):	
4. Siting Number (if applicable):	

APPLICATION INFORMATION

Purpose of Application

This application for air permit is submitted to obtain: (Check one)

Air Construction Permit

Air construction permit.

Air Operation Permit

Initial Title V air operation permit.

Title V air operation permit revision.

Title V air operation permit renewal.

Initial federally enforceable state air operation permit (FESOP) where professional engineer (PE) certification is required.

Initial federally enforceable state air operation permit (FESOP) where professional engineer (PE) certification is not required.

**Air Construction Permit and Revised/Renewal Title V Air Operation Permit
(Concurrent Processing)**

Air construction permit and Title V permit revision, incorporating the proposed project.

Air construction permit and Title V permit renewal, incorporating the proposed project.

Note: By checking one of the above two boxes, you, the applicant, are requesting concurrent processing pursuant to Rule 62-213.405, F.A.C. In such case, you must also check the following box:

I hereby request that the department waive the processing time requirements of the air construction permit to accommodate the processing time frames of the Title V air operation permit.

Application Comment

Empty box for application comment.

APPLICATION INFORMATION

Owner/Authorized Representative Statement

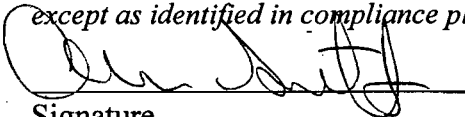
Complete if applying for an air construction permit or an initial FESOP.

1. Owner/Authorized Representative Name: Allen Smith, Plant Manager
2. Owner/Authorized Representative Mailing Address... Organization/Firm: International Paper Company Street Address: 401 Champion Drive City: McDavid State: Florida Zip Code: 32568
3. Owner/Authorized Representative Telephone Numbers... Telephone: (850) 587-1002 ext. Fax: (850) 587-1003
4. Owner/Authorized Representative Email Address:
5. Owner/Authorized Representative Statement: <i>I, the undersigned, am the owner or authorized representative of the facility addressed in this air permit application. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof and all other requirements identified in this application to which the facility is subject. I understand that a permit, if granted by the department, cannot be transferred without authorization from the department, and I will promptly notify the department upon sale or legal transfer of the facility or any permitted emissions unit.</i>  Signature <u>9/30/04</u> Date

APPLICATION INFORMATION

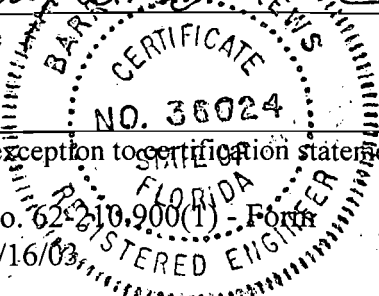
Application Responsible Official Certification

Complete if applying for an initial/revised/renewal Title V permit or concurrent processing of an air construction permit and a revised/renewal Title V permit. If there are multiple responsible officials, the "application responsible official" need not be the "primary responsible official."

1. Application Responsible Official Name: Allen Smith, Plant Manager
2. Application Responsible Official Qualification (Check one or more of the following options, as applicable): <input checked="" type="checkbox"/> For a corporation, the president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit under Chapter 62-213, F.A.C. <input type="checkbox"/> For a partnership or sole proprietorship, a general partner or the proprietor, respectively. <input type="checkbox"/> For a municipality, county, state, federal, or other public agency, either a principal executive officer or ranking elected official. <input type="checkbox"/> The designated representative at an Acid Rain source.
3. Application Responsible Official Mailing Address... Organization/Firm: International Paper Company Street Address: 401 Champion Drive City: McDavid State: Florida Zip Code: 32568
4. Application Responsible Official Telephone Numbers... Telephone: (850) 587-1002 ext. Fax: (850) 587-1003
5. Application Responsible Official Email Address:
6. Application Responsible Official Certification: <i>I, the undersigned, am a responsible official of the Title V source addressed in this air permit application. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof and all other applicable requirements identified in this application to which the Title V source is subject. I understand that a permit, if granted by the department, cannot be transferred without authorization from the department, and I will promptly notify the department upon sale or legal transfer of the facility or any permitted emissions unit. Finally, I certify that the facility and each emissions unit are in compliance with all applicable requirements to which they are subject, except as identified in compliance plan(s) submitted with this application.</i>  Signature <u>9/30/04</u> Date

APPLICATION INFORMATION

Professional Engineer Certification

1. Professional Engineer Name: Mr. Barry D. Andrews, P.E. Registration Number: P.E. 36024
2. Professional Engineer Mailing Address... Organization/Firm: RTP Environmental Associates, Inc. Street Address: 3115 Northington Court, Suite 141 City: Florence State: AL Zip Code: 35630
3. Professional Engineer Telephone Numbers... Telephone: (256) 740-5522 ext. Fax: (256) 740-5530
4. Professional Engineer Email Address: bandrews@rtpenv.com
5. Professional Engineer Statement: <i>I, the undersigned, hereby certify, except as particularly noted herein*, that:</i> <i>(1) To the best of my knowledge, there is reasonable assurance that the air pollutant emissions unit(s) and the air pollution control equipment described in this application for air permit, when properly operated and maintained, will comply with all applicable standards for control of air pollutant emissions found in the Florida Statutes and rules of the Department of Environmental Protection; and</i> <i>(2) To the best of my knowledge, any emission estimates reported or relied on in this application are true, accurate, and complete and are either based upon reasonable techniques available for calculating emissions or, for emission estimates of hazardous air pollutants not regulated for an emissions unit addressed in this application, based solely upon the materials, information and calculations submitted with this application.</i> <i>(3) If the purpose of this application is to obtain a Title V air operation permit (check here <input type="checkbox"/>, if so), I further certify that each emissions unit described in this application for air permit, when properly operated and maintained, will comply with the applicable requirements identified in this application to which the unit is subject, except those emissions units for which a compliance plan and schedule is submitted with this application.</i> <i>(4) If the purpose of this application is to obtain an air construction permit (check here <input checked="" type="checkbox"/>, if so) or concurrently process and obtain an air construction permit and a Title V air operation permit revision or renewal for one or more proposed new or modified emissions units (check here <input type="checkbox"/>, if so), I further certify that the engineering features of each such emissions unit described in this application have been designed or examined by me or individuals under my direct supervision and found to be in conformity with sound engineering principles applicable to the control of emissions of the air pollutants characterized in this application.</i> <i>(5) If the purpose of this application is to obtain an initial air operation permit or operation permit revision or renewal for one or more newly constructed or modified emissions units (check here <input type="checkbox"/>, if so), I further certify that, with the exception of any changes detailed as part of this application, each such emissions unit has been constructed or modified in substantial accordance with the information given in the corresponding application for air construction permit and with all provisions contained in such permit.</i> Signature <u>Barry D. Andrews</u> Date <u>10/6/2004</u> (seal) 

* Attach any exception to certification statement.

FACILITY INFORMATION

Facility Regulatory Classifications

Check all that would apply *following* completion of all projects and implementation of all other changes proposed in this application for air permit. Refer to instructions to distinguish between a “major source” and a “synthetic minor source.”

1. <input type="checkbox"/> Small Business Stationary Source	<input type="checkbox"/> Unknown
2. <input type="checkbox"/> Synthetic Non-Title V Source	
3. <input checked="" type="checkbox"/> Title V Source	
4. <input checked="" type="checkbox"/> Major Source of Air Pollutants, Other than Hazardous Air Pollutants (HAPs)	
5. <input type="checkbox"/> Synthetic Minor Source of Air Pollutants, Other than HAPs	
6. <input checked="" type="checkbox"/> Major Source of Hazardous Air Pollutants (HAPs)	
7. <input type="checkbox"/> Synthetic Minor Source of HAPs	
8. <input checked="" type="checkbox"/> One or More Emissions Units Subject to NSPS (40 CFR Part 60)	
9. <input type="checkbox"/> One or More Emissions Units Subject to Emission Guidelines (40 CFR Part 60)	
10. <input checked="" type="checkbox"/> One or More Emissions Units Subject to NESHAP (40 CFR Part 61 or Part 63)	
11. <input type="checkbox"/> Title V Source Solely by EPA Designation (40 CFR 70.3(a)(5))	
12. Facility Regulatory Classifications Comment:	

FACILITY INFORMATION

C. FACILITY ADDITIONAL INFORMATION

Additional Requirements for All Applications, Except as Otherwise Stated

1. Facility Plot Plan: (Required for all permit applications, except Title V air operation permit revision applications if this information was submitted to the department within the previous five years and would not be altered as a result of the revision being sought) <input checked="" type="checkbox"/> Attached, Document ID: Figure 2-1 <input type="checkbox"/> Previously Submitted, Date:
2. Process Flow Diagram(s): (Required for all permit applications, except Title V air operation permit revision applications if this information was submitted to the department within the previous five years and would not be altered as a result of the revision being sought) <input checked="" type="checkbox"/> Attached, Document ID: Figure 2-2 <input type="checkbox"/> Previously Submitted, Date:
3. Precautions to Prevent Emissions of Unconfined Particulate Matter: (Required for all permit applications, except Title V air operation permit revision applications if this information was submitted to the department within the previous five years and would not be altered as a result of the revision being sought) <input checked="" type="checkbox"/> Attached, Document ID: Appendix B <input type="checkbox"/> Previously Submitted, Date: _____

Additional Requirements for Air Construction Permit Applications

1. Area Map Showing Facility Location: <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable (existing permitted facility)
2. Description of Proposed Construction or Modification: <input type="checkbox"/> Attached, Document ID: See Section 2.3 of Permit Application
3. Rule Applicability Analysis: <input type="checkbox"/> Attached, Document ID: See Section 4.0 of Permit Application
4. List of Exempt Emissions Units (Rule 62-210.300(3)(a) or (b)1., F.A.C.): <input checked="" type="checkbox"/> Attached, Document ID: App. B <input type="checkbox"/> Not Applicable (no exempt units at facility)
5. Fugitive Emissions Identification (Rule 62-212.400(2), F.A.C.): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
6. Preconstruction Air Quality Monitoring and Analysis (Rule 62-212.400(5)(f), F.A.C.): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
7. Ambient Impact Analysis (Rule 62-212.400(5)(d), F.A.C.): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
8. Air Quality Impact since 1977 (Rule 62-212.400(5)(h)5., F.A.C.): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
9. Additional Impact Analyses (Rules 62-212.400(5)(e)1. and 62-212.500(4)(e), F.A.C.): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
10. Alternative Analysis Requirement (Rule 62-212.500(4)(g), F.A.C.): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable

FACILITY INFORMATION

Additional Requirements for FESOP Applications

1. List of Exempt Emissions Units (Rule 62-210.300(3)(a) or (b)1., F.A.C.):
 Attached, Document ID: _____ Not Applicable (no exempt units at facility)

Additional Requirements for Title V Air Operation Permit Applications

1. List of Insignificant Activities (Required for initial/renewal applications only):
 Attached, Document ID: _____ Not Applicable (revision application)

2. Identification of Applicable Requirements (Required for initial/renewal applications, and for revision applications if this information would be changed as a result of the revision being sought):
 Attached, Document ID: _____
 Not Applicable (revision application with no change in applicable requirements)

3. Compliance Report and Plan (Required for all initial/revision/renewal applications):
 Attached, Document ID: _____
Note: A compliance plan must be submitted for each emissions unit that is not in compliance with all applicable requirements at the time of application and/or at any time during application processing. The department must be notified of any changes in compliance status during application processing.

4. List of Equipment/Activities Regulated under Title VI (If applicable, required for initial/renewal applications only):
 Attached, Document ID: _____
 Equipment/Activities On site but Not Required to be Individually Listed
 Not Applicable

5. Verification of Risk Management Plan Submission to EPA (If applicable, required for initial/renewal applications only) :
 Attached, Document ID: _____ Not Applicable

6. Requested Changes to Current Title V Air Operation Permit:
 Attached, Document ID: _____ Not Applicable

Additional Requirements Comment

No items have been checked on this page since this is an application for a construction permit and not an operating permit.

Emissions Unit Information

No DEP forms have been included with this application for the Emissions Units. A review of the Title V application dated June 2001 indicated that there were DEP forms included for five Emissions Units at the McDavid Mill. Upon reviewing the information that was contained in the Emissions Unit Information Sections 1 through 5 it was concluded that none of the information that is currently in the forms will change as a result of the proposed project addressed by this application.

Since no information is changing in these forms it was concluded that there would be no need to resubmit the Emissions Unit Information forms. This approach was discussed with the FDEP's Northwest District and approval was granted to proceed in this manner (telephone conversation between Barry Andrews (RTP Environmental Associates) and Kevin White (FDEP) on July 14, 2004).

APPENDIX B

Attachments to FDEP Application Forms

PRECAUTIONS TO PREVENT EMISSIONS OF UNCONFINED PARTICULATE MATTER

Unconfined particulate matter emissions that may result from McDavid Sawmill operations include:

- Vehicular traffic on paved and unpaved roads.
- Wind-blown dust from yard areas.
- Periodic abrasive blasting.

The following techniques may be used to control unconfined particulate matter emissions on an as needed basis:

- Chemical or water application to:
 - ◆ Paved yard areas
 - ◆ Unpaved yard areas
- Paving and maintenance of roads, parking areas and yards.
- Landscaping or planting of vegetation.
- Confining abrasive blasting where possible.
- Other techniques, as necessary

LIST OF PROPOSED INSIGNIFICANT ACTIVITIES

1. Internal combustion engines in boats, aircraft and vehicles used for transportation of passengers or freight.
2. Vacuum pumps in laboratory operations.
3. Equipment used for steam cleaning.
4. Belt or drum sanders having a total sanding surface of five square feet or less and other equipment used exclusively on wood or plastics or their products having a density of 20 pounds per cubic foot or more.
5. Equipment used exclusively for space heating, other than boilers.
6. Laboratory equipment used exclusively for chemical or physical analyses.
7. Brazing, soldering or welding equipment.
8. One or more emergency generators located within a single facility provided:
 - a. None of the emergency generators is subject to the Federal Acid Rain Program; and
 - b. Total fuel consumption by all such emergency generators within the facility is limited to 32,000 gallons per year of diesel fuel, 4,000 gallons per year of gasoline, 4.4 million standard cubic feet per year of natural gas or propane, or an equivalent prorated amount if multiple fuels are used.
9. One or more heating units, general purpose internal combustion engines, or other combustion devices, all of which are located within a single facility, are not listed elsewhere in Rule 62-210.300(3)(a), F.A.C., and are not pollution control devices, provided:
 - a. None of the heating units, general purpose internal combustion engines, or other combustion devices that would be exempted is subject to the Federal Acid Rain Program;
 - b. Total fuel consumption by all such heating units, general purpose internal combustion engines, and other combustion devices that would be exempted is limited to 32,000 gallons per year of diesel fuel, 4,000 gallons per year of gasoline, 4.4 million standard cubic feet per year of natural gas or propane, or an equivalent prorated amount if multiple fuels are used; and
 - c. Fuel for the heating units, general purpose internal combustion engines, and other combustion devices that would be exempted is limited to natural gas, diesel fuel, gasoline and propane.
10. Fire and safety equipment.

LIST OF PROPOSED INSIGNIFICANT ACTIVITIES

11. Surface coating operations within a single facility if the total quantity of coatings containing greater than 5.0 percent VOCs, by volume, used is 6.0 gallons per day or less, averaged monthly, provided:
 - a. Such operations are not subject to a volatile organic compound Reasonably Available Control Technology (RACT) requirement of Chapter 62-296, F.A.C.; and
 - b. The amount of coatings used shall include any solvents and thinners used in the process including those used for cleanup.
12. Surface coating operations utilizing only coatings containing 5.0 percent or less VOCs, by volume.
13. Degreasing units using heavier-than-air vapors exclusively, except any such unit using or emitting any substance classified as a hazardous air pollutant.
14. Petroleum lubrication systems.
15. Application of fungicide, herbicide, or pesticide.
16. Non-halogenated solvent storage and cleaning operations, provided the solvents contain none of the hazardous air pollutants listed at Rule 62-210.200, F.A.C.
17. Vehicle refueling operations and associated fuel storage.
18. Storage tanks less than 250 gallons.
19. General plant maintenance shop activities including, but not limited to, welding, grinding, general vehicle repair (excluding air-conditioning systems), welding rod heaters, saw blade grinding and sharpening, and babbitt metal alloy melting pots.
20. Water treatment equipment
21. Any emission unit or activity that would:
 - a. Not be subject to any unit-specific applicable requirement.
 - b. Neither emit nor have the potential to emit:
 - (i) 500 pounds per year or more of lead and lead compounds expressed as lead;
 - (ii) 1,000 pounds per year or more of any hazardous air pollutant;
 - (iii) 2,500 pounds per year or more of total hazardous air pollutants; or
 - (iv) 5.0 tons per year or more of any other regulated pollutant.

APPENDIX C

Correspondence Between International Paper and FDEP

Letter to Blair F. Burleson, P.E. (FDEP) dated March 9, 2004

Letter to Blair F. Burleson, P.E. (FDEP) dated March 12, 2004

Letter to Dearl Hilyer (IP) dated March 26, 2004

Letter to Kevin White, P.E. (FDEP) dated April 23, 2004

McDavid Lumbermill
401 Champion Drive
McDavid, FL 32568

March 9,2004

**Mr. Blair F. Burleson, P.E.
Air Resources Management
Department of Environmental Protection
160 Governmental Center
Pensacola Fl. 32502-5794**

**RE: International Paper-McDavid Lumbermill
Install Log Singulator**

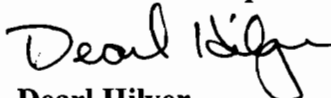
Dear Mr. Burleson

Please allow this memo to serve as notification that the McDavid Lumbermill of International Paper is in the planning stages of installing a log singulator.

The objective of this project is to replace the north chain unscrambler with a new 6 Stage Log Singulator. The existing unscrambler has had numerous repairs and is a source of production loss due to not being able to supply the mill with logs at a constant rate. This project will allow the mill to maintain a constant log gap, which will result in more though put through the mill. The results will be a production improvement of 2,051 MBF (that would have been lost). The production improvement will increase our VOC's at the kilns by 2.92 tons. In 2003 our total tons of VOC's were 245.73 this would put us at a total of 248.65 for 2004.

Please review and respond to the above information at your earliest convenience. As always IP appreciates your cooperation. Should there be any questions, please contact Dearl Hilyer at (850) 587-1084.

**Sincerely,
International Paper**



**Dearl Hilyer
Site EHS Manager**

McDavid Lumbermill
401 Champion Drive
McDavid, FL 32568

March 12,2004

**Mr. Blair F. Burluson, P.E.
Air Resources Management
Department of Environmental Protection
160 Governmental Center
Pensacola Fl. 32502-5794**

**RE: International Paper-McDavid Lumbermill
Gang Modifications**

Dear Mr. Burluson

Please allow this memo to serve as notification that the McDavid Lumbermill of International Paper is in the planning stages of modifying our gangs.

The objective of this project is to replace the pantograph arms, modify the out feed rolls on the curve sawing gang saws and install 2 vibrating conveyors.

The pantograph arm assembly is the original one that came with the curve sawing gangs. The arm assembly construction is tubular steel with the drive belts enclosed in the tubing. When the belts break and have to be changed, the entire assembly has to be dismantled. This project will replace the existing assembly with an updated pantograph system. The belts are not enclosed in a tubular frame but they are exposed for easier replacement.

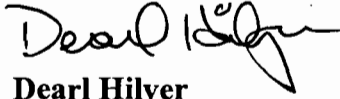
The existing out feed rolls are fixed and do not shift. The modification to the out feed will consist of installing shifting rolls so that the shims produced by the curve sawing gang can be diverted to the vibrating conveyor. Presently the shims cause cross ups and downtime at the out feed of the gang.

This project will increase production uptime by 0.5%. Increasing production uptime will allow the mill to met the proposed production budget.

The results will be a production improvement of 1,176 MBF (that would have been lost). The production improvement will increase our VOC's at the kilns by 1.67* tons. In 2004 our projected total tons of VOC's are 248.65* this would put us at a total of 250.32.

Please review and respond to the above information at your earliest convenience. As always IP appreciates your cooperation. Should there be any questions, please contact Dearl Hilyer at (850) 587-1084.

Sincerely,
International Paper



Dearl Hilyer
Site EHS Manager

Note * VOC Tons calculated using NCASI 2.84(lb/MBF)



Department of Environmental Protection

R

Jeb Bush
Governor

Northwest District
160 Governmental Center
Pensacola, Florida 32502-5794

Colleen M. Castille
Secretary

March 26, 2004

Dear Hilyer
International Paper McDavid Lumbermill
401 Champion Drive
McDavid, Florida 32568

Dear Mr. Hilyer:

This is in response to your March 9 and March 12 letters notifying the Department of International Paper's (IP) plans to modify the McDavid Lumbermill's gangs and replace the north chain unscrambler with a six-stage log singulator. The gangs modification project will consist of replacing the pantograph arms, modifying the out feed rolls on the curve sawing gang saws, and installing two vibrating conveyors.

It is the Department's understanding, per your letter, that the above mentioned modifications will result in production improvements or increased mill throughput, due to the current equipment causing operational downtime and maintenance problems. IP estimates that the proposed modifications will increase production by 3,227 MBF, which result in an increase in volatile organic compound (VOC) emissions at the kiln of 4.59 tons per year (TPY). IP estimates that this increase will increase facility-wide VOC emissions to 250.32 TPY, up from 245.73 TPY.

Although this facility was initially permitted (PSD-FL-271 / 0330260-001-AC) with potential VOC emissions of 326 TPY, the proposed projects will result in an increase in actual emissions or a modification (by definition, Rule 62-210.200(169), F.A.C.), which by State Rules 62-210.300(1)(a) and 62-213.400(2), F.A.C., requires an air construction (AC) permit. Because this facility is, in addition to Title V, a major source with respect to Prevention of Significant Deterioration (PSD), it is subject to the requirements of Rule 62-212.400, F.A.C. Therefore, IP must submit to the Department an AC application, which includes an evaluation of the net emissions increases and applicability of PSD review to the proposed projects. Be aware, if these proposed projects will result in debottlenecking of downstream equipment, all downstream emission increases must be included in the AC application and PSD evaluation.

If you have any questions, please contact Kevin White at 850/595-8364, extension 1226 or kevin.m.white@dep.state.fl.us.

Sincerely,

Sandra F. Veazcy
Air Program Administrator

SFV:kwc



401 CHAMPION DRIVE
MCDAVID FL 32558

April 23, 2004

Mr. Kevin White, P.E.
Air Resources Management
Department of Environmental Protection
160 Government Center
Pensacola, FL 32502-5794

**Re: International Paper-McDavid Lumber Mill
Install Log Singulator and Gang Saw Modifications**

Dear Mr. White:

On March 16, 2004 I spoke to you regarding International Paper's plans to install a log singulator and modify the gang saws at our McDavid Lumber Mill. This conversation was in reference to letters dated March 9 and March 12, 2004 that were sent to Mr. Blair Burleson to notify the department of these proposals to install the log singulator and modify the gang saws. FDEP responded to these requests in a letter dated March 26, 2004.

During our conversation you indicated that the projects proposed for the mill could require the need for a Prevention of Significant Deterioration (PSD) Review and suggested that I contact Mr. John Reynolds in the department's Tallahassee office. After speaking briefly to Mr. Reynolds about the situation I decided that I should obtain assistance from someone who was more familiar with the PSD program and contracted the assistance of one of our consultants, Mr. Barry Andrews (RTP Environmental Associates).

Upon reviewing the proposed projects and analyzing the history of operation, Mr. Andrews concluded that provisions contained in the PSD regulations would either exempt these projects from PSD review or allow for the projects to be evaluated on a potential to potential increase in emissions basis which would not result in a significant increase in emissions, thereby not triggering PSD review. The results of Mr. Andrews review were communicated in a telephone conversation held with Mr. Reynolds and representatives of International Paper on April 20, 2004. Mr. Reynolds agreed with Mr. Andrews that the unique circumstances pertaining to the mill and these projects would justify the projects to be permitted without PSD review. A summary of the findings that justify this exemption is provided below.

McDavid Lumber Mill Operation

The McDavid lumber mill, which was permitted as a new facility on September 9, 1999, was initially owned and operated by Champion International Corporation. International Paper subsequently acquired the mill and the permit was transferred to International Paper on March 21, 2001. When initially permitted the mill was subject to PSD review and the quantity of lumber processed through the kilns (all kilns combined) was limited to 225 million board feet per any consecutive 12-month period. The potential to emit VOC associated with this production level from all kilns combined is estimated to be 319.5 tons per year, which causes the mill to be classified as a major source in accordance with the PSD regulations.

Mr. Kevin White, P.E.

April 23, 2004

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Nature of Proposed Modifications

As indicated in the March 9 and March 12, 2004 letters, the primary reason for the proposed log singulator and gang saw projects is to reduce the amount of downtime that is currently experienced at the mill. Since the mill is essentially a new facility, both projects are proposed with the intent of allowing the mill to operate at its design capacity and not to increase production beyond original design levels.

Although the mill was new when acquired from Champion International, it has been International Paper's experience that the much of the equipment used to process lumber was designed such that repairs require substantial downtime or have resulted in the need for frequent repairs, which have decreased the production of lumber below anticipated levels. International Paper's intention with the proposed projects is to replace existing equipment with equipment that is common to mills that were originally designed by International Paper. As this is the case, the equipment replacement can be viewed as being more of a "like-kind" replacement rather than equipment replacement that would serve to increase production capacity. This ongoing process of identifying and fixing problems with the original mill design is reflected in the continuous ramping up of the annual production rate since the mill began operation in January 2001. At the end of the initial 12-month operating period the cumulative production rate dried in the kilns was approximately 88 million board feet. This increased to 154 million board feet by the end of 2002 and to 173 million board feet by the end of 2003. The production has continued to increase during the first quarter of 2004. The 3-month production rate through the kilns was approximately 50 million board feet. Assuming this level could be maintained throughout the year the cumulative production rate for the 12-month period would be approximately 200 million board feet. This demonstrates that since beginning operation in January 2001 the production level has steadily increased and will continue to increase until reaching the permitted level of 225 million board feet.

Findings

A review of the PSD regulations indicates that the provisions clearly would allow for the projects proposed for the McDavid mill to be exempt from PSD review. Specifically, the review indicated that given the unique circumstances associated with the McDavid mill the projects would be exempt for any of the following reasons.

1. The facility had already been subject to PSD review in 1999.
2. The modifications proposed could be considered to be a "like-kind" replacement and be addressed by the routine maintenance, repair and replacement exclusion.
3. The facility has not yet reached the level of production since beginning operation that would be considered to be representative of normal operation.

Of the reasons stated above that would exempt the proposed projects from PSD review the data would clearly indicate that since the production level at the mill has steadily increased since beginning operation in January 2001, that the level of production that is considered to be representative of normal operation has not been reached. This becomes an important factor since the PSD regulations have provisions to allow the use of current potential to emit as compared to future potential to emit to determine if a significant increase in emissions has occurred.

Mr. Kevin White, P.E.

April 23, 2004

Page 2

Paragraph (11) of Section 200 of Chapter 62-210, F.A.C. provides the definition of actual emissions as follows:

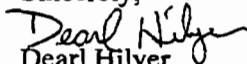
(11) "Actual Emissions" – The actual rate of emission of a pollutant from an emissions unit as determined in accordance with the following provisions:

- (a) In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the emissions unit actually emitted the pollutant during a two year period which proceeds the particular date and which is representative of the normal operation of an emissions unit. The Department may allow the use of a different time period upon a determination that is more representative of the normal operation of the emissions unit. Actual emissions shall be calculated using the emissions unit's actual operating hours, production rates and types of materials processed, stored, or combusted during the selected time period.*
- (b) The Department may presume that the unit-specific allowable emissions for an emissions unit are equivalent to the actual emissions of the emissions unit provided that, for any regulated air pollutant, such unit-specific allowable emission limits are federally enforceable.*

In view of the definition of "Actual Emissions" provided above, and the unique circumstances outlined in this letter, the Department clearly has justification for considering the proposed projects to be evaluated using the unit-specific (kilns) allowable emissions as being equivalent to the actual emissions of the emissions unit. The actual emissions for the kilns (all kilns combined) would then become the permitted and federally enforceable emissions limit of 319.5 tons per year. Since there is no intention to operate the McDavid mill above the 225 million board feet level during any consecutive 12-month period the future potential to emit would also be 319.5 tons per year, resulting in no net emissions increase. The proposed projects would then be clearly exempt from PSD review and there would also be justification for approving the project without the need to modify the current Title V permit (i.e., there are no permit conditions in the current Title V permit that would need to be modified to accommodate the proposed projects)

This concludes our response to FDEP's March 26, 2004 letter. If you have any questions or need additional information please contact me at (850) 587-1084.

Sincerely,


Dearl Hilyer,
Site EHS Manager

cc: Mr. John Reynolds, FDEP Tallahassee Office