North Florida Shipyards, Inc.
Ship Construction and Repair Facility
Facility ID No.: 0310231
Duval County

Title V Air Operation Permit Renewal
PROPOSED Title V Operation Permit No.: 0310231-003-AV

PERMITTING & COMPLIANCE AUTHORITY:
ENVIRONMENTAL RESOURCE MANAGEMENT DEPARTMENT
ENVIRONMENTAL QUALITY DIVISION
117 WEST DUVAL STREET, SUITE 225
JACKSONVILLE, FL 32202
TELEPHONE: (904) 630-4900
FAX: (904) 630-3638

Title V Air Operation Permit Renewal
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Permittee:
North Florida Shipyards, Inc.
P.O. Box 3255
Jacksonville, FL 32206

PROPOSED Permit No.: 0310231-003-AV
Facility ID No.: 0310231
SIC Nos.: 37
Project: Title V Air Operation Permit Renewal

The purpose of this permit is to renew the Title V Air Operation Permit. This existing facility is located at the Foot of East Adams Street, Jacksonville, Duval County, FL; UTM Coordinates: Zone 17, 439.6 km East and 3354.1 km North; Latitude: 30º 19' 16" North and Longitude: 81º 37' 42" West.

This Title V Air Operation Permit Renewal is issued under the provisions of Chapter 403, Florida Statutes (FS), and Florida Administrative Code (FAC) Chapters 62-4, 62-210 and 62-213. The above named permittee is hereby authorized to operate the facility shown on the application and approved drawing(s), plans, and other documents, attached hereto or on file with the permitting authority, in accordance with the terms and conditions of this permit.

Referenced attachments made a part of this permit:

Appendix B-1, 40 CFR 63 Subpart II: Tables 1., 2., & 3., and Appendix A
Appendix I-1, List of Insignificant Emissions Units and/or Activities
Appendix TV-6, Title V Conditions version dated 06/23/06

Effective Date:
Renewal Application Due Date: December 1, 2011
Expiration Date: May 31, 2012

Environmental Resource Management Department
Environmental Quality Division

_____
Ebenezer S. Gujjarlapudi, P.E.
Director

EG/RR/rdr

Section I. Facility Information.

Subsection A. Facility Description.

This facility is a full service ship repair and conversion operation. The facility operations include abrasive blasting, surface coating of ships and parts, steel work, machinery, electrical and piping work. Ships at this facility may also contract for services directly with independent contractors.

Also included in this permit are miscellaneous insignificant emissions units and/or activities.

Based on the Title V Operation Permit Renewal application received April 11, 2007, this facility is a major source of hazardous air pollutants (HAPs).

Subsection B. Summary of Emissions Unit ID No(s). and Brief Description(s).

E.U. ID No.	Brief Description
001	Abrasive Blasting of Marine Vessels
002	Abrasive Blast Storage Silos
005	Paint Spray Booth and Surface Coating Operations

Note: Please reference the Permit No., Facility ID No., and appropriate Emissions Unit(s) ID No(s). on all correspondence, test report submittals, applications, etc.

Subsection C. Relevant Documents.

The documents listed below are not a part of this permit; however, they are specifically related to this permitting action.

These documents are provided to the permittee for information purposes only:
Table 1-1, Summary of Air Pollutant Standards and Terms
Table 2-1, Summary of Compliance Requirements
Appendix A-1, Abbreviations, Acronyms, Citations, and Identification Numbers
Appendix H-1, Permit History
Appendix LR-1, Local Rule Index

These documents are on file with permitting authority:
Title V Air Operation Permit Renewal Application received April 11, 2007

Section II. Facility-wide Conditions.

The following conditions apply facility-wide:

1. Appendix TV-6, Title V Conditions, is a part of this permit.
   {Permitting note: Appendix TV-6, Title V Conditions, is distributed to the permittee only. Other persons requesting copies of these conditions shall be provided one copy when requested or otherwise appropriate.}

2. General Particulate Emission Limiting Standards. General Visible Emissions Standard.

Except for emissions units that are subject to a particulate matter or opacity limit set forth or established by rule and reflected by conditions in this permit, no person shall cause, let, permit, suffer or allow to be discharged into the atmosphere the emissions of air pollutants from any activity, the density of which is equal to or greater than that designated as Number 1 on the Ringelmann Chart (20 percent opacity) in accordance with Rule 62-296.320(4)(b)1., FAC, and Rule 2.1001, JEPB. EPA Method 9 is the method of compliance pursuant to Chapter 62-297, FAC, and Rule 2.1101, JEPB. Testing shall be required upon request of the Department.

3. Prevention of Accidental Releases (Section 112(r) of CAA).
   a. The permittee shall submit its Risk Management Plan (RMP) to the Chemical Emergency Preparedness and Prevention Office (CEPPO) RMP Reporting Center when, and if, such requirement becomes applicable; and
   b. The permittee shall submit to the permitting authority Title V certification forms or a compliance schedule in accordance with Rule 62-213.440(2), FAC.

   [40 CFR 68.]

4. General Pollutant Emission Limiting Standards. Volatile Organic Compounds (VOC) Emissions or Organic Solvents (OS) Emissions. The permittee shall allow no person to store, pump, handle, process, load, unload, or use in any installation, VOC or OS without applying known and existing vapor emission control devices or systems deemed necessary and ordered by the Department.
   [Rule 62-296.320(1)(a), FAC, and Rule 2.1001, JEPB]

5. Unconfined particulate matter emissions from yard operations, open stock piling of materials and/or materials handling operations shall be controlled by using the following reasonable precautions.
   - Reduced speed for vehicular traffic.
   - Use of liquid resinous adhesives or other liquid dust suppressants or wetting agents.
   - Use of paving or other asphaltic materials.
   - Removal of particulate matter from paved roads and/or other paved areas by vacuum cleaning or otherwise by wetting prior to sweeping.
   - Covering of trucks, trailers, front end loaders, and other vehicles or containers to prevent spillage of particulate matter during transport.
   - Use of mulch, hydro seeding, grassing, and/or other vegetative ground cover on barren areas to prevent or reduce particulate matter from being windblown.
   - Use of hoods, fans, filters, and similar equipment to contain, capture, and vent particulate matter.
   - Enclosures or covering of conveyor systems.

   [Rule 62-296.320(4)(c)2., FAC, and Rule 2.1001, JEPB]

6. Insignificant Emissions Units and/or Activities. Appendix I-1, List of Insignificant Emissions Units and/or Activities, is part of this permit.
   [Rules 62-213.440(1), 62-213.430(6), and 62-4.040(1)(b), FAC, and Rules 2.501 and 2.1301, JEPB]

7. Permittee shall notify the Department fifteen (15) days prior to Emissions Unit testing.
   [Rule 62-297.310(7)(a)9., FAC, and Rule 2.1101, JEPB]

8. Control equipment shall be provided with a method of access that is safe and readily accessible.
   [Rule 62-297.310(6), FAC, and Rule 2.1101, JEPB]

9. Testing of emissions shall be conducted with the Emissions Unit operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum operating rate allowed by the permit. If it is impracticable to test at permitted capacity, then Emissions Units may be tested at less capacity; in this case subsequent Emissions Unit operation is limited to 110 percent of the test load until a new test is conducted. Once the Emissions Unit is so limited, then operation at higher capacities is allowed for no more than 15

consecutive days for the purposes of additional compliance testing to regain the permitted capacity in the permit.
[Rule 62-297.310(2), FAC, and Rule 2.1101, JEPB]

10. Copies of the test report(s) shall be filed with the Department within forty-five (45) days of completion of testing.
[Rule 62-297.310(8)(b), FAC, and Rule 2.1101, JEPB]

11. All activities shall be performed as scheduled and recorded in accordance with all Operation and Maintenance Plans. Data shall be made available to the Department upon request. Records shall be maintained on file for a minimum period of five (5) years.
[Rule 62-4.070(3), FAC, and Rule 2.1301, JEPB]

12. When appropriate, any recording, monitoring or reporting requirements that are time-specific shall be in accordance with the effective date of the permit, which defines day one.
[Rule 62-213.440, FAC and Rule 2.501, JEPB]

13. The permittee shall submit all compliance related notifications and reports required of this permit to:

Environmental Resource Management Department
Environmental Quality Division
117 West Duval Street, Suite 225
Jacksonville, FL 32202
Telephone: (904) 630-4900
Fax: (904) 630-3638

14. Any reports, data, notifications, certifications, and requests required to be sent to the United States Environmental Protection Agency should be sent to:

United States Environmental Protection Agency
Region 4
Air, Pesticides & Toxics Management Division
Air & EPCRA Enforcement Branch, Air Enforcement Section
61 Forsyth Street
Atlanta, GA 30303-8960
Telephone: (404) 562-9155
Fax: (404) 562-9163

15. Statement of Compliance. The annual statement of compliance pursuant to Rule 62-213.440(3)(a)2., FAC, shall be submitted to the Department and EPA within 60 (sixty) days after the end of the calendar year using DEP Form No. 62-213.900(7), FAC. {Permitting Note: This condition implements the requirements of Rules 62-213.440(3)(a)2. & 3., F.A.C. (see Condition 51. of Appendix TV-6, Title V Conditions)}
[Rules 62-213.440(3) and 62-213.900, FAC, and Rule 2.501, JEPB]

16. Certification by Responsible Official (RO). In addition to the professional engineering certification required for applications by Rule 62-4.050(3), F.A.C., any application form, report, compliance statement, compliance plan and compliance schedule submitted pursuant to Chapter 62-213, F.A.C., shall contain a certification signed by a responsible official that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. Any responsible official who fails to submit any required information or who has submitted incorrect information shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary information or correct information.
[Rule 62-213.420(4), FAC., and Rule 2.501, JEPB]

17. Excess emissions resulting from startup, shutdown, or malfunction of any emission unit shall be permitted providing (1) best operational practices to minimize emissions are adhered to and (2) the duration of excess emissions shall be minimized but in no case exceed two hours in any 24 hour period unless specifically authorized by the Department for longer duration. Excess emissions which are caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure which may reasonably be prevented during startup, shutdown, or malfunction shall be prohibited. In the case of excess emissions resulting from malfunctions, each owner or operator shall notify the Permitting Authority in accordance with Rule 62-4.130, FAC and Rule 2.1301, JEPB. A full written report on the malfunctions shall be submitted to the Permitting Authority in a quarterly report, if requested by the Permitting Authority.
[Rule 62-210.700, FAC, and Rule 2.201, JEPB]

18. The permittee shall submit reports of any required monitoring at least every six (6) months. All instances of deviations from permit requirements must be clearly identified in such reports. The permittee shall report in accordance with the requirements of Rule 62-210.700(6), FAC, Rule 62-4.130, FAC, Rule 2.201, JEPB, and Rule 2.1301, JEPB, deviations from permit requirements, including those attributable to upset conditions as defined in the permit. Reports shall include the probable cause of such deviations, and any corrective actions or preventive measures taken. All reports shall be accompanied by a certification by a responsible official, pursuant to Rule 62-213.420(4), FAC, and Rule 2.501, JEPB. Unless otherwise specified in **a permit, rule, or order;** reports shall cover the period of January through June (report due on or before September 1) and July through December (report due on or before March 1).
[Rule 62-213.440(1)(b)3., FAC, and Rule 2.501, JEPB]

The following Facility-wide conditions are not federally enforceable

19. General Pollutant Emission Limiting Standards. Objectionable Odor Prohibited. The permittee shall not cause, suffer, allow, or permit the discharge of air pollutants which cause or contribute to an objectionable odor.
[Rule 62-296.320(2), FAC, and Rule 2.1001, JEPB]

20. The facility shall be subject to the City of Jacksonville Ordinance Code, Title X, Chapter 360 [Environmental Regulation], Chapter 362 [Air and Water Pollution], Chapter 376 [Odor Control], and JEPB Rule 1 [Final Rules with Respect to Organization, Procedure, and Practice].

21. The facility shall be subject to JEPB Rule 2, Parts I through VII, and Parts IX through XIII.

Section III. Emissions Unit(s) and Conditions.

Emissions Unit No. 001 - Abrasive Blasting of Marine Vessels

Emissions Unit Description - Selective abrasive blasting of metal areas of the ship which are rusting, corroding, or otherwise in need of repair.

Essential Potential to Emit Parameters

1. The maximum annual abrasive blast media usage shall be limited to 3,260 tons.
[Rule 62-210.200, FAC, and Rule 2.301, JEPB]

2. This emissions unit is allowed to operate continuously, i.e., 8,760 hours per year.
[Rule 62-210.200, FAC, and Rule 2.301, JEPB]

Emission Limitations and Standards

3. Unconfined particulate matter (PM) emissions shall be controlled by using reasonable precautions.
   [Rule 62-296.320(4)(c), FAC, and Rule 2.1001, JEPB]

Recordkeeping and Reporting Requirements

4. North Florida Shipyards, Inc. (NFSI) shall submit quarterly blasting reports to the EQD no later than the 20th day of the month following the end of each calendar quarter. This report shall contain the type and amount of blasting media used during this time period.
   [Rule 62-213.440(1)(b), FAC, and Rule 2.501, JEPB]

Reasonable Assurances

5. The following work practices shall constitute reasonable precautions for NFSI abrasive blasting and related activities:
   a. Wet blast, or black beauty in a wet, slurry constituency, will be used whenever operationally possible.
   b. All abrasive blast media transport containers, including hoppers for transfer of unused blast media, and trucks for the transport of spent blast media, shall be designed and maintained to eliminate spillage during on and off loading. During transportation from one point to another, the top of all containers/hoppers shall be covered to prevent spillage or blowing of the blast media.
   c. All blasting of miscellaneous components not fixed to a ship or barge and of a size compatible with an abrasive blast booth, and where operationally and economically feasible, shall be carried out in an abrasive blast booth. Emissions from an abrasive blast booth shall not exceed five (5) percent opacity.
   d. During blasting of the inside of ship tanks, the air withdrawn from the tanks, along with entrained PM, should be ducted to appropriately designed air pollution control devices. Pollution control devices shall be maintained in service at all times of blasting. Emissions from such devices shall not exceed five (5) percent opacity.

   [Rule 62-4.070(3), FAC, and Rule 2.1301, JEPB]

Emissions Unit No. 002 - Abrasive Blast Storage Silos

Emissions Unit Description - Several silos are used for storage of blast media. Each silo has an exhaust vent pipe for pneumatic filling. During pneumatic filling, a mobile dust collector is connected to the vent for control of PM emissions.

Essential Potential to Emit Parameters

1. The maximum annual abrasive blast media usage shall be limited to 3,260 tons.
   [Rule 62-210.200, FAC, and Rule 2.301, JEPB]

2. This emissions unit is allowed to operate continuously, i.e., 8,760 hours per year.
   [Rule 62-210.200, FAC, and Rule 2.301, JEPB]

Emission Limitations and Standards

3. Visible emissions (VE) shall not exceed five (5) percent opacity.
   [Rule 62-296.711(2)(a), FAC, and Rule 2.1001, JEPB]

4. NFSI abrasive blast silos shall be equipped with a control device, through which all displaced air and entrained PM shall be ducted. At no time shall abrasive blast media be loaded into a storage silo without a

control device affixed to the displaced air vent. These conditions shall also apply to subcontractors of NFSI or Vessel Owners performing abrasive blasting operations.
[Rule 62-296.711, FAC, and Rule 2.1001, JEPB]

5. PM emissions from railroad car unloading facilities at NFSI shall comply with the provisions of Reasonably Available Control Technology (RACT) standards.
[Rule 62-296.711(2)(a), FAC, and Rule 2.1001, JEPB]

Test Methods and Procedures

6. Testing for demonstration of compliance shall be performed in accordance with EPA Reference Method 9 (as described in 40 CFR 60, Appendix A) for the visual determination of opacity.
[Rule 62-296.711(3), FAC, and Rule 2.1001, JEPB]

7. VE shall be tested at intervals of twelve (12) months from the date of December 1, 2006.

Emissions Unit No. 005 - Paint Spray Booth and Surface Coating Operations

Emissions Unit Description - Coatings are applied by spray and direct application to marine vessels and parts.

Essential Potential to Emit (PTE) Parameters

1. This emissions unit is allowed to operate continuously, i.e., 8,760 hours per year.
[Rule 62-210.200, FAC, and Rule 2.301, JEPB]

2. Surface coatings applied shall not exceed 21,700 gallons per year.
[Rule 62-210.200, FAC, and Rule 2.301, JEPB]

Emission Limitations and Standards

3. NFSI shall comply with the provisions of 40 CFR 63, Subpart II - National Emission Standards for Shipbuilding and Ship Repair (Surface Coating), and 40 CFR 63, Subpart A - General Provision (as described in Table 1 to Subpart II of Part 63 - General Provisions of Applicability to Subpart II).

4. The application of any surface coatings at a shipbuilding or repair facility shall not exceed volatile organic hazardous air pollutants (VOHAP) contents, as applied, pursuant to Table 2 to Subpart II of Part 63 - Volatile Organic HAP (VOHAP) Limits for Marine Coatings.
[40 CFR 63.783, Rule 62-204.800, FAC, and Rule 2.201, JEPB]

5. Surface coatings applied to miscellaneous metal parts and products other than the exterior of a marine vessel shall not exceed a maximum VOC content of 3.5 pounds per gallon, excluding water. Surface coatings applied to the exterior of a marine vessel are exempt from any RACT VOC content limitation.
[Rules 62-296.513(1)(b)10., and 62-296.513(2)(a)2.FAC, and Rule 2.1001, JEPB]

Test Methods and Procedures

6. Testing for demonstration of compliance, upon request, shall be performed in accordance with EPA Reference Method 24 (as described in 40 CFR 60, Appendix A) for VOC.
   [40 CFR 63.786, Rule 62-204.800, FAC, and Rule 2.201, JEPB]

7. Certification of VOC content for each batch of as-supplied coating shall be documented in accordance with Appendix A to Subpart II of Part 63 – VOC Data Sheet, or alternate format, provided the form includes all required data. This form may be submitted for demonstration of compliance with approval by the Department.

Monitoring of Operations

8. NFSI shall comply with the compliance procedure provisions in accordance with 40 CFR 63.785.

Recordkeeping and Reporting Requirements

9. Records shall be compiled on a monthly basis in accordance with 40 CFR 63.788 for all surface coating operations for the following:
   a. Volume of each low-usage exempt coating
   b. Identification of the coatings used, coating category and applicable VOHAP limit
   c. Certification of as-supplied VOC content of each batch of coating or the results of EPA RM 24
   d. Determination of whether containers meet standards

   Records shall be maintained for a minimum of five (5) years and made available to the Department upon request.
   [Rule 62-213.440(1)(b), FAC, and Rule 2.501, JEPB]

10. A report in accordance with 40 CFR 63.788(c), shall be submitted to the Department before the 60th day following completion of each 6-month period after the effective date of this permit.