

the registration desk outside the reserved room the day of the roundtable.

### Background

As hazardous waste facilities are sited and permitted, local communities often have a variety of legitimate concerns involving perceived and/or real changes in their quality of life (i.e., cultural/social, economic, location, and nuisance concerns). Quality of life concerns encompass a broad array of issues from those that are human health and environmental in nature, to those concerns which are primarily social or economic. Issues regarding human health and the environment should be considered as part of the permitting process for RCRA facilities. However, many of the community quality of life concerns, such as those of a social or economic nature, fall outside of the scope of RCRA and may not be covered by state laws and regulations.

The EPA has developed a draft brochure intended to be used as a vehicle to increase the awareness of community quality of life issues and concerns when dealing with facility siting and operational issues. This brochure will be the subject of roundtable discussions planned for July 27, 1999. The panel will be composed of individuals from State, Tribal, and Local governments/agencies, environmental justice communities, industry, environmental advocacy groups, and other federal agencies with experience in many aspects of facility siting (for example, land use planning, permitting, community outreach, and environmental justice concerns).

To have the most effective discussions, EPA will limit participation in the roundtable panel to invited panel members. However, EPA will provide one brief designated time slot for the general public to provide comments as time allows. EPA will try to accommodate as many requests as possible.

Information concerning this roundtable, including the draft brochure, agenda, and background information will be available, in limited quantities, at the registration desk the day of the roundtable.

Dated: June 28, 1999.

**Elizabeth A. Cotsworth,**

*Acting Director, Office of Solid Waste.*

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## ENVIRONMENTAL PROTECTION AGENCY

[FRL-6375-6]

### Notice of Availability of the Project XL Proposed

#### Final Project Agreement: Imation Corp., Camarillo, CA Plant

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of availability.

**SUMMARY:** The EPA is proposing to implement a project under the Project XL program for the Imation Corp. facility in Camarillo, CA (hereafter "Imation"). The terms of the project are defined in a proposed Final Project Agreement (FPA) which is being made available for public review and comment by this document. EPA is requesting comment on the proposed FPA and the Imation XL Project generally.

**DATES:** Public comments on this document are requested and must be received on or before August 12, 1999.

**ADDRESSES:** Comments. Written comments should be submitted in duplicate to: David Albright, Permits Office (AIR-3), Air Division, US Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901. Comments may also be faxed to Mr. Albright at (415) 744-1076. Comments may also be sent via electronic mail to: albright.david@epa.gov.

**FOR FURTHER INFORMATION CONTACT:** To obtain a copy of the proposed Final Project Agreement contact: David Albright, Permits Office (AIR-3), Air Division, US Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901, (415) 744-1627 or Daniel Reich, Office of Regional Counsel (RC-2-2), US Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901, (415) 744-1343. The proposed FPA and related documents are also available on the world wide web at the following location: <http://www.epa.gov/ProjectXL>. Copies of the proposed Final Project Agreement are also available for inspection at the following location: Ventura County Air Pollution Control District, 669 County Square Drive, Ventura, CA. To be included on the Imation Project XL mailing list about future public meetings, XL progress reports, and other mailings from Imation on the XL project, contact Mr. Thomas Ferguson, Plant Manager, at (805) 482-1911, 350 S. Lewis Road, Camarillo, CA

93012. For information on all other aspects of the XL Program contact Christopher Knopes at the following address: Office of Reinvention, United States Environmental Protection Agency, 401 M Street, SW Room M3802 (Mail Code 1802), Washington, DC 20460. Additional information on Project XL, including documents referenced in this notice, other EPA policy documents related to Project XL, regional XL contacts, application information, and descriptions of existing XL projects and proposals, is available via the world wide web at <http://www.epa.gov/ProjectXL>.

#### SUPPLEMENTARY INFORMATION:

Outline of this Document

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##### III. Other Requirements

#### I. Background

##### A. Overview of Project XL

EPA is proposing to implement a project developed under Project XL, an important EPA initiative to allow regulated entities to achieve better environmental results at less cost. Project XL—for "eXcellence and Leadership"—was announced on March 16, 1995, as a central part of the National Performance Review's and EPA's effort to reinvent environmental protection. See 60 FR 27282 (May 23, 1995). In addition, on April 22, 1997, EPA modified its guidance on Project XL, solicited new XL proposals, clarified EPA definitions, and described changes intended to bring greater efficiency to the process of developing XL projects. See 62 FR 19872 (April 22, 1997). Project XL provides a limited number of private and public regulated entities an opportunity to develop their own pilot projects to provide regulatory flexibility that will result in environmental protection that is superior to what would be achieved through compliance with current and reasonably anticipated future regulations. These efforts are crucial to

the Agency's ability to test new regulatory strategies that reduce regulatory burden and promote economic growth while achieving better environmental and public health protection. The Agency intends to evaluate the results of this and other Project XL projects to determine which specific elements of the project, if any, should be more broadly applied to other regulated entities to the benefit of both the economy and the environment.

In Project XL, participants in four categories—facilities, industry sectors, governmental agencies and communities—are offered the flexibility to develop common sense, cost-effective strategies that will replace or modify specific regulatory requirements, on the condition that they produce and demonstrate superior environmental performance. To participate in Project XL, applicants must develop alternative pollution reduction strategies pursuant to eight criteria—superior environmental performance; cost savings and paperwork reduction; local stakeholder involvement and support; test of an innovative strategy; transferability; feasibility; identification of monitoring, reporting and evaluation methods; and avoidance of shifting risk burden. They must have full support of affected Federal, state and tribal agencies to be selected.

The XL program is intended to allow EPA to experiment with untried, potentially promising regulatory approaches, both to assess whether they provide benefits at the specific facility affected, and whether they should be considered for wider application. Such pilot projects allow EPA to proceed more quickly than would be required to undertake changes on a nationwide basis. As part of this experimentation, EPA may try out approaches or legal interpretations that depart from or are even inconsistent with longstanding Agency practice, so long as those interpretations are within the broad range of discretion enjoyed by the Agency in interpreting statutes that it implements. EPA may also modify rules that represent one of several possible policy approaches within a more general statutory directive, so long as the alternative being used is permissible under the statute.

Adoption of such alternative approaches or interpretations in the context of a given XL project does not, however, signal EPA's willingness to adopt that interpretation as a general matter, or even in the context of other XL projects. It would be inconsistent with the forward-looking nature of these pilot projects to adopt such innovative approaches prematurely on a

widespread basis without first finding out whether or not they are viable in practice and successful in the particular projects that embody them. Furthermore, as EPA indicated in announcing the XL program, the Agency expects to adopt only a limited number of carefully selected projects. These pilot projects are not intended to be a means for piecemeal revision of entire programs. Depending on the results in these projects, EPA may or may not be willing to consider adopting the alternative interpretation again, either generally or for other specific facilities.

EPA believes that adopting alternative policy approaches and interpretations, on a limited, site-specific basis and in connection with a carefully selected pilot project, is consistent with the expectations of Congress about EPA's role in implementing the environmental statutes (so long as the Agency acts within the discretion allowed by the statute). Congress' recognition that there is a need for experimentation and research, as well as ongoing reevaluation of environmental programs, is reflected in a variety of statutory provisions, such as sections 101(b) and 103 of the Clean Air Act. In some cases, as in this XL project, such experimentation requires an alternative regulatory approach that, while permissible under the statute, was not the one adopted by EPA historically or for general purposes.

## *B. Overview of the Imation XL Project*

### *1. Introduction*

In today's action, the Agency is soliciting comment on the Project XL proposed Final Project Agreement (FPA) that has been developed by the Imation XL stakeholder group, namely Imation, EPA, California Air Resources Board (CARB), Ventura County Air Pollution Control District (VCAPCD), and community representatives. Several Ventura County organizations offered valuable input and support during the development of this project, including the Environmental Coalition, the American Lung Association, and the Ventura County Economic Development Association. The proposed FPA and related public documents are available from EPA Region IX, Ventura County Air Pollution Control District and on the world wide web as described above in this preamble. In addition, EPA is today making available, for informational purposes only, a pre-draft title V permit for the Imation Camarillo facility and a draft site-specific revision to the California State Implementation Plan (SIP) for the Imation XL Project.

The Ventura County Air Pollution Control District is conducting the official comment period for the draft title V permit, and will initiate its 30-day public comment period at a later date. The draft site-specific SIP revision will be the subject of a Ventura County APCD Board Advisory Committee meeting on June 22, 1999 and a Board hearing on September 14, 1999. EPA will evaluate the proposed SIP revision after the District submits it for SIP approval, and after a period of public comment, will take final action on the proposed SIP. See additional discussion of the site-specific SIP revision and title V permit in sections II.D and II.E, respectively. Copies of these documents are also available with the proposed FPA as noted in the above section **FOR FURTHER INFORMATION CONTACT.**

The proposed FPA outlines how the project addresses the eight Project XL criteria, in particular how the project will produce, measure, monitor, report, and demonstrate superior environmental benefits. EPA seeks comment on the proposed FPA, in light of the criteria outlined in the Agency's May 23, 1995, **Federal Register** document (60 FR 27282) regarding Regulatory Reinvention (XL) Pilot Projects.<sup>1</sup> Those criteria are: (1) Environmental performance superior to what would be achieved through compliance with current and reasonably anticipated future regulations; (2) cost savings or economic opportunity, and/or decreased paperwork burden; (3) stakeholder support; (4) test of innovative strategies for achieving environmental results; (5) approaches that could be evaluated for future broader application; (6) technical and administrative feasibility; (7) mechanisms for monitoring, reporting, and evaluation; and (8) consistency with Executive Order 12898 on Environmental Justice (avoidance of shifting of risk burden).

### *2. Imation XL Project Description*

Imation Enterprises Corporation, a global technology company

<sup>1</sup> The Imation XL project was proposed, evaluated, and accepted based on the original criteria for XL projects outlined in the Agency's May 1995 document (60 FR 27282), including the requirements for demonstration of superior environmental performance. The Agency refined the Project XL criteria with its April 1997 document (62 FR 19872), and while the Agency believes that this project also meets the slightly modified criteria put forth in the April 1997 FR document, EPA is today seeking comment on the proposed FPA only with respect to the original criteria under which this project was initially accepted. This approach is consistent with the April 1997 FR document which states that for projects where FPAs are already being developed, the guidance contained in the document does not impose new requirements or procedures.

headquartered in Oakdale, Minnesota, was formed on July 1, 1996. Imation owns and operates the plant at 350 South Lewis Road in Camarillo, California, as part of its Data Storage and Information Management Division. The facility, which was operated by Minnesota Mining and Manufacturing Company (3M) between 1963 and 1996, currently employs approximately 550 people and is the world's largest manufacturer of magnetic data storage tape. The Camarillo facility has manufactured magnetic recording products since 1963. The plant's earliest magnetic recording products included audio and video tape, video tape recorders, and high-performance instrumentation recorders. By the early 1970's the plant's focus was converted from audible range tape to data storage tape. The success of personal computers, with a subsequent increase in the use of hard disk drives, increased the need for data storage tape—especially backup systems.

In pushing data storage tape technology to higher capacities and speeds, Imation Camarillo continues to develop and improve both tape media and cartridges. In addition, Imation works with data cartridge drive and tape head manufacturers to advance recording technologies. Imation Camarillo currently manufactures four standard product lines, with a number of new products currently in development. Their four product lines are mini cartridges storing up to 2 Gbytes of information, Travan™ cartridges which have up to 20 Gbytes capacity, data cartridges storing up to 50 Gbytes of information, and single reel cartridges for Digital Information Library systems in excess of 100 Gbytes.

Magnetic tape manufacturing is a high-technology operation that requires frequent changes to plant operations. Streamlining these plant changes will provide Imation Camarillo with the advantage of being able to make modifications without delay, respond to the fast-paced market conditions in the computer data tape industry, and bring their products to market faster. This is especially important to a company such as Imation that is dedicated to producing innovative products.

One of the principal goals of this XL project is to ensure that these frequent changes in operation can occur without lengthy project-by-project reviews, but in a manner that guarantees superior environmental performance. The existing preconstruction air permitting regulations that govern modifications at the facility, specifically the minor New Source Review (NSR) and major non-attainment NSR regulations, require that

most changes to Imation's manufacturing processes must be reviewed and approved in advance by the VCAPCD. Typically, the more changes that are made or the larger the change, the more time and resources are necessary for permit review. The complexity of the regulations requires a considerable effort by the facility as well as the regulators to prepare and review permit applications for process modifications.

Imation's XL project seeks to simplify the process of frequent facility modification by imposing an overall emissions cap of 150 tons per year (tpy) for volatile organic compounds (VOCs) and authorizing the facility, through a site-specific SIP revision and federally enforceable permit conditions, to carry out numerous types of modifications and new constructions without undergoing VCAPCD's major or minor NSR. In addition to the 150 tpy VOC emissions cap, Imation will ensure that these changes are carried out in a publicly transparent and environmentally protective manner by: (1) Conducting control technology assessments for proposed modifications and new constructions and applying additional control when necessary to achieve "best available control technology" (BACT) or "toxics best available control technology" (TBACT) limits; (2) using a state-of-the-art continuous emissions monitoring device for all VOC and HAP stack emissions; and (3) providing detailed monthly reports on facility emissions and operations that will be made readily available to the public.

The mechanism for authorizing Imation Camarillo to modify existing coating operations and construct new coating operations is through pre-approvals in their title V permit. Specifically, Imation's permit will pre-approve specific changes that would subject the facility to New Source Performance Standards (NSPS) at 40 CFR part 60, subparts SSS (Standards of Performance for Magnetic Tape Coating Facilities), VVV (Standards of Performance for Polymeric Coating of Supporting Substrates Facilities), RR (Standards of Performance for Pressure Sensitive Tape and Label Surface Coating Operations), TT (Standards of Performance for Metal Coil Surface Coating), and Kb (Standards of Performance for Volatile Organic Liquid Storage Vessels), a Maximum Achievable Control Technology (MACT) standard at 40 CFR part 63, subpart EE (National Emission Standards for Magnetic Tape Manufacturing Operations), and VCAPCD's SIP-approved Rules 71.2 (Storage of

Reactive Organic Compound Liquids) and 74.3 (Paper, Fabric, and Film Coating Operations).

Specific facility changes that would subject Imation to these standards and regulations are being written into the title V permit as alternative operating scenarios (AOSs). Imation's pre-draft title V permit contains AOSs for both equipment modifications and new equipment construction, but only as such modification or construction is subject to one or more of the standards and regulations noted above. Title V permit alternative operating scenarios typically provide permitted facilities some flexibility by allowing the facility to switch from one set of operating conditions (scenario) to another. A simple example is a facility switching from one type of fuel to another. AOSs may be written into title V permits provided the permit clearly identifies the different possible scenarios under which the facility can operate, and contains appropriate conditions to assure compliance with all requirements that apply to each scenario. Permitted facilities with AOSs are further required to maintain an on-site log and to record in the log, contemporaneously with any change in scenario, the permitted scenario under which they are operating.

EPA will ensure that the AOSs in Imation's title V permit meet these requirements. In Imation's pre-draft title V permit, the AOSs range in complexity from switching raw materials to constructing and operating new equipment. Use of AOSs in a title V permit as a means of pre-approving new equipment construction is one of the unique experimental aspects of this project. EPA believes that such advance approval is warranted on an experimental basis in this case because of the general similarity of the various potentially applicable standards, the unique operating conditions at the Imation Camarillo facility, and the ability to reasonably anticipate these pre-approved changes. See section II.E of this preamble for additional discussion of the use of AOSs in Imation's title V permit.

All of the federal and state standards addressed by Imation's pre-approvals regulate coating (and related) operations which emit VOCs and HAPs, and the pre-approved operations will be identical or very similar to the existing coating operations at the facility. As for the operation of the facility, Imation maintains the areas where VOC and HAP-emitting coating operations are conducted under a condition of total enclosure (100 percent capture of all organic compounds). These total

enclosures, which are vented to a highly-efficient solvent recovery unit (SRU), will allow Imation to conduct various types of coating and related activities in compliance with the VOC/HAP control standards of all relevant NSPS, MACT, and District standards. In addition, several continuous emissions monitoring systems (CEMS) are in place at the facility that will provide further assurance that existing and new operations at the facility are complying with all applicable standards. Any construction outside the existing total enclosures is required by the proposed permit to meet the same rigorous conditions now in place at the facility, including 100% capture of organic compounds within a permanent total enclosure, use of a minimum 95% efficient control device (either the existing SRU or another control device which provides this level of emissions control, such as a thermal or catalytic oxidizer), and continuous emissions monitoring.

### 3. Environmental Benefits

As noted above, EPA's initial FR document (May 23, 1995) describing the criteria for evaluating XL projects set forth a standard that projects chosen as XL pilots should be able to achieve environmental performance that is superior relative to what would have been achieved through compliance with otherwise applicable requirements. In April 1997, EPA refined its definition of superior environmental performance, adding a two-tiered test that project sponsors and the Agency need to consider when developing and evaluating potential XL pilot projects. Although the Imation XL project was proposed, evaluated, and accepted based on the original criteria for demonstration of superior environmental performance, the Agency believes that this project also meets the more refined definition put forth in the April 1997 FR document (62 FR 19873, April 23, 1997). This XL Project creates some significant environmental benefits that exceed the baseline of performance that would have reasonably occurred in the absence of the project.

Under this project, Imation must meet capture and control efficiencies for VOCs and HAPs that go beyond the requirements of the regulations to which they are subject. For all HAP and VOC emissions, Imation must meet the requirements of the magnetic tape manufacturing maximum achievable control technology (MACT) standard (See 40 CFR part 63, subpart EE), even though some facility operations are subject to less stringent standards. In addition, Imation must conduct BACT/

TBACT analyses for most emission-related changes at the facility and apply additional control if BACT/TBACT is determined to be more stringent than their existing control. This requirement could, for example, result in the installation of a thermal or catalytic oxidizer in order to provide even more stringent control technology for VOCs and HAPs than is required by the MACT standard.

Another requirement of the project is that Imation must use an advanced Extractive Fourier Transform Infrared (FTIR) Spectrometry Continuous Emission Monitoring System (CEMS) to monitor all coating-related stack emissions. An FTIR-CEMS allows the facility to speciate and quantify all organic emissions from the stack on a continuous basis. The capabilities of the FTIR-CEMS are well beyond those required by all applicable requirements, and the speciation provided by this equipment allows Imation to optimize the operation of the existing SRU. Moreover, the FTIR-CEMS requirement also applies to the monitoring of emissions from any new control device installed under this project, and its use in such cases would likewise optimize performance. The optimization of VOC and HAP control and destruction that results from use of an FTIR-CEMS translates directly into reduced emissions of these pollutants.

An additional, potential environmental benefit associated with this project involves some of the VOC emission reduction credits (ERCs) donated by Imation to the District. The District will either retire the ERCs or sell them to companies who have been screened according to their environmental track record. The environmental benefit would result from the reduction of VOC emissions represented by retiring the ERCs from the air, or from emission reductions associated with pollution control projects that the District plans to fund with any proceeds from the sale of these ERCs. The types of projects that would be funded with the ERC proceeds are likely to be ozone precursor reduction projects. As noted below, there will be a stakeholder group formed to assist the District in determining appropriate projects to fund with any ERC sale proceeds. The potential emissions reductions associated with retiring the ERCs or through funding of high priority pollution control projects with the ERC sale proceeds would provide an additional environmental benefit that would not be realized had Imation merely sold the credits themselves or otherwise used them for their own economic benefit.

Finally, EPA believes it is important to address the issue of superior environmental performance under this project given Imation's current VOC emission level (30 tpy) as compared to the maximum VOC emission level allowed under the terms of the FPA (150 tpy). First, current utilization of the Imation facility is well below historical utilization patterns, which suggests that VOC emissions of 30 tpy are not representative of normal facility operation. Imation is actually operating the facility at about 25–30 percent of its existing capacity, due to business and market considerations. Second, EPA has suggested in its most recent guidance on determining superior performance for XL Projects (62 FR 19872, April 22, 1997) that for projects which include new facilities that have not yet been built or expansion of existing facilities for additional production (as does this project), such determination needs to consider how the project compares to the level of performance representative of industry practice, instead of focusing on a benchmark of current environmental loadings. This acknowledges that economic growth and expansion can occur in an environmentally superior manner, when emissions from such expansion are stringently controlled, even if overall emissions do not decrease. Such is the case with this project, which although not resulting in a decrease in overall VOC emissions, will result in superior environmental performance for the reasons described above in this section, especially including the application of the most stringent VOC control technology to any expansion of the facility.

### 4. Stakeholder Involvement

The Imation XL project enhances the involvement of the community and other stakeholders in understanding and evaluating environmental impacts of the Imation Camarillo facility. As outlined in the FPA, an Imation XL Project Stakeholders Group will be formed to evaluate implementation of the XL project during the initial five-year term. Stakeholders will have a unique opportunity to participate in the ongoing evaluation of the XL project and to recommend necessary changes to the project. Evaluation by the Stakeholders Group is not limited to commenting on already implemented aspects of the XL project; it will also include commenting on the ongoing activities under the project. However, the Stakeholders Group is not established under the project for purposes of evaluating or determining the facility's compliance with legal

requirements, such as the enforceable terms and conditions of the facility's title V operating permit. Rather, assuring compliance with all legally enforceable requirements is the responsibility of the appropriate regulatory agencies, VCAPCD and EPA.

In addition to evaluating the implementation of the XL project, the Stakeholders Group serves as a critical link between the community, the regulatory agencies, and the facility. The Group will advise Imation on any local community concerns, provide feedback to the community on implementation of the project, and maintain an ongoing dialogue with Imation to ensure transparency of facility operations related to Project XL and continued superior environmental performance.

The Project Stakeholders Group will consist of five (5) to ten (10) members in total, including one representative each from EPA, VCAPCD, and Imation as well as other interested participants that represent a balance of interests among neighbors, nearby business owners, local environmental organizations or other nonprofit groups, academic institutions, members of the public health community, etc. All members will serve a 5-year term commencing at the time of FPA signing.

The entire Group will meet on at least an annual basis and may meet more frequently as warranted by project developments. During the annual meetings, presentations will be made by Imation on progress and results of the XL project to date. The meetings will be interactive with discussion of results and suggestions made by the Project Stakeholders Group.

The Project Stakeholders Group will prepare an annual report evaluating the implementation of the XL project. It is anticipated that the Stakeholders Group will, as part of its annual evaluation of the XL project, examine the monthly reports which have been submitted by the facility under the title V operating permit and review jointly with the facility any significant concerns. Other aspects of the annual review may include facility or regulatory agency reports and general Stakeholder Group discussion of some or all of the following topics: the applicability of any newly promulgated regulations; the results of the internal audit of the facility's Environmental Management System (EMS), including how the EMS has impacted environmental performance; implementation of the facility's title V permitted AOSs, including a review of the on-site AOS logs and the overall experience with the permitted mechanisms for implementing AOSs; and the Group's

satisfaction with the overall stakeholder process, including the availability of information pertinent to the XL Project. The Stakeholder Group's annual report will be made available to the public.

In addition to the Stakeholders Group, the general public may also have an interest in monitoring Imation's XL progress. This will be accomplished in several ways. First, the date and time of all Stakeholder Group meetings will be published in the newspaper at least two weeks in advance and these meetings will be open to all interested parties. Second, as a condition of the FPA and their proposed title V permit, Imation will provide EPA and the VCAPCD with a monthly report of facility operations that will also be made readily available to the public. The monthly report, whose specific content requirements are described in Imation's proposed title V permit, will include: (1) Actual/calculated air emissions of all regulated air pollutants for each month, with a 12-month rolling average of air emissions for each of the pollutants, and a comparison to the annual facility caps; (2) a description of any emission-related modifications to the facility that occurred over the past month, as well as any planned modifications for the upcoming two months; and (3) the results of any control technology analyses or tiered health risk assessments conducted as a result of proposed facility modifications. These monthly reports (as well as the annual reports) will be available for public review at the Ventura County Air Pollution Control District, in the Camarillo Public Library, and on the Internet. A contact name and number at Imation, EPA Region IX, and VCAPCD will be provided for answering any questions related to this XL project.

A second stakeholders group (the ERC Advisory Committee) has already been formed to advise on the distribution of some of the ERCs donated to the District by Imation. VCAPCD formed the ERC Advisory Committee to develop criteria to be used for determining the use of these ERCs. The criteria address the type of business/industry that will be allowed to purchase the ERCs (e.g., companies with good environmental track records). The Advisory Committee consists of local community members along with public officials and industry representatives in order to provide a balanced perspective. Another stakeholder group, likewise comprised of a balance of perspectives and interests (and including EPA as a participant), will participate in recommending to the VCAPCD Board measurable clean air projects to be

funded by the income generated as a result of the sale of the ERCs.

The stakeholder processes described above for project implementation represent a continuation of the opportunities for stakeholder involvement during development of the project. EPA expects that the signatories to the FPA will fully consider concerns and issues raised by all the stakeholders before reaching decisions on project changes.

Of course, elements of the stakeholder and general public participation process described here do not supersede any other public participation right, including but not limited to, District Hearing Board procedures for appealing permit decisions.

#### 5. Evaluation of the Project

As noted above in section I.B.4 (Stakeholder Involvement), this XL project will be reviewed annually to evaluate whether the project is meeting its objectives. At the conclusion of the initial five-year term of this project, a more comprehensive Project XL evaluation will examine the extent to which both short-term and long-term goals have been achieved. This evaluation will also examine the appropriateness and success of specific components of the project, such as the pollutant-specific plant-wide applicability limit (PAL) and emission cap levels, pre-approving new equipment under an alternative operating scenario, the capture and control efficiencies, the overall environmental benefit/pollution reduction, the reduction of compliance costs and burdens, the empowerment of local stakeholders and the level of community participation, any regulatory or policy flexibilities granted, and other elements of the XL project. The results of this review will help assess whether innovations piloted by this project are viable alternatives for other sources. It will also provide a basis for suggestions to improve the FPA and title V permit upon renewal, and the Agency's overall XL Program.

At the end of the FPA's five-year term, the Project Stakeholders Group will meet to evaluate the renewal of the Project, and the potential for transferability of the regulatory approaches it tests. At that time, the stakeholders will also review any necessary changes to the project.

## II. Clean Air Act Requirements

### A. Summary of Regulatory Requirements

Under this XL project, Imation will comply with all current and future

environmental standards to which its activities are subject. The one regulatory change that will be proposed for this project is a revision to the California State Implementation Plan (SIP). EPA will soon be proposing approval of a site-specific SIP revision for the Imation Camarillo facility. As noted above, a draft of the site-specific SIP revision is being made available by EPA today for informational purposes. The draft SIP revision proposes to establish an alternative approach that would ensure that new and modified emission sources at Imation would not be subject to the VCAPCD New Source Review (NSR) program, so long as Imation keeps its emissions within a source-wide cap. A key element of the draft SIP revision, and this XL project, is the authorization of a plant-wide applicability limit (PAL) for volatile organic compounds (VOCs). The VOC PAL, a voluntary VOC emissions cap accepted by Imation, is based on actual emissions and provides Imation with the flexibility to add and modify emissions units below the PAL level without triggering traditional new source review requirements. Additional details and requirements imposed under the draft site-specific SIP are described in section II.D of this preamble.

This project also involves an innovative part 70 permitting approach. Imation's pre-draft title V permit contains several pre-approved alternative operating scenarios (AOSs) for the construction of new process equipment and the modification of existing units. Specific AOSs pre-approve construction and modification that would subject the facility to a number of different New Source Performance Standards (NSPS), VCAPCD rules, and a Maximum Achievable Control Technology (MACT) standard. Imation's compliance with these multiple potentially applicable standards will be assured by their meeting the most stringent requirements of all of these standards for any equipment newly installed or modified under a pre-approved AOS. EPA and VCAPCD identified the most stringent requirements using a streamlining exercise, conducted in accordance with the guidelines of EPA's White Paper Number 2 for Improved Implementation of the part 70 Operating Permits Program (March 5, 1996). Imation's pre-draft title V permit both describes the reasonably anticipated alternative scenarios under which the facility is authorized to operate, and identifies the applicable requirements for each such scenario. As described in more detail in section II.C of this preamble, Imation's compliance with the most stringent

requirements identified in the streamlining assures compliance with all applicable requirements. EPA is today making the pre-draft title V permit available for informational purposes only.

#### *B. New Source Review Requirements*

The New Source Review (NSR) program is a preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Act. In areas not meeting health-based National Ambient Air Quality Standards (NAAQS) the program is implemented under the requirements of part D of title I of the Act for "nonattainment" NSR. The nonattainment NSR provisions of the Act are a combination of air quality planning and air pollution control technology program requirements for new and modified stationary sources. See section 173(a) of the Act. In addition, the Act contains certain other nonattainment NSR permitting requirements that supplement those in section 173. These supplemental nonattainment NSR requirements, which apply only in ozone nonattainment areas, vary in stringency according to the severity of the ozone nonattainment classification (e.g., marginal, moderate, serious, etc.). See section 182 of the Act.

The Imation Camarillo facility is a major stationary source located in an area that does not meet the ozone NAAQS and, thus, the facility is subject to the nonattainment NSR program under part D of title I of the Act. The area in which Imation is located is classified as severe nonattainment for ozone. Below, EPA describes how the proposed project at Imation Camarillo satisfies the statutory nonattainment NSR permitting requirements and the special rules for ozone nonattainment areas in sections 173(a) and 182, respectively, of the Act.

For existing major sources, the current regulations that implement the nonattainment NSR provisions of the Act restrict major NSR applicability to only "major modifications" at the source (i.e., physical or operational changes at the source that would result in a significant net emissions increase of any pollutant regulated by the Act). See 40 CFR 51.165(a)(1)(v). Typically, determinations of major NSR applicability are made using a case-by-case assessment of facility modifications. Modifications trigger major NSR if they result in a net emissions increase exceeding specified significance levels, determined on a pollutant-by-pollutant basis. In severe ozone nonattainment areas, major NSR

is triggered if the net emissions of volatile organic compounds (VOCs) increases by 25 tons, when aggregated with all other net increases in VOC emissions from the source over a period of 5 consecutive years. Increases in net emissions of VOC from a source, resulting from a physical or operational change, that total less than 25 tons, when aggregated over 5 years, are considered "de minimis." See section 182(c) of the Act.

As part of EPA's effort to streamline the often complicated assessment of major NSR permitting applicability, EPA proposed that plant-wide applicability limits (PALs) be allowed under certain conditions. See 61 FR 38249 (July 23, 1996) (Prevention of Significant Deterioration and Nonattainment New Source Review; Proposed Rule). A PAL is a "federally enforceable plant-wide emissions limitation established for a stationary source to limit the allowable emissions of a source to a level such that major NSR is not required for changes under the emissions limitation." *Id.* at 38264. EPA believes PALs, which must be established based on a facility's actual emissions, can offer facilities some flexibility by excluding changes at a facility from major NSR so long as the facility stays within its emissions cap.

The Imation XL Project involves an emissions cap for VOCs of 150 tpy (based on actual emissions from the Imation Camarillo facility) which is being treated like a PAL. Although Imation's current emissions are below 150 tpy, the definition of "actual emissions" at 40 CFR 51.165(a)(1)(xii) allows the reviewing authority (in this case, VCAPCD) to use a different time period for establishing a source's actual emissions than the most recent two-year period, upon determination that such period is more representative of normal source operation. VCAPCD determined, based on several years of underutilization of the Imation facility, that the 1991–1992 period is more representative of normal source operation. The Imation VOC PAL is thus being set at 150 tpy, a level that is lower than actual VOC emissions from the facility in the 1991–1992 period, when the facility emitted an average of 165 tpy of VOCs.

As EPA has proposed, generally, in its NSR Reform Proposal (see 61 FR 38258, July 23, 1996), major NSR will not be required for changes at Imation Camarillo that result in emissions less than the 150 tpy PAL. However, this XL Project has several other provisions that make the Imation PAL more protective of the environment than what would be required under EPA's proposed PAL

regulations. Most importantly, in addition to the emissions cap, all new and modified emissions units must apply California BACT. Accordingly, there is not only assurance that the plant is emitting less than the PAL requirement of 150 tpy overall, but also each emissions unit is subject to the same level of control technology that would be required under major NSR.<sup>2</sup> In addition, Imation has agreed to install TBACT on all new and modified emissions units where HAPs are emitted. Finally, regardless of the stringency of emissions control or the fact that VOC emissions will not exceed the PAL, Imation will not construct new emissions units or modify existing ones if such construction or modification would exceed a Ventura County APCD defined health risk level.

For this aspect of the XL project, EPA is interpreting the Clean Air Act to consider all changes made under the 150 tpy VOC PAL as de minimis. As noted above, CAA section 182(c)(6) provides that for severe nonattainment areas, any physical change in, or change in the method of operation of, a stationary source shall not be considered de minimis for purposes of determining the applicability of the permit requirements (major NSR permitting) unless the increase in net emissions of the air pollutant does not exceed 25 tons. For purposes of this XL project, EPA believes that changes at the Imation Camarillo facility (located in a severe ozone nonattainment area) that result in VOC emission increases below the PAL are not considered net emission increases; rather, a net emission increase will only occur at the facility if the VOC PAL of 150 tpy is exceeded. Because the 150 tpy VOC PAL is a condition of the permit, and assuming that Imation does not violate its permit by exceeding 150 tpy of VOC emissions, there will be no emissions changes that result in a net emissions increase. Therefore, pursuant to section 182(c)(6), all emissions changes below the PAL will be considered de minimis because they will never trigger the 25 ton limit for net emissions increases. In accordance with CAA section 182(c)(8), changes that result in de minimis increases from sources such as Imation, that have the potential to emit in excess of 100 tpy, are not subject to the nonattainment (major) new source review permitting requirements at section 173(a) of the Act.

Section 110(a)(2)(C) of the Act requires state programs to institute their

own preconstruction review program, generally referred to as "minor NSR." VCAPCD's NSR program (see VCAPCD Rule 26) requires new source review permitting for "any new, replacement, modified, or relocated emissions unit which would have a potential to emit any \* \* \* Reactive Organic Compounds."<sup>3</sup> Such permitting under Rule 26 would typically require BACT for any ROC emissions (no threshold) and offsets for ROC emissions from facilities with emissions over 5 tpy. In order to provide Imation flexibility with regard to Rule 26, VCAPCD will propose a source-specific SIP revision that will apply only to the operations at the Imation Camarillo facility. The source-specific SIP revision would exempt Imation from the requirements of Rule 26, but require the source to remain below the PAL of 150 tpy of ROC emissions, apply California BACT for facility modifications, and follow specified procedures for adding new equipment or modifying existing equipment. The requirements contained in the source-specific SIP revision, in conjunction with Imation's transfer of ROC emission reduction credits (ERCs) to the District, would assure that any new construction or equipment modification allowed under the source's title V permit would be carried out in a manner that is at least as environmentally protective as what would have been required under Rule 26. See additional discussion of the SIP revision in section II.D of this preamble.

### *C. Compliance with New Source Performance Standards (NSPS) and Maximum Achievable Control Technology (MACT) Standards for Existing and Future Activities at Imation Camarillo*

#### **1. Current Situation at Imation Camarillo**

40 CFR part 60 contains New Source Performance Standards (NSPS) for new and modified equipment in specific source categories. 40 CFR part 63 contains Maximum Achievable Control Technology (MACT) Standards for certain sources of hazardous air pollutants (HAPs). Magnetic tape manufacturing operations are regulated by both an NSPS (40 CFR part 60, subpart SSS) and a MACT standard (40 CFR part 63, subpart EE). Presently, only one of the four magnetic tape coating lines at Imation Camarillo is subject to the NSPS at SSS. The other three coating lines at Imation are not subject to any NSPS. In addition,

because Imation is subject to a standard of performance under 40 CFR part 60, the associated General Provisions (subpart A) from part 60 also apply. The EE MACT is not an applicable standard for any coating operations at the facility because Imation is not a major source of HAPs. Imation's status as a non-major source of HAPs is based on their existing actual HAP emissions being less than 50 percent of the major source thresholds of 25 tons per year of total HAP and 10 tons per year of any single HAP. Imation's title V operating permit will include federally enforceable emission caps of less than 25 tons per year of total HAP and less than 10 tons per year of any single HAP.

#### **2. Future Activities at Imation Camarillo**

At some future date, Imation plans to relinquish non-major HAP source status. Upon that date, the HAP caps established in Imation's title V operating permit will no longer apply and Imation Camarillo will be subject to the MACT at 40 CFR part 63, subpart EE and associated requirements in the part 63 General Provisions (40 CFR part 63, subpart A). Imation also expects to trigger additional NSPS applicability by modifying existing coating operations and/or constructing new coating operations (subject to the NSPS at SSS or one of several other coating-related NSPS). For example, Imation anticipates modifying one or more of the existing coating operations not now subject to an NSPS to make them subject to subpart SSS or constructing a new coating operation that would be subject to subpart SSS (such operations would also be subject to part 63, subpart EE, once Imation is a major source of HAP). In addition, as a unique aspect of this XL project, Imation's title V permit will contain pre-approvals for construction and subsequent modification of equipment subject to the following other NSPS at 40 CFR part 60 and VCAPCD rules: subpart VVV (Standards of Performance for Polymeric Coating of Supporting Substrates Facilities); subpart RR (Standards of Performance for Pressure Sensitive Tape and Label Surface Coating Operations); subpart TT (Standards of Performance for Metal Coil Surface Coating); subpart Kb (Standards of Performance for Volatile Organic Liquid Storage Vessels); VCAPCD Rule 71.2 (Storage of Reactive Organic Compound Liquids) and VCAPCD Rule 74.3 (Paper, Fabric, and Film Coating Operations). These pre-approvals, as described further in section II.E of this preamble, are being written into Imation's title V permit as alternative operating scenarios (AOSs) and are contingent on there being terms

<sup>2</sup> California BACT, as defined in VCAPCD rules, is equivalent to federally defined lowest achievable emissions rate (LAER).

<sup>3</sup> The VCAPCD term reactive organic compound (ROC) is functionally equivalent to EPA's term volatile organic compound (VOC).



and conditions in the permit assuring compliance with all applicable requirements of each relevant standard, including all monitoring, recordkeeping, and reporting requirements. Imation will assure compliance with newly triggered NSPS and MACT standards as described below.

### 3. Streamlining Analysis of Multiple Applicable Requirements

The federal new source performance standards and hazardous air pollutant standard that currently apply to existing operations, or will apply to new or modified coating facilities emitting VOC or HAP at the Camarillo site, have been streamlined into a single set of requirements that assures compliance with all.<sup>4</sup> The streamlining exercise, conducted pursuant to the guidelines in EPA's White Paper Number 2, showed that current applicable requirements (40 CFR part 60, subpart SSS) and future or potential applicable requirements (40 CFR part 63, subpart EE, 40 CFR part 60, subparts Kb, RR, TT, and VVV) can be met by a single, distilled set of requirements. The requirements essentially reduce to the pertinent sections of 40 CFR part 63, subpart EE with some slight modification (for example, to account for the fact that subpart EE does not address VOC emissions), and a few selected additions from subsumed standards. The streamlining also demonstrated that the requirements of the General Provisions of part 60, subpart A can be met by complying with the part 63 General Provisions. Therefore, the requirements in part 60, subpart A sections 60.7, 60.8, 60.11, 60.12, 60.13, 60.18, and 60.19 are subsumed under the part 63 General Provisions.

In order to both address the future applicability of the EE MACT and to simplify compliance with the multiple current and potential future applicable requirements, Imation's title V permit will contain conditions to assure compliance with the most stringent emission standards from the streamlining analysis, as well as the necessary monitoring, recordkeeping, and reporting requirements identified by the streamlining analysis. Imation's title V permit will also contain conditions necessary to meet the requirements identified by the streamlining of the parts 60 and 63, General Provisions. All of the conditions necessary to meet the

requirements identified by the streamlining will be contained in the title V permit as specific, federally enforceable requirements, and are briefly described in the sections that follow.

In a few instances, the compliance monitoring and performance testing approaches of the standards to which Imation would become subject upon implementation of an AOS do not fit well with the operational scenarios at the Imation facility. In those instances, as described below, this project relies on alternative monitoring schemes and performance test waivers where technically warranted. Such alternatives and waivers are authorized according to the General Provisions of 40 CFR part 63, subpart A and 40 CFR part 60, subpart A. Specifically, the provisions at 40 CFR 60.13(i), 63.7(e), and 60.8(b) allow alternative monitoring schemes for purposes of compliance demonstration, and performance testing waivers where a source has demonstrated by other means to the Administrator's satisfaction that an affected facility is in compliance with a standard. Formal approval of the alternative monitoring and performance test waivers described below for this project are delegated to the permitting authority, the VCAPCD.

### 4. Compliance with Specific NSPS and MACT Standards

Imation's method of compliance with the NSPS and MACT standards to which it is currently subject (SSS NSPS) and to which it may become subject in the future (EE MACT, and VVV, RR, TT, and Kb NSPS) lies totally within the current regulatory framework. As described below for Imation's facility, and as contained in the standard itself, one method of compliance with the emissions control requirements of subpart SSS relies upon the total enclosure of all affected coating operations and the venting of the resulting mixture of coating operation emissions to a single control device. Continuous monitoring of the single control device assures compliance with the standard by all affected operations. In addition to subpart SSS, this method of compliance is also written in to the EE MACT and the VVV NSPS. Thus, Imation can demonstrate compliance with these two standards (if/when they become applicable) using the same compliance method as they currently rely upon to meet the requirements of SSS.

Two other potential future applicable standards (RR and TT NSPS) do not contain this method of compliance demonstration. However, as noted

previously, the General Provisions of 40 CFR part 60 provide the authority to approve alternative monitoring and performance test waivers, which in this case allows Imation to demonstrate compliance with RR and TT (if/when they become applicable) using the same method as they currently rely upon to meet the requirements of SSS. The sections below detail the technical rationale that supports the use of such alternative monitoring and performance test waivers.

Assuring compliance with Kb (if/when it becomes applicable to solvent storage tanks at Imation Camarillo) will not rely on a demonstration like that described above (i.e., total enclosure of all affected operations, etc.). Instead, all storage tanks will have a closed vent system with emissions ducted directly to a 95% efficient control device, as is required under the EE MACT. See discussion below of the streamlining analysis conducted to demonstrate that, for solvent storage tanks, compliance with the EE MACT assures compliance with Kb.

a. *Assuring Compliance with the Currently Applicable Requirements of the NSPS at Subpart SSS.* Imation's Superior Environmental Performance stems in part from their commitment to totally enclose/capture 100% of VOC and HAP emissions from all coating operations and control captured emissions using a highly efficient solvent recovery unit—SRU—(or other similarly efficient device) demonstrated to achieve at least 95% emission reduction. Their existing total enclosures capture 100% of the emissions from multiple coating operations within the production building and route all the emissions to the SRU. As a result, individual coating operations are not controlled separately but rather contribute to an emissions mixture containing the emissions from all coating operations within the total enclosures. The existing SRU receives the combined emissions from all active coating operations. As noted above, the following detailed explanation of how Imation currently meets the requirements of the NSPS at SSS using their unique capture and control set-up is particularly important because the same technical approach is relied upon to ensure compliance with other NSPS. (See section II.C.4.c of this preamble.)

As a result of Imation's control setup as described above, it is not possible to measure inlet and exit emissions from the control device (and thus control device efficiency) for any one coating operation on an ongoing basis. The VOC (and HAP) emissions from the single existing coating operation subject to

<sup>4</sup>The streamlining analysis conducted during the development of Imation's pre-draft title V permit included several applicable VCAPCD SIP rules. Imation's compliance with these District rules, as demonstrated by the streamlining analysis, is discussed in section II.D of this preamble.



subpart SSS are part of the mixture of emissions including the other VOC/HAP sources. In such situations, section 60.713(b)(2) applies requirements for determining the capture efficiency for VOC emissions from an affected facility under subpart SSS (i.e., what fraction of emissions makes it to the control device). Section 60.713(b)(2) indicates that where the emissions from an affected coating operation and other VOC sources are ducted to a common control device, the owner or operator must determine the emissions capture efficiency for each individual affected coating operation. These requirements apply where there is no total enclosure of emission sources. However, Imation uses a permanent total enclosure to capture emissions. Where a total enclosure exists around the affected coating operation, such a determination is made alternatively according to section 60.713(b)(5), which requires demonstration of a total enclosure around each coating operation, and does not require the determination of individual capture efficiency for each coating operation. Imation has already demonstrated compliance with the total enclosure requirement of subpart SSS for the one subject coating operation by showing that a total enclosure exists around the operation (the enclosure meets the criteria in EPA Method 204—Criteria for and Verification of a Permanent or Temporary Total Enclosure (section 5)); the total enclosure will be maintained continually.

Although subpart SSS generally requires determining emissions capture efficiency on an individual affected facility basis (except when a total enclosure is employed), control device efficiency is to be determined for mixed emission streams when "all emission sources" are connected to the device. See section 60.713(b)(3). The owner or operator is not forced to shut down the other VOC emission sources to test the control device efficiency on individual affected facility emissions. Thus, compliance with the required 93% VOC control standard at each SSS affected facility is demonstrated by showing that the common emission control device provides a 95% control efficiency when receiving the mixture of VOC emissions from all SSS affected facilities (housed in a total enclosure) and all other sources of VOC routed to the device.<sup>5</sup>

<sup>5</sup> Subpart SSS contains a standard of 93% control of VOC applied at each affected facility. At the time that subpart SSS was promulgated, the Agency assumed that use of a total enclosure with a 95% efficient control device could yield as low as a 93% level of actual VOC control at the affected facility (because of the possibility that a total enclosure

The implicit assumptions in this method of demonstrating compliance with the VOC emission standard for an individual affected facility in subpart SSS are as follows: (1) An emission control device will control the same (and similar) chemicals equally, regardless of their point of emission (i.e., control device X controls chemical Y at Z efficiency whether chemical Y is emitted by affected facility 1, 2, 3, etc.); (2) the "other sources of VOC" ducted to the common emission control device likely have chemical constituents that are the same as or similar to those in the emissions from the affected facility (since they are related operations) and, therefore, the control device performance does not vary on individual emission streams; and (3) performance testing the control efficiency of the newly affected facility emissions only (assuming such emissions contain the same or similar chemical constituents as other operations controlled by the common emission control device) is not necessary to assure compliance with the standard at the newly affected facility (instead compliance can be demonstrated with all VOC sources connected to the common control device).

Imation has performance tested the existing SRU and has demonstrated a >95% emission reduction with all VOC and HAP emission sources connected. Monitoring of continuous compliance at the one coating operation currently subject to Subpart SSS is being demonstrated through Imation's maintenance of the total enclosure and use of an FID-CEMS (flame ionization detector-continuous emission monitoring system) to measure VOC concentrations in both inlet and outlet of the SRU, per section 60.714(c)(1).

b. *Assuring Compliance with Future Requirements under the MACT at Subpart EE and the NSPS at Subparts SSS and VVV.* In the future, Imation will become a major source of HAP, thereby triggering applicability of the MACT standard at subpart EE. Once this occurs, all magnetic tape coating operations at the facility will be subject to the standards at subpart EE. Much like the NSPS at subpart SSS, EE allows for the total enclosure of all emission points and the ventilation of the total

would not actually capture 100% of emissions). The Agency now believes that a total enclosure, meeting the requirements of Method 204, will capture 100% of emissions. Thus, Imation's use of a Method 204 compliant total enclosure around their coating operations in conjunction with a 95% efficient control device will achieve an actual control level of 95% at each affected facility, thereby exceeding the standard as written at subpart SSS.

enclosure(s) to a common control device operating at 95% or higher efficiency. Imation will demonstrate initial compliance with the MACT standard by demonstrating that all HAP-emitting coating operations are totally enclosed, and that the enclosure is vented to the SRU which is operating at a minimum control efficiency of 95% as monitored at the inlet and outlet of the SRU using the FID-CEMS. See section 63.705(c)(4).

In addition, Imation anticipates modifying one or more of the existing coating operations not now subject to an NSPS to make them subject to subpart SSS or constructing a new coating operation that would be subject to subpart SSS (such operations would also be subject to part 63, subpart EE, once Imation is a major source of HAP). Imation will ensure compliance with subpart SSS and part 63, subpart EE for such operations by maintaining a total enclosure around the operation(s) and controlling emissions by at least 95% as monitored at the inlet and outlet of the SRU using the FID-CEMS.<sup>6</sup>

Imation also anticipates modifying one or more of the existing coating operations or constructing a new coating operation to produce polymeric coatings on supporting substrates. Such modified or new operation(s) would be subject to part 60, subpart VVV (Polymeric Coating of Supporting Substrates). Subpart VVV contains standards and compliance provisions that are nearly identical to those in subpart SSS and part 63, subpart EE (See section 60.743(a)(1)), including provisions for mixed VOC streams, use of a total enclosure, and a 95% efficient control device. Imation would assure compliance with subpart VVV through maintaining the total enclosure around the subject coating operation(s) and reducing emissions by at least 95% as monitored at the inlet and outlet of the SRU using the FID-CEMS (or using a different 95% efficient control device and appropriate monitoring). Imation's pre-draft title V permit contains the requirements of part 63, subpart EE and includes the streamlining analysis demonstrating that compliance with

<sup>6</sup> For future activities, Imation may utilize a device other than the existing SRU to control VOC and HAP emissions (e.g., the BACT analysis may dictate that Imation install a thermal or catalytic oxidizer to control emissions at a level beyond 95%). Although this section refers to assuring compliance by reducing emissions using the SRU and monitoring emission reduction at the inlet and outlet of the SRU, Imation may also comply with these standards through the use of a different control device, as specified in the AOSs in their pre-draft title V permit. Any such device must meet a minimum 95% efficiency, and must be appropriately performance tested and continuously monitored in accordance with 40 CFR part 63, subpart EE.

these requirements will assure compliance with part 60, subparts SSS and VVV.

c. *Assuring Compliance with Future Requirements under the NSPS at Subparts RR and TT.* In addition to the changes described above, Imation is anticipating modifications or new construction of facilities that potentially would trigger applicability of NSPS in subparts RR (Pressure Sensitive Tape and Label Coating) and/or TT (Metal Coil Surface Coating). Such changes could create an emission stream from the total enclosure containing a mixture of VOC and HAP from affected facilities subject to the MACT standard and two or more different NSPS, or from affected facilities subject to the MACT standard, different NSPS, and other VOC/HAP sources not subject to any NSPS or MACT. Unlike the MACT standard at EE and the NSPS at SSS and VVV, 40 CFR part 60, subparts RR and TT do not specifically address such mixed emission stream situations and how compliance is to be demonstrated for any one affected facility. However, it is reasonable to assume that compliance with the VOC standards by affected facilities subject to these NSPSs can be demonstrated in a manner similar to that for operations subject to part 63, subpart EE and part 60, subparts SSS and VVV, by extending the assumptions and rationale described above to these other two NSPS.

Imation can demonstrate compliance for an individual affected facility subject to subparts RR- or TT by maintaining a total enclosure around the facility and reducing the captured emissions from this facility and all other sources of VOC and HAP by at least 95% as monitored at the control device. EPA believes such a demonstration will be adequate for each RR- and TT-affected facility based on the following. First, the total enclosure captures 100% of VOC/HAP emissions from manufacturing operations. As part of Imation's initial compliance demonstration for the MACT standard, the facility will demonstrate that there is a total enclosure around all coating-related operations that captures all VOC and HAP emissions, and Imation will be required to monitor to assure that such operations remain within a total enclosure. Second, the 95% efficient control device delivers a high enough control efficiency to meet any one of the standards (when combined with the 100% capture of VOC/HAP) and the control device response on an individual or mix of solvents will not vary according to the type of affected facility emitting the solvent. This is a reasonable assumption considering that:

(1) The control device already has demonstrated >95% control efficiency and will be required to continue to achieve at least 95% overall reduction continuously (as measured by the FID-CEMS) on the mixed stream, whereas the two potentially applicable NSPS require only 90% VOC reduction, and (2) where the emission streams from the modified or constructed facilities are similar to (i.e., use the same types of solvents as) those already demonstrated to be controlled by at least 95%, the control device can be expected to deliver the same level of control (See this discussion above for compliance with subpart SSS). Finally, emissions of new solvents (not previously tested in the control device) from new or modified operations will be subject to a performance test. Imation will be required to test the control device's performance on operations utilizing new solvents (those that have not been previously tested in the control device) by conducting a performance test whereby the efficiency of the control device is measured when only the equipment utilizing a representative coating containing the new solvent is connected to the device. This test must show that at least 95% control of emissions containing the new solvent is achieved.

In summary, the concept of exhausting emission streams from two or more process lines within a total enclosure through a single control device that controls the mixed streams from the lines, and demonstrating compliance with individual process line VOC/HAP control standards by the efficiency of the common control device when receiving such mixed streams appears in 40 CFR part 63, subpart EE and part 60, subparts SSS and VVV. For this XL project, the Agency is extending this approach to two other NSPSs (subparts RR and TT), where there will also be a requirement for 100% capture of VOC (and HAP) from the different process lines. Such extension is technically warranted due to the points described above, including the total capture and >95% control requirements, and the expected consistency of control by the control device on process solvents regardless of the emitting source. Imation's pre-draft title V permit contains the requirements of part 63, subpart EE and includes the streamlining analysis demonstrating that compliance with these requirements will assure compliance with part 60, subparts RR and TT.

d. *Assuring Compliance with Future Requirements under the NSPS at Subpart Kb.* 40 CFR part 60, subpart Kb contains standards of performance for

volatile organic liquid storage vessels. Imation currently has numerous volatile organic liquid storage vessels, however, none are subject to the NSPS at Kb because of their relatively small size (all are less than 5,000 gallons). In the future, Imation may, in accordance with the conditions of their title V permit, install additional storage tanks with a capacity of greater than 5,000 gallons. Any such tanks would be subject to the requirements of part 60, subpart Kb. In addition, once Imation relinquishes their HAP limits and becomes subject to the EE MACT, all HAP-containing volatile organic liquid storage tanks will be subject to that standard, regardless of size.

As part of the streamlining analysis conducted in the development of Imation's pre-draft title V permit, the requirements of the NSPS at Kb were streamlined against the tank-specific requirements of the EE MACT standard. The analysis demonstrated that compliance with the requirements of the MACT for all storage tanks at Imation (regardless of size or VOC/HAP content) would assure compliance with the requirements of the NSPS at Kb. Therefore, in order to assure compliance with potential future applicability of the NSPS at Kb, the requirements that pertain to control of emissions from storage tanks under the EE MACT standard (use of a closed vent system with 95% overall control of emissions) have been written in to Imation's pre-draft title V permit as specific, federally enforceable requirements.

e. *Assuring Compliance with New NSPS and MACT Standards.* Imation Camarillo will be subject to the requirements of regulations promulgated after the date the Final Project Agreement (FPA) is executed. If Imation demonstrates to EPA's and VCAPCD's satisfaction that it can achieve greater environmental benefit either through the existing terms of the FPA, or through an alternative strategy, and that doing so will satisfy statutory and regulatory requirements and the criteria for the XL program, the Agencies intend to initiate steps to allow such alternative compliance, including where necessary proposing a site-specific rule. Opportunities for public/stakeholder participation will be provided in connection with such changes consistent with the principles of Project XL and the public participation guidelines in the FPA. Imation's proposals will have the twin goals of achieving superior environmental performance, while ensuring that the installation of new or modified coating equipment or the

development of new products will not be delayed.

One potentially applicable regulation on the horizon is the MACT standard for the source category "Paper and Other Web Coatings." The Paper and Other Web Coatings MACT is expected to be promulgated by EPA in November 2000. This standard is likely to apply to some of the activities for which Imation will receive pre-approval in their initial title V permit. Upon promulgation, EPA and VCAPCD will make a determination as to the applicability of the new standard to pre-approved activities contained in Imation's title V permit. If the standard is applicable, it will be necessary to re-open the permit in order to add appropriate requirements from the new Paper and Other Web Coatings MACT (assuming Imation's permit term has more than three years remaining on it upon MACT promulgation). However, in such case, it is the intention of all parties to attempt to maintain in the revised permit the same degree of flexibility afforded Imation in their initial permit if all Project XL elements continue to be met by this facility.

#### 5. Applicability of the Preconstruction Review Requirements Under 40 CFR 63.5

Section 112(i)(1) of the CAA prohibits construction of a new major source, or reconstruction of an existing major source, that is subject to a standard under 112, unless EPA (or its designee) has determined, prior to construction, that the source will comply with the standard. 40 CFR 63.5 contains regulations promulgated to implement section 112(i)(1) of the Act. The preconstruction requirements contained at 40 CFR 63.5 apply to construction of a new major affected source, or to reconstruction either of a major affected source or of a major source such that it becomes a major affected source.

For Imation Camarillo, the requirements of 40 CFR 63.5 do not apply to any activity implemented under a pre-approved alternative operating scenario in Imation's title V permit. None of the pre-approved activities specified in the pre-draft permit involve construction of a new major affected source, reconstruction of a major affected source, or reconstruction of a major source such that it becomes a major affected source. The pre-draft permit does authorize construction of new magnetic tape coating equipment, however, this facility (once the HAP limits are relinquished) will already be a major affected source (subject to 40 CFR part 63, subpart EE) and the construction of additional magnetic tape coating

equipment will be considered a part of this existing major affected source; it will not be considered a new major affected source.<sup>7</sup> In addition, pre-approved scenarios in the pre-draft permit do not allow any activity that would constitute "reconstruction" of magnetic tape coating sources (the existing affected source), based on the definition of reconstruction contained at 40 CFR 63.2.

40 CFR 63.5 preconstruction review requirements would apply only if there is construction or reconstruction of a source at Imation Camarillo that is subject to a standard promulgated under 40 CFR part 63, but that is not identified as an alternative operating scenario in the permit. Such construction or reconstruction is not pre-approved in Imation's pre-draft title V permit.

#### D. State Implementation Plan Requirements

A key element of the Imation XL project is the site-specific California State Implementation Plan (SIP) revision. EPA plans to evaluate and take action on the site-specific SIP revision under a procedure called parallel processing, whereby EPA proposes rulemaking action concurrently with the State's procedures for amending its regulations. See 40 CFR part 51, appendix V, 2.3. The SIP revision, which will only apply to the operations at Imation Camarillo, is a critical element of the XL Project at Imation as it will ensure that operations at the Imation facility that are implemented in accordance with the XL project are not in conflict with federally enforceable SIP requirements.

The draft SIP revision is comprised of several of the most critical terms and conditions from the Imation XL Project FPA, a document that represents the intentions of all parties to the agreement but that is not legally enforceable. By incorporating these terms and conditions into a VCAPCD rule that the VCAPCD Board adopts and which is approved into the SIP, the main tenets of the FPA will be made enforceable by EPA and the State. Generally, the draft SIP revision authorizes the

establishment of a plant-wide applicability limit (PAL) at the Imation facility, institutes several unique requirements and procedures for operations at the facility, and exempts specified Imation activities from two VCAPCD rules, most notably VCAPCD Rule 26 (New Source Review). EPA and VCAPCD agree that such revision of the SIP on a source-specific basis for this XL Project is an appropriate exercise of regulatory flexibility, and will result in environmental performance that is at least equivalent to what would be achieved under the existing SIP. A more detailed description of the contents of the draft site-specific SIP revision is provided below.

The draft SIP revision would exempt Imation Camarillo from two VCAPCD rules, however, a number of important requirements from these rules remain intact through their inclusion in the draft SIP revision. For example, Imation Camarillo would be exempt from the VCAPCD's NSR program, yet the requirement to apply appropriate control technology to equipment installed or modified at the facility has been carried over as a key element of the draft SIP revision. Under the draft revision, Imation would be required to conduct a Best Available Control Technology (BACT) analysis for new construction or modifications under this project and to apply new or additional controls (e.g., a thermal or catalytic oxidizer) if the existing controls at the facility did not qualify as BACT. Also, for HAP-emitting new or modified equipment, the SIP revision requires Imation to conduct a Toxics Best Available Control Technology (TBACT) analysis and apply identified controls if such controls are not already in place. The proposed SIP's BACT/TBACT requirement provides an assurance that any equipment that is modified or newly installed as part of this project at Imation Camarillo will have no less degree of emissions control than what it would have had under the VCAPCD's current NSR program.

Another important element of the draft SIP revision is a requirement that Imation Camarillo conduct a tiered health risk assessment prior to implementing any project that would increase emissions of an existing HAP or result in the emission of a HAP not previously emitted by the facility. Moreover, the assessment must demonstrate that the aggregate risk from the facility, factoring in both the proposed new HAP emissions and the existing HAP emissions, will not exceed specific human health risk trigger levels established by the VCAPCD. Although this requirement is not found in any of

<sup>7</sup> 40 CFR 63.2 defines affected source as "... the stationary source, the group of stationary sources, or the portion of a stationary source that is regulated by a relevant standard . . . established pursuant to section 112 of the Act." In addition, 40 CFR part 63, subpart EE states that the requirements apply to, "each new and existing magnetic tape manufacturing operation located at a major source of hazardous air pollutant (HAP) emissions." Subpart EE further defines "magnetic tape manufacturing operation" as "all of the emission points within a magnetic tape manufacturing facility that are specifically associated with the manufacture of magnetic tape."

the SIP rules from which Imation Camarillo would be exempted (SIP rules address emissions of criteria pollutants and generally do not contain requirements targeted specifically at HAPs), the tiered health risk assessment is a requirement agreed to by all parties and is written into the FPA for this project. Inclusion of the tiered health risk assessment requirement in the proposed SIP makes it a condition that is enforceable by both EPA and VCAPCD. In addition, it assures that emissions from any Project XL-related new construction or equipment modifications at Imation Camarillo will result in risk levels that are acceptable under VCAPCD guidelines.

The draft SIP revision also contains a fairly detailed set of procedures that Imation Camarillo must follow in order to implement the pre-approved activities that are at the core of this XL project. These procedures are important because Imation would not be subject to the VCAPCD new source review permitting program for most new construction and equipment modifications at the facility. Under typical NSR permitting, Imation would be required to apply to the District for an Authority to Construct (ATC) and would negotiate with the District over the details of their proposed project, prior to moving forward with construction. Once constructed, Imation would then need to apply to the District for a Permit to Operate (PTO) the new equipment, once again negotiating with the District to reach agreement on the parameters of operation in order to assure that the equipment is operated in accordance with all applicable standards and regulations. The ATC and PTO approval processes would require a period of public and EPA notice and review.

The procedures in the draft SIP revision maintain some similar steps, but allow for a much more streamlined process leading to new construction, equipment modification, and operation by Imation Camarillo. The key elements of the procedures in the draft SIP revision are: a requirement for Imation to provide, through their Project XL-mandated monthly report, at least 30 days advance notification of any new construction or equipment modifications; requirements for VCAPCD approval of any tiered health risk assessment or BACT/TBACT analysis conducted pursuant to a proposed new construction or equipment modification (unless the facility's existing control device(s) represent BACT/TBACT and the estimated risk is over an order of magnitude lower than the District's

level of concern, approval of these analyses must be gained prior to commencement of any new construction or equipment modifications); a requirement to provide operating and engineering details to VCAPCD prior to commencing construction of certain new control devices; and a requirement for Imation to apply for minor modifications to their title V permit in specific instances where they have installed a new control device. These procedures will allow Imation to take advantage of the flexibilities inherent in this project, while ensuring that a sufficient amount of public notification and an adequate level of oversight by VCAPCD and EPA are still in place.

The draft SIP revision would impose numerous requirements on the Imation Camarillo facility that would be in force in lieu of VCAPCD's NSR program. However, for most of the VCAPCD SIP requirements, Imation would merely comply with the requirements as they exist in the SIP. Some of these SIP requirements that Imation would continue to meet under the project are the requirements for non-VOC criteria pollutants, standards for their industrial boilers, regulations governing solvent cleaning operations, and a number of generally applicable SIP requirements such as those for opacity, transfer of ROC liquids, and several short-term activities such as abrasive blasting and asphalt roofing operations. In a few instances, Imation would meet applicable SIP requirements by complying with the EE MACT. The streamlining analysis discussed in section II.C.3 of this preamble provides a demonstration of how compliance with specific requirements of the EE MACT assures compliance with the VCAPCD SIP rules identified in the analysis.

#### *E. Title V Operating Permit*

##### *1. Introduction*

As part of this XL project, Imation Camarillo is obtaining a title V operating permit, pursuant to the applicable VCAPCD title V program (see VCAPCD Rule 33—part 70 Permits). Although the VCAPCD will provide a separate opportunity for public notice of the draft title V permit for Imation, as is required under their approved program, a pre-draft version of the title V operating permit is available for preliminary review in the docket for today's proposal (and is available on the world wide web as described in the preamble above).

This XL Project is experimenting with pre-approving, in the title V permit, new construction and equipment

modifications at Imation Camarillo. Specific new construction and modification activities will be described in Imation's title V permit as alternative operating scenarios (AOSs). The significance to Imation of this innovative permitting approach is that it will create flexibility for the facility to make a limited set of preapproved changes under their title V permit. These changes, implemented as AOSs, will not require a permit revision in most instances, nor the time delays often associated with the permit revision process. This ability to undertake preapproved changes without delay will enable Imation to be more responsive to changing market conditions. From a regulatory perspective, Imation has provided the details necessary for the permitting authority to define reasonably anticipated AOSs and to create permit terms and conditions that assure compliance with all applicable requirements. From an environmental perspective, Imation has agreed to have the most stringent requirements from all potentially applicable standards incorporated into the terms of its title V permit. In many cases, the requirements that Imation would be subject to for a specific AOS are more stringent than the current regulatory structure would require.

40 CFR part 70 and VCAPCD Rule 33.4(B) provide for the establishment in title V operating permits of terms and conditions for reasonably anticipated operating scenarios at a source.<sup>8</sup> A source may then preapprove alternative operating scenarios in its permit and switch among these scenarios in response to operational demands, without obtaining a permit revision to account for the previously approved new operating scenarios and their different applicable requirements. All title V permits, including those implementing alternative scenarios, must contain terms and conditions sufficient to assure that each operating scenario will comply with all applicable requirements and will meet the requirements of part 70. Pursuant to section 70.6(a)(9), the source must identify such scenarios in its permit

<sup>8</sup>The VCAPCD title V program describes alternative operating scenarios in their title V program rules at VCAPCD Rule 33.4(B), which provides, in part:

The owner or operator of any stationary source required to obtain a part 70 permit may submit a description of all reasonably anticipated operating scenarios for the stationary source as part of the part 70 permit application. The operating scenario descriptions shall contain emission information for each scenario and sufficient information for the District to develop reasonable permit conditions defining each scenario.

application and the permitting authority must approve the scenarios for inclusion in the permit. The permit terms and conditions necessary to implement the alternative operating scenarios must also require the source to record contemporaneously in an on-site log the scenario under which it is operating, upon changing from one permitted scenario to another. The contemporaneous record of the present operating scenario that the source maintains on-site serves to document for important inspection and enforcement purposes that the source is in compliance with the source's permit terms and conditions.

The determination of when alternative scenarios are "reasonably anticipated" and would meet the requirements of section 70.6(a)(9) (or VCAPCD Rule 33.4(B)) is not amenable to a rigid legal formula that can dictate through general guidance what types of permit terms and conditions will ensure that a source's future operations comply with these requirements. Instead, there must be legal and practical considerations that inform this determination within EPA's reasonably broad discretion to do so. The Agency has identified certain preliminary legal boundary considerations and conditions for implementing reasonably anticipated operating scenarios as part of this XL project, pending further experience with pilot projects and permits and further guidance or rulemaking on the subject.

The structure and nature of title V permitting determine how permit terms and conditions may be developed to reasonably anticipate alternative operating scenarios. The part 70 regulations govern the content requirements for permit applications and permits in sections 70.5 and 70.6, respectively, and these sections govern how reasonably anticipated AOSs must be addressed in permit applications and permits as well. For example, all part 70 permit applications must contain information "for each emissions unit at a part 70 source," which includes a description of the source's processes and products for each alternate scenario identified by the source (see 40 CFR 70.5(c) and (c)(2)). Section 70.6(a)(9) in turn makes clear that a source must identify in its application each reasonably anticipated operating scenario for which it intends to include permit terms and conditions. For this specific project, Imation was required to identify the new or modified emissions units that are part of their reasonably anticipated AOSs.

## 2. Compliance with the Permit Application Requirements

As noted above, part 70 permit applications must contain specific information "for each emissions unit at a part 70 source." 40 CFR 70.5(c) contains the minimum permit application requirements. As stated in EPA's White Paper for Streamlined Development of part 70 Permit Applications, July 10, 1995 (White Paper I), "Applications should contain information to the extent needed to determine major source status, to verify the applicability of part 70 or applicable requirements, to verify compliance with applicable requirements, and to compute a permit fee (as necessary)." (*Id.* at 6) The White Paper further articulates how part 70 allows permitting authorities (in this case, VCAPCD) considerable flexibility to make decisions regarding the completeness of permit applications and their adequacy to support initial title V permit issuance. (*Id.* at 2) EPA and VCAPCD have determined that the information provided by Imation as part of their initial title V application, and through subsequent submittal of supplemental information, completely satisfies the permit application content requirements under 70.5(c) for existing emissions units and for reasonably anticipated AOSs. The following is a brief discussion of Imation's compliance with the requirements of section 70.5(c), focused specifically on the information they provided to address reasonably anticipated AOSs.

40 CFR 70.5(c)(2) requires a description of the source's processes and products, including any associated with AOSs at the source. Imation has provided the SIC codes for all existing equipment and all new and modified equipment contained in their AOSs, as is specifically required by section 70.5(c)(2).

40 CFR 70.5(c)(3) requires emission-related information for the source as well as for specific emissions units. In particular, section 70.5(c)(3)(i) requires identification of "all emissions of pollutants for which the source is major, and all emissions of regulated air pollutants." Imation has identified, for existing emissions units and for any new or modified emissions units under the reasonably anticipated AOSs, that they are a major source of VOCs and that they emit NO<sub>x</sub>, SO<sub>x</sub>, PM, CO, and HAPs in non-major quantities. Section 70.5(c)(3)(i) also requires that a permit application "describe all emissions of regulated air pollutants emitted from any emissions unit." EPA's White Paper I states that this can be a qualitative

description of all significant emissions units i.e., that numeric estimates are not required. (*Id.* at 6) Based on this, and the previously noted guidance on the extent and purpose of information to be provided in an application, EPA and VCAPCD have determined that Imation has met this requirement for existing emissions units and for new or modified emissions units under the reasonably anticipated AOSs. Imation has provided lists of all existing emissions units, as well as the specific emissions units that comprise the coating operations contained in their reasonably anticipated AOSs, and they have qualitatively described the emissions from all of these units, namely VOCs and HAPs for emissions units that are part of the existing, new, and modified coating operations (including the ancillary equipment) and NO<sub>x</sub>, SO<sub>x</sub>, PM, CO, and VOC emissions from the gas-fired boilers. Finally, section 70.5(c)(3)(i) provides that the permitting authority may request additional emissions information to verify which requirements are applicable to the source. VCAPCD and EPA have determined that no additional emissions information is required because the applicability of the requirements of all relevant standards (both currently applicable requirements and requirements applicable to the reasonably anticipated AOSs) is not dependent on emissions information beyond the qualitative information provided by Imation in their permit application.

40 CFR 70.5(c)(3)(ii) requires the source to identify and describe all points of emissions described in section 70.5(c)(3)(i) "in sufficient detail to establish the basis for fees and applicability of requirements of the Act." As already noted, Imation provided lists of existing units and units that are contained in their reasonably anticipated AOSs. Imation has further provided a description of each type of emissions unit, in many cases describing the purpose of different pieces of equipment. For emissions units under the reasonably anticipated AOSs that are subject to standards that regulate down to one or more individual pieces of constituent equipment (e.g., magnetic tape coating and polymeric coating) as opposed to wholly regulating an entire coating line as a single entity, Imation clearly identified the constituent pieces and provided upper-bound estimates of the number of constituent pieces that may be added to the facility under a reasonably anticipated AOS. These details for the specific units subject to such standards

were provided by Imation as additional information to clearly establish the requirements applicable to the reasonably anticipated AOSs at their facility. VCAPCD-levied permit fees are based on overall facility emissions, which in this case are measured by the FTIR-CEMS. Thus, no additional detail on specific emissions points, whether for existing emissions units or for units under the reasonably anticipated AOSs, is necessary to establish the fee basis.

40 CFR 70.5(c)(3)(iii) requires information on "emissions rate in tpy and in such terms as are necessary to establish compliance consistent with the applicable standard reference test method." White Paper I states that EPA interprets the tpy estimates to not be required at all where they would serve no useful purpose, where a quantifiable emissions rate is not applicable, or where emission units are subject to a generic requirement. White Paper I at 7. EPA and VCAPCD have determined that the tpy estimates are not required because a quantifiable emissions rate is not applicable to any individual emissions unit. Rather, all the relevant standards (both currently applicable standards and standards applicable to the reasonably anticipated AOSs) are written in terms of control efficiency (based on inlet/outlet concentrations) rather than overall emissions rate.

The only applicable requirement described in terms of emissions rate is the overall site emissions cap (PAL) of 150 tpy. This applicable requirement is not emissions unit-specific, but applies to the facility as a whole. White Paper I states that where a PAL or other plantwide emissions limit would be established or defined in a part 70 permit, "more emissions information would presumptively be required to verify emissions levels and monitoring approaches." (*Id.* at 7) Imation has met this added requirement through the provision of continuous emissions monitoring data collected by the source. These data have been deemed sufficient to verify VOC emission levels and to meet the intent of the regulatory requirement at 40 CFR 70.5(c)(3)(iii) and the White Paper I interpretation of this requirement. For future compliance with the plantwide VOC emissions rate, Imation is using the FTIR-CEMS, which provides continuous and highly accurate data on VOC emissions.

40 CFR 70.5(c)(3)(iv) requires the submission of information about fuels, fuel use, raw materials, production rates, and operating schedules, to the extent such information is needed to determine or regulate emissions. VCAPCD and EPA have determined that such information is not needed to

determine or regulate emissions associated with the reasonably anticipated AOSs, however, Imation has still provided some of this information for new and modified equipment contained in the alternative scenarios.

Pursuant to the requirements of section 70.5(c)(3)(v), Imation has identified and described its existing air pollution control equipment and the control equipment contained in the reasonably anticipated AOSs, as well as the compliance monitoring devices for the equipment. Imation's existing solvent recovery unit (SRU) is monitored by two FID-CEMS and the FTIR-CEMS. Other VOC/HAP air pollution control devices described in Imation's reasonably anticipated AOSs include a thermal oxidizer, a catalytic oxidizer, and a new SRU. These control devices would be continuously monitored by an FTIR-CEMS, and either continuous combustion temperature monitors (for the oxidizers) or FID-CEMS (for the SRU).

Imation has met the requirements of the remainder of section 70.5(c)(3) in their permit application by addressing the limitations on source operation affecting emissions and the work practice standards for all regulated pollutants at the source (see section 70.5(c)(3)(vi)), by providing all necessary information required by any applicable requirement (section 70.5(c)(3)(vii)), and by providing all necessary calculations for the information in their application (section 70.5(c)(3)(viii)).

Imation has also met the requirements of sections 70.5(c)(4), (5), (6), (8), (9), and (10), as applicable to the existing operations and operations described in their AOSs. Unlike the requirements in section 70.5(c)(3), where a determination of sufficient permit application content may be subject to various interpretations and has been the subject of specific EPA policy guidance, the requirements in these parts of the regulation are very straightforward. For example, section 70.5(c)(6) requires the source to explain any proposed exemptions from otherwise applicable requirements. Imation has fulfilled this requirement (they have no proposed exemptions from otherwise applicable requirements), as well as the remaining requirements of sections 70.5(c)(4), (5), (8), (9), and (10).

40 CFR 70.5(c)(7) requires the source to submit additional information as determined to be necessary by the permitting authority to define alternative operating scenarios identified by the source pursuant to section 70.6(a)(9). EPA and VCAPCD have determined that the information

provided by Imation is sufficient and that no additional information is necessary to define alternative operating scenarios identified by the source.

Imation's compliance with the regulatory requirements of section 70.5(c) for permit application content, for both existing equipment and for new and modified equipment contained in their reasonably anticipated AOSs, provided the necessary information for EPA and VCAPCD to develop a title V permit for the source which identifies all applicable requirements and which contains terms and conditions sufficient to assure that each operating scenario will comply with all applicable requirements and will meet the requirements of part 70. As previously noted, a pre-draft copy of the Imation title V permit is available today as part of this document for informational purposes.

### 3. Overview of the Permit Content Requirements

Along the same lines as the requirements under section 70.5(c), section 70.6 requires that all part 70 permits include emissions limitations and standards, monitoring, recordkeeping, reporting, compliance and other requirements to assure compliance with all applicable requirements. Section 70.6(a)(9) again makes clear that the permit terms and conditions governing alternative scenarios must meet these requirements. Applicable requirements generally fix a source's compliance obligations on an emissions unit or activity, control equipment, process, or combination thereof. Permitting alternative operating scenarios requires the ability to reasonably anticipate future emissions units, future operational details, and the compliance obligations under each applicable requirement associated with each operational state, as necessary to assure compliance with each applicable requirement.

The requirement to ensure that the terms and conditions of each alternative scenario meet all applicable requirements has been simplified somewhat in this project by conducting a comprehensive streamlining analysis, in accordance with White Paper II. See section II.C of this document. This simplifies matters by identifying the most stringent requirements of the five NSPS standards, one MACT standard and District Rule that Imation might trigger, and imposing these most stringent requirements as a single, uniform set of requirements that apply to each alternative scenario (as well as to the current operational scenario). This single, uniform set of requirements

includes emissions limitations and standards, monitoring, recordkeeping, reporting, compliance and other requirements to assure compliance with all applicable requirements for each reasonably anticipated AOS. By requiring that Imation meet the most stringent of these requirements the title V permit for Imation is able to assure compliance with all applicable requirements and the requirements of part 70 and the District's title V program in accordance with CAA section 504(a).

Moreover, the permit terms and conditions governing each alternative operating scenario must assure compliance with all part 70 and applicable requirements at all times. This means that the permit terms and conditions must assure compliance with all relevant requirements at the time of initial permit issuance and at the time that changes to alternative operating scenarios are undertaken in the future. Upon a source's change from one operating scenario to another, the terms and conditions of the permit must continue to fully and accurately reflect the source's compliance obligations under all requirements applicable to the change. Imation's title V operating permit clearly states that if Imation changes to an operating scenario that was not provided for in its permit, or if a change undertaken by Imation triggers compliance obligations that are not fully and accurately reflected in the permit, then they will be subject to the permit revision, permit reopening, or section 70.4(b) notification provisions, as applicable, under the part 70 regulations and VCAPCD rules prior to making the change.

#### 4. Permitting Reasonably Anticipated Alternative Operating Scenarios

The permitting of established operating scenarios at a part 70 source that are fully known, identified and expected is straightforward. Such situations are accounted for in part 70 permits through terms and conditions that specify the emissions units and activities, provide required citations to applicable requirements, and supply the additional range of permit provisions required in a complete title V permit. Reflecting current equipment and activities, existing operating configurations, and presently applicable regulatory requirements, these operating scenarios present no difficulty to incorporating into an operating permit sufficient terms to meet the permit content requirements of part 70.

The preapproval and permitting of reasonably anticipated AOSs is somewhat different in that their associated emissions units and

activities, operational configurations, and applicable requirements may not be known with the same specificity as previously established operating scenarios. Nonetheless, in order to be included in the permit as alternative operating scenarios, the source must provide sufficient specificity for those scenarios to allow the permitting authority to determine the applicable requirement(s) and establish permit terms and conditions assuring compliance with those applicable requirements and the requirements of part 70. The EPA believes that it is a reasonable interpretation of section 70.6(a)(9) to require only that permit terms and conditions reasonably anticipate the emissions units and activities, operational configurations, compliance obligations, and other relevant information associated with each alternative operating scenario, so long as the permit terms and conditions assure compliance with relevant applicable requirements at all times. Conversely, there may be new or different requirements that attach to an operating scenario at the time that the source changes to that scenario, or other material differences from the permitted operating scenario may have arisen, such that the change and its regulatory requirements are not covered by the permit. If the permit does not reflect those requirements because they were not previously established, then the source, as provided for under the part 70 regulation, must account for all requirements applicable to that operating scenario, whether through a permit revision or advance notification or in response to a permit reopening.

It is helpful to distinguish further among categories of AOSs, on the basis of whether new versus existing process equipment or control devices are involved, and on the basis of the specificity of the equipment identification, operational configurations, and linkages to applicable requirements in the permit. Of the two categories of alternative operating scenarios described below, EPA is experimenting with the pre-approval of equipment modifications and new equipment construction that would trigger one or more specified NSPSs, the MACT standard for Magnetic Tape Manufacturing Operations, and a VCAPCD SIP rule.

First, there are alternative operating scenarios for existing emissions units and activities at a part 70 source, covering specifically identified operational states or configurations for specified emissions units. In its simplest form, this first category is exemplified by an emissions unit such as a fossil

fuel-fired boiler that has two fuel burning options, which are each subject to a different applicable requirement with different monitoring obligations. The task of reasonably anticipating the terms and conditions of an alternative operating scenario such as this is furthered by the relative ease of specifying the emissions unit and its activities, operational configurations and conditions, and associated applicable requirements. A source's past operating experience as well as future operational certainty, founded upon existing emissions units and activities, will make permitting of such alternative scenarios more like the task of permitting a source's current operating scenario.

A second category of alternative operating scenario, which is the subject of experimentation in this XL project, covers specific new and modified emissions units and control devices that have not been constructed or modified at the time the operating scenario is established in the permit, but that may be preapproved in the title V permit. The following is a description of the specific new and modified emissions units and control devices that are being pre-approved as part of this category of AOS under the Imation XL Project.

#### 5. Description of the Alternative Operating Scenarios for Imation Camarillo

The new and modified process equipment pre-approved in this project includes four types of surface coating operations and liquid storage tanks used to support these operations. Magnetic tape coating is the only one of the four surface coating types currently conducted by Imation. The other three types, polymeric coating, pressure sensitive tape and label surface coating, and metal coil surface coating are similar to magnetic tape coating in that they all involve a VOC-based coating applied to a supporting web substrate.<sup>9</sup> These operations differ in terms of the substrate material to which the coating is applied, the coating material itself, and the final product being manufactured.

Generally, all of the pre-approved coating types are continuous coating operations where the web substrate is unwound from a roll or coil, coated at

<sup>9</sup>Paper, Fabric, and Film Coating operations, which are defined and regulated by a VCAPCD SIP rule, are also pre-approved under this project. However, these operations are not typically distinct from the surface coating types listed above (i.e., magnetic tape, polymeric, and pressure sensitive tape and label coating operations are all also considered "Paper, Fabric, and Film Coating Operations").



one or more coating stations, dried/cured in an oven, and then rewound onto the same roll or coil. All operations require ancillary process equipment such as the liquid storage tanks noted above, other tanks, kettles, and mills for handling, mixing, and otherwise preparing the coating solutions for use from raw materials. It is anticipated that some of the ancillary equipment will support operations of more than one coating type. For example, if tetrahydrofuran—THF—is used as a carrier solvent for both magnetic tape and polymeric coating operations, then a single THF storage/holding tank could be used to feed both types of coating line.

All such pre-approved new or modified coating operations, as well as all new or modified ancillary equipment that is not directly hard-piped to the 95% efficient control device, must be installed within a permanent total enclosure (providing 100% capture of emissions) and the captured emissions delivered to the 95% efficient control device. These are the capture/control requirements that are also in place under this project for existing process equipment (four magnetic tape coating lines and all mix preparation equipment).

An additional aspect of the reasonably anticipated AOSs under this project for which Imation is also receiving pre-approval, is the construction and operation of specific devices to control emissions from the new or modified process equipment described above. Specific control devices include a new thermal or catalytic oxidizer, a new SRU (and associated steam stripper, if necessary), and a baghouse or fabric filter for particulate control within the permanent total enclosure. Although these devices are part of the reasonably anticipated AOSs for this facility, and can be constructed and initially operated without first revising the title V operating permit, the project contains several safeguards described below to ensure that these devices will be operated in accordance with all applicable requirements. The reasonably anticipated AOSs in Imation's permit will allow VOC and HAP emissions from new or modified process equipment to be controlled by the existing control set-up at the facility (the existing total enclosure and SRU), or by one of the three VOC/HAP air pollution control devices listed above that has been determined, through a VCAPCD-approved analysis, to meet CA BACT (same as federally defined LAER) and/or Toxics-BACT, whichever is most stringent.

#### 6. Analysis of Factors Considered in Defining Appropriate Permit Terms for Imation's Alternative Operating Scenarios

The permit terms needed to approve alternative operating scenarios to assure compliance with all applicable requirements and to be reasonably anticipated may, in general, be expected to vary by source category, the different types of emissions units and operating scenarios present at sources, and the inherent uncertainty of predicting future operating conditions and market demands. In particular, the authorizing permit limits might vary based on several factors which primarily include, but are not necessarily limited to: the types and specific terms of the applicable requirement(s); the complexity of the facility; whether the type or quantity of emissions will change widely; whether different pollution control devices will be needed; the ability of the permitting authority to develop practicably enforceable permit terms for alternative scenarios and to define the limitations of the control and monitoring approaches; the potential for future technology advances (where such advances are linked to the nature of the applicable requirements); and the presence of discretion in determining the applicability and/or the compliance status of the change. These factors are not always present, are often interdependent, and can range widely in their ability to affect whether compliance with the applicable requirements can be assured and whether operating scenarios can be reasonably anticipated.

In determining the permit terms and conditions needed to approve the AOSs under the Imation XL Project, EPA and VCAPCD considered all of the factors listed above. Below is a brief discussion of several of these factors as they pertain to the Agencies' determination that Imation's AOSs are reasonably anticipated and that compliance with all applicable requirements can be assured by the terms and conditions in their title V operating permit.

One major factor is the type of applicable requirements that attach to the AOSs and the specific terms associated with these applicable requirements. For this project, reasonably anticipated AOSs involve activities subject to several types of applicable requirement. However, as previously noted, all of the requirements associated with every applicable standard that applies or will apply to the reasonably anticipated AOSs and the current operating

scenarios have been streamlined into a single set of applicable requirements, using EPA's guidance on streamlining multiple applicable requirements from White Paper II. The requirements essentially reduce to the emissions standards, limitations, monitoring, recordkeeping, reporting, and compliance requirements of the MACT for Magnetic Tape Manufacturing Operations. Thus, regardless of which reasonably anticipated AOS is implemented, there will be no difference in applicable requirements.

In addition, the application of the streamlined set of requirements to activities under reasonably anticipated AOSs should be very straightforward for the facility given their past operating experience. The specific requirements are very similar to those that Imation Camarillo has been operating under for a number of years (e.g., total enclosure of coating operations with emissions routed to a single control device), and the emissions units to which the requirements will need to be applied for any of the alternative scenarios will be very similar to those already operating at the facility. In fact, this general similarity amongst emissions units in the current operating scenario and in the alternative scenarios (and, therefore, the similarity of the multiple standards which apply to the different scenarios) is what allows the streamlining of six federal standards into a single set of applicable requirements.

For example, the requirements for control of emissions from coating lines, whether the lines are for magnetic tape, polymeric, pressure sensitive tape and label, or metal coil coating, are identical—95% VOC and volatile HAP control, accomplished by housing the entire line (unwind/rewind station, coater(s), drying oven(s)) in a permanent total enclosure which is routed to a 95% efficient control device. The application of these requirements to new or modified equipment under any of the reasonably anticipated AOSs will be the same, and will be the same as the application of these requirements to Imation's four existing coating lines.

Another significant factor in evaluating the terms necessary to implement Imation's AOSs is the complexity of the facility. Imation Camarillo is not an extremely complex facility. As described above, it is a manufacturing facility utilizing surface coating operations. The operations defined in Imation's AOSs are all types of surface coating. Surface coating of continuous web substrates involves unwinding the web, passing it through coating stations, then through an oven, and then rewinding it back on to the roll

from which it was unwound. This manufacturing operation relies upon support equipment such as tanks, mixers, and kettles for preparing the coatings, and all coatings are directly plumbed to the coating stations. All the emissions units associated with a particular coating operation (except for some closed-vent tanks whose emissions are piped directly to the control device) are within a permanent total enclosure whose room air is routed through a single point of control. Some have likened the operational set-up at Imation Camarillo to a black box, with a single emission point. The reasonably anticipated AOSs allow for the addition of the same or similar types of surface coating lines within the existing black box, as well as the creation of one new black box (permanent total enclosure), also with a single point of emissions, and subject to the identical rigorous parameters of the existing black box.

A third factor for consideration is whether the type or quantity of emissions will change widely under the AOSs. This is particularly important where emission of a new compound or exceedance of a specified emissions threshold might trigger new requirements or modify compliance obligations under an alternative scenario. In this case, the type of emissions from the facility is not expected to change widely from the existing emissions profile. The emissions from units defined in the AOSs will be very similar to the emissions associated with the current operating scenario, namely, VOCs (some of which are HAPs) used as carrier solvents in the surface coating process. As described previously, the aggregate quantity of emissions could increase somewhat as a result of the implementation of an AOS, however, the applicable requirements and their application to existing, new, and modified equipment, are not dependent on the overall quantity (or type) of emissions, as long as the 150 tpy VOC cap is not exceeded.

An additional factor is whether different pollution control devices will be needed to control emissions associated with alternative scenarios. The existing solvent recovery unit (SRU) is highly efficient and should provide the necessary level of VOC and HAP emissions control (at least 95%) for any emissions units associated with Imation's reasonably anticipated AOSs. However, under some circumstances a different pollution control device may be needed. One circumstance is if the BACT/TBACT analysis, which Imation must conduct for any proposed emissions unit construction or

modification, demonstrates that a different control device must be utilized to control emissions from the proposed new or modified units. Another circumstance is if the existing SRU has reached its maximum capacity for handling facility emissions. In the event that Imation proposes to install a different control device, in accordance with a specified AOS, several additional safeguards are in place. These safeguards, such as requiring specific pre-construction VCAPCD reviews and minor permit modifications subsequent to control device performance testing, are established as key terms in the operating permit for assuring compliance, and are described more fully below.

A final factor in establishing permit terms for reasonably anticipated AOSs for the Imation XL Project is the ability of the permitting authority, VCAPCD, to develop practically enforceable permit terms for AOSs. The nature of the requirements that apply to Imation's AOSs and the means by which the facility has elected to meet these requirements enhances VCAPCD's ability to develop permit terms for the AOSs that are enforceable as a practical matter. For example, the emissions limitation for each coating line is the same (95% control) so there is no question as to which limitation applies to which line. Furthermore, all coating lines must be located within a permanent total enclosure. The enclosure is vented through a single point to the 95% efficient control device, that is continuously monitored (using appropriate CEMS/CMS) to ensure that an overall control efficiency of 95% is maintained. The control and monitoring approaches are straightforward and apply in the same manner to each alternative scenario.

The consideration of all these factors by EPA and VCAPCD informed the agencies' development of the permit terms and conditions needed to approve Imation's alternative scenarios. In addition, 40 CFR 70.6(a)(9) affords permitting authorities the latitude to impose any necessary permit terms and conditions to assure that alternative operating scenarios meet all applicable requirements and the requirements of part 70. Such terms and conditions may go beyond compliance obligations strictly incorporated from applicable requirements being implemented pursuant to the alternative scenario.

#### 7. Safeguards for Alternative Operating Scenario Implementation to Assure Compliance with all Applicable Requirements

The VCAPCD has determined that in order to assure that Imation's alternative operating scenarios meet all applicable requirements, the following safeguards, which are contained in the title V operating permit as specific, enforceable requirements, are necessary to assure compliance. First, there is a safeguard to assure that any proposed new VOC/HAP control device represents BACT/TBACT for controlling the proposed new or modified emissions units. For any modifications or new construction implemented as an AOS, Imation must conduct a BACT/TBACT analysis for the proposed change, and VCAPCD must approve the analysis. The analysis must be approved prior to commencement of construction if the analysis indicates that a new control device (either a thermal oxidizer, catalytic oxidizer, or new SRU) must be installed, or prior to commencement of operation if the existing SRU meets BACT/TBACT. This will assure that the most stringent controls are applied at the facility, and will prevent the possibility of the facility installing a control device that the permitting authority subsequently deems inadequate for meeting the necessary level of VOC/HAP emissions control.

Second, there are safeguards in the implementation of scenarios which include new VOC/HAP control devices to ensure that permit terms are updated based on documented performance testing. For AOSs involving construction of a new catalytic oxidizer or new SRU (including restarting the warehoused SRU on-site), Imation is required to apply for a minor permit modification once performance testing of the new device is complete. One purpose of the minor permit modification is to establish the specific operating conditions for the device that were demonstrated through performance testing to provide the necessary level of VOC/HAP control efficiency (minimum 95% or higher if required by BACT/TBACT results). This will assure that Imation's specific, enforceable operating parameter commitments for these devices are completely and accurately defined in the permit.

For AOSs involving construction of a new thermal oxidizer, Imation is required to apply for a minor permit modification once performance testing of the new device is complete, if the operating parameters contained in the initial title V permit (minimum 1500

degrees F and 0.5 second residence time) do not result in the necessary level of VOC/HAP control efficiency (minimum 95% or higher if required by the BACT/TBACT results). Also, if performance testing of the new thermal oxidizer demonstrates the need for more stringent operating conditions (i.e., higher temperature and/or longer residence time), then Imation is required to operate the device at those conditions while their permit modification is pending.

Third, VCAPCD has built into the AOS implementation process several opportunities to intervene prior to the execution of the preapproved alternative operating scenarios, if such intervention is necessary to assure compliance with applicable requirements. The terms of the permit contain a requirement for Imation to provide advance notification of any proposed AOS implementation at least 30 days prior to commencement of the pre-approved change (i.e., prior to commencement of any construction). This notification is provided through the permit-mandated monthly report to the Agencies and the public. In addition, for AOSs involving construction of a new catalytic oxidizer or new SRU (including restarting the warehoused SRU on-site), Imation must provide to VCAPCD the proposed operational details for the device, and appropriate engineering calculations that support the proposed operating conditions at least 30 days prior to commencement of operation of the new device. This is in addition to the previously referenced requirement for VCAPCD approval (prior to construction) of the analysis demonstrating that the proposed new VOC/HAP control device represents BACT/TBACT for controlling new or modified emissions units.

#### 8. Opportunity for EPA and Public Review of Proposed Alternative Operating Scenario Terms and Conditions

In addition to permitting authority review, in this case the VCAPCD, part 70 permits are subject to public and EPA review to ensure that the permit terms and conditions assure compliance with all applicable requirements and the requirements of part 70. An essential consideration in determining whether permit terms and conditions reasonably anticipate operating scenarios is whether the permit provides sufficient information and opportunity for the public and EPA to determine and comment in a meaningful fashion whether the terms and conditions of reasonably anticipated operating scenarios meet, and will continue to

meet, all applicable requirements and part 70 requirements. While EPA has participated closely in the development of the permit terms and conditions to date, and will have additional opportunities to review and comment on all aspects of the permit as it is finalized by the VCAPCD, the public will also have an opportunity to review and comment on the permit prior to its finalization. This opportunity will occur when VCAPCD provides its 30-day public notice of the draft permit. In addition, a pre-draft version of the title V operating permit is being made available as part of today's document. The pre-draft permit, made available for informational purposes, contains descriptions of the reasonably anticipated AOSs, including limits on the extent of future construction and on the emissions from new and modified units. It includes a comprehensive streamlining analysis which identifies the most stringent requirements of all current and potential future applicable standards, and contains permit terms and conditions to assure compliance with these most stringent applicable requirements.

Permit terms and conditions reflecting alternative operating scenarios, like all part 70 permit terms and conditions, are subject to the possibility of EPA objection and public petition under section 505(b) of the Act. In addition, operating permits are subject to the possibility of reopening by permitting authorities or EPA under sections 502(b)(5) and 505(e) of the Act. Permit terms and conditions of alternative operating scenarios that fail to reasonably anticipate future operating scenarios, emissions units and activities, and their associated compliance obligations may be subject to EPA objection, public petition, or reopening for cause. Failure by permitting authorities to submit information necessary for the public and EPA to review proposed permits adequately constitutes grounds for an EPA objection under section 70.8(c)(3)(ii). However, as noted previously, EPA believes the information necessary for the review of alternative operating scenarios should be guided by the principle that permit terms and conditions must reasonably, but not perfectly, anticipate alternative operating scenarios.

#### 9. EPA's Regulatory Interpretation of Advance Approvals for the Imation XL Project

The EPA, in August 1994, proposed to allow use of the concept of alternative operating scenarios under section 70.6(a)(9) to provide advance approval

to construct and operate new or modified units subject to NSR and section 112(g) (referred to as "advance NSR"). (59 FR 44460, 44472, Aug. 29, 1994). Under the proposal, advance NSR would have allowed permitting authorities to establish the applicable NSR or section 112(g) requirements before a reasonably anticipated project or class of projects was constructed or modified, and then include that project's requirements in the part 70 permit for the facility. As a result, the project would be "preapproved" by the permitting authority, without the need for a later part 70 permit revision since the part 70 permit would already contain the relevant construction and operation requirements for the project.

In August 1995, EPA further clarified its advance NSR proposal by proposing to add a definition of advance NSR to section 70.2, and by explaining that, in EPA's view, a change subject to an advance approval scenario would not be a change under section 502(b)(10) of the Act (60 FR 45530, 45544-45545, Aug. 31, 1995). Rather, it would constitute a switch to an alternative operating scenario under section 70.6(a)(9). As the 1995 preamble noted, this interpretation would have two advantages. First, it would allow the use of advance NSR for title I modifications, and avoid the limitation that changes made under section 502(b)(10) cannot be title I modifications. Second, and more important, the 7-day advance notification under section 502(b)(10) which attaches to each change made under that section would not apply to changes under the advance NSR approval. Consequently, where the State operating permit program allows for advance approval, and the permitting authority approves an alternative scenario containing advance approval, the part 70 permit could allow a source to make the approved change without an advance notice or a part 70 permit revision.

Although the Agency has not finalized revisions to the part 70 regulations to adopt the proposed amendments to sections 70.2 and 70.6(a)(9) discussed above, the Agency is prepared to interpret the existing part 70 regulations for purposes of this XL project to enable alternative operating scenarios to encompass advance approvals in the limited manner described in this document. In other words, for purposes of the approach described in this section, EPA believes that it is a reasonable interpretation of existing section 70.6(a)(9) to cover the advance approval of the new and modified emissions units and control devices described in this document,

within the scope of alternative operating scenarios that may be included in part 70 permits. The concept of "reasonably anticipated operating scenarios" is expansive enough to encompass not only existing equipment that may operate under a different operating scenario reasonably anticipated to occur, but also to encompass new and modified equipment housed in a permanent total enclosure, subject to 100% capture and at least 95% control device efficiencies, and subject to the most stringent applicable requirement streamlining provided for in this project. In addition, there must be a reasonable anticipation as to the limits of the advance approval. The limits in this project include future construction of a maximum of six new coating lines during the permit's term, limitation of the types of new construction and modification that may be implemented under an AOS, and the permit's restriction of the source to one new total enclosure housing pre-approved coating activities. As an additional element of the reasonable anticipation of operating scenarios, the permit provides upper-bound estimates of the number of constituent pieces of equipment (e.g., mills, mixing vessels, storage tanks) that may be constructed under specified AOSs.

The Agency is prepared to advance these interpretations under the current regulations prior to any final action on the part 70 revisions that might adopt the proposed amendments, for purposes of this experimental XL project. As previously noted, adoption of alternative approaches or interpretations in the context of a specific XL project does not signal EPA's willingness to adopt that interpretation as a general matter. Depending on the results of this project, as well as the results of other experimental and pilot projects implemented by EPA, the Agency may or may not be willing to adopt an alternative approach or interpretation again, either generally or for other specific facilities. The EPA solicits comment on these interpretations and their application in this project. In addition, members of the public will have the opportunity to comment on the approach discussed above, as well as the title V permit application and permit for the Imation Camarillo Plant, when the draft permit is made available by VCAPCD for a 30-day public comment period.

### III. Other Requirements

#### *Environmental Management System (EMS) and Multi-Media Pollution Prevention Reporting*

As an additional element of this XL project, Imation Camarillo is developing an EMS modeled after International Standard ISO 14001. The EMS identifies all aspects of the plant's environmental management program and is a tool for ensuring continuous improvement with respect to controlling the environmental impacts associated with the Camarillo plant's activities. In terms of innovation, this project can be used to learn how an EMS can improve the pollution prevention opportunities that are identified within a plant, how the systems management approach is useful in helping a company meet and go beyond compliance, and how the training of employees to implement an effective EMS results in a reduction of environmental risks.

Imation Camarillo will also report a waste ratio number annually that represents the results of pollution prevention measures taken at the facility on an annual basis since 1990. The waste ratio shall be calculated based on the mass of the facility's actual waste output in all media and the mass of products and byproducts produced at the facility. Reporting of the waste ratio as a measure of pollution prevention activities at Imation Camarillo is one of the voluntary elements of this XL project.

Dated: June 23, 1999.

**Laura Yoshii,**

*Acting Regional Administrator, Region IX.*  
[FR Doc. 99-17633 Filed 7-12-99; 8:45 am]

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### ENVIRONMENTAL PROTECTION AGENCY

[FRL-6375-8]

#### **Notice of Availability of Draft Summary of Class V Injection Well Study (EPA Working Draft)**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of availability and request for comments.

**SUMMARY:** EPA and the Sierra Club entered into a modified consent decree on January 28, 1997 (D.D.C. No. 93-2644). In accordance with the second action required by this decree, EPA is completing a study of all Class V wells not included in the July 28, 1999 proposed rulemaking on high-risk Class V injection wells (63 FR 40586). The

purpose of this document is to seek public comment on the draft summary of this study, which provides general information on the study approach and results, to ensure that the information is accurate, complete and current.

**DATES:** EPA must receive public comment, in writing, on the draft Class V study by August 12, 1999.

**ADDRESSES:** Send written comments to the UIC Class V, W-99-12 Comment Clerk, Water Docket (MC-4101); U.S. Environmental Protection Agency; 401 M Street, SW, Washington, DC 20460. Comments may be hand-delivered to the Water Docket, U.S. Environmental Protection Agency; 401 M Street, SW, EB57, Washington, DC 20460. Comments may be submitted electronically to [ow-docket@epamail.epa.gov](mailto:ow-docket@epamail.epa.gov).

Please submit all references cited in your comments. Facsimiles (faxes) cannot be accepted. Send one original and three copies of your comments and enclosures (including any references). Commenters who would like EPA to acknowledge receipt of their comments should include a self-addressed, stamped envelope.

The draft study summary is available for review in the Water Docket at the above address. For information on how to access docket materials, please call (202) 260-3027 between 9:00 a.m. and 3:30 p.m. Eastern Standard Time, Monday through Friday. If you would like copies of the summary contact the U.S. Environmental Protection Agency; Office of Water Resource Center; RC-4100; 401 M Street, SW; Washington, DC 20460 or call (202) 260-7786. The summary is also available on the EPA, Office of Ground Water and Drinking Water, Underground Injection Control web site: <http://www.epa.gov/OGWDW/uic/cl5study.html>.

**FOR FURTHER INFORMATION CONTACT:** For general information, contact the Safe Drinking Water Hotline, toll free 800-426-4791. The Safe Drinking Water Hotline is open Monday through Friday, excluding federal holidays, from 9:00 a.m. to 5:30 p.m. Eastern Standard Time. For technical inquiries, contact Anhar Karimjee, Underground Injection Control Program, Office of Ground Water and Drinking Water (mailcode 4606), EPA, 401 M Street, SW, Washington, DC, 20460. Phone: 202-260-3862. E-mail: [karimjee.anhar@epa.gov](mailto:karimjee.anhar@epa.gov).

**SUPPLEMENTARY INFORMATION:** For the Class V study, EPA grouped Class V wells into the following 23 categories:

Agricultural Drainage Wells include all wells receiving agricultural runoff. This includes improved sinkholes and