UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Potential Enforcement Action Against Masonite Corporation

FROM: John S. Seitz, Director
Office of Air Quality Planning and Standards

Michael S. Alushin
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TO: David Howekamp, Director
Air and Toxics
Region IX

Nancy Marvel
Regional Counsel
Region IX

This memorandum responds to your request for concurrence in an analysis of potential emission increases in volatile organic compounds (VOC) and other pollutants resulting from the introduction of a Molded Products Line (MPL) to Masonite's wood products facility in Ukiah, California. Based on the information available to the Region at this time, the Region's analysis concludes that the "net emissions increase" in VOC, particulate matter (PM10), and nitrogen oxides (NOx) is significantly greater than that calculated by the source in its permit application. Yet, the discrepancy must be resolved because it leads to dramatically different conclusions concerning the extent of federally-enforceable production/operational limits that Masonite must take should it seek to comply without undergoing PSD review. It could also affect any BACT determinations that may need to be made, as well as determinations as to which pollutants would be required to undergo PSD review.

Based on review of the materials that you have provided, we agree that the Region's analysis is correct, that the modification is major, and that the net emissions increases are significant. We understand that the SIP for Mendocino County Air Pollution Control District provides that a source which has received a permit under 40 CFR Section 52.21, for which the application was received by EPA by July 31, 1985, will continue to be under EPA's authority

to apply Section 52.21 (40 CFR Section 52.270(b)(3)(iii)). We also understand that at least one permit has been issued under Section 52.21 before July 31, 1985 to this Masonite facility. Therefore, we agree that the Region continues to have authority to apply 40 CFR Section 52.21 to Masonite.

We agree that Masonite's analysis is flawed in several respects, including the failure to evaluate emissions from the MPL press, kiln, coatings, linseed oil application, etc. Your memorandum correctly points out that the analysis must include review of the actual emissions compared to the potential emissions from not only the unit that is the subject of the modification, but all other units that are "'affected'" by the change. As we understand it, the introduction of the MPL contributed to emission increases at seven different emission points, including the Coe Dryer, Moore Dryer, coating operations, MPL press, MPL kiln, linseed oil application operations, and wood-drying operations.

Masonite's argument that the only "affected units" are the Coe dryer and MPL kiln appears to be unrealistic. Moreover, Masonite's reason for not considering emissions from other units appears to be based on the erroneous premise that the other units are not "modifications" because they constitute "routine replacements" to the Duolux door line. The addition of the MPL press and replacement of roll coaters with spray applicators, however, specifically enabled Masonite to produce a new product -- molded door facings. Furthermore, Masonite was still able to and did operate the Duolux door line even when the MPL line was installed and operating. Thus, we cannot agree that such units qualify as "routine replacements."

We also agree that the Region's analysis of emission increases properly did not consider reductions that have since occurred at Masonite. Pursuant to EPA regulations (40 CFR Section 52.21(b)(3)), credits for emission reductions must be both federally enforceable and contemporaneous. Emission reductions must be federally enforceable at the time construction begins. Masonite had neither contemporaneous reductions nor federally enforceable reductions. Before enforcement action is taken, however, we urge your staff to continue to work with OAQPS on the analysis of the emissions.

In sum, we concur with the Region's analysis and are available to provide assistance as the case proceeds. We also urge your staff to work with the Office of Enforcement staff to determine the appropriate enforcement action to be taken. If you have any questions, please contact Clara Poffenberger (FTS 678-8709) of the Stationary Source Compliance

Division or David Rochlin (FTS 260-2817) or Elliott Gilberg (FTS 260-1089) of the Air Enforcement Division.

cc: Nina Speigelman, Region IX
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