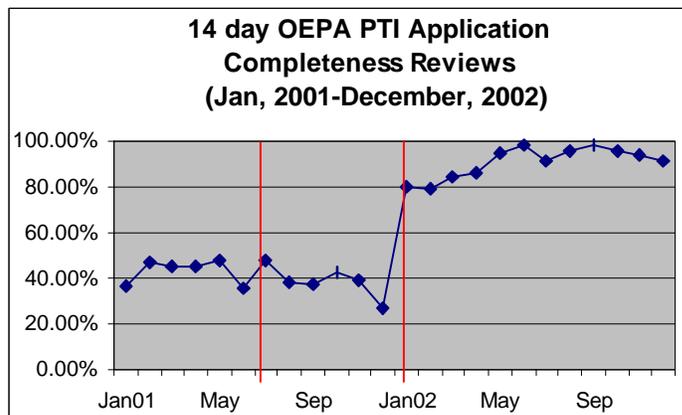
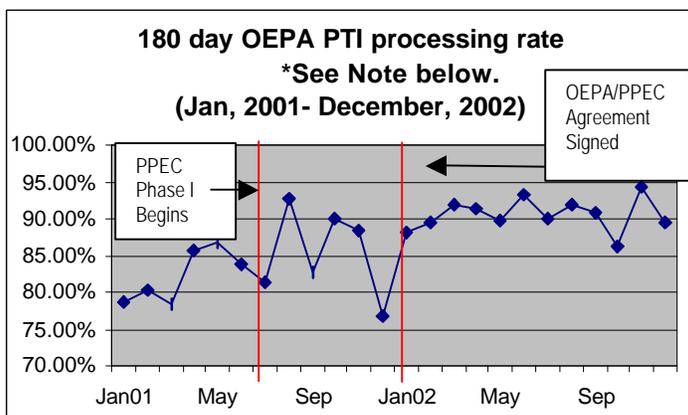


The following progress report highlights the substantial progress to date of the Industry-Ohio EPA PPEC. The potential benefits to the regulated community are substantial and your continued involvement in this process is critical to its eventual success.

Industry-Ohio EPA Permit Process Efficiency Committee Progress Report - March, 2003 Executive Summary



**Note: the above graph for 180 day processing includes all PTI applications pending (including those submitted prior to 1/1/2002) not just the applications agreed to be processed and compared within the 180 day performance goal.*

Original Industry-Ohio EPA PPEC Workgroup Update

Permit and Metrics Committee – The final report mandated Ohio EPA to maintain a 100% goal for 14-day application completeness reviews and 180 day processing for PTI applications received after January 1, 2002. The information and charts provided by Ohio EPA for 2002 reflects this progress (see charts and notes).

Ohio EPA reported the final 2002 numbers at the February 11 PPEC meeting:

- **89.2% of the PTI applications were reviewed for completeness within 14 days in 2002. This is an increase of over 40% from the pre Industry-Ohio EPA PPEC process.**
- **99.1% of the PTI applications received in 2002 were processed in the 180 day goal (671 of 677). This is an increase of over 10% from the pre Industry-Ohio EPA PPEC process.**
- **90% of all permits issued in 2002 by Ohio EPA (including permits received before January 1, 2002) were issued in 180 days.**

Training Committee – In 2002, the committee coordinated and conducted Basic NSR training to all local air agencies with industry input and presentations. An advanced NSR training is planned for March 2003 with industry input. The next step for the committee is to initiate the development of external (industry training) in accordance with the PPEC agreement. The next goal will be the implementation of industry application training that will result in better applications for PTI and PTO permits to be submitted to Ohio EPA by the regulated community. In addition, Ohio EPA intends to implement an annual training program in conjunction with U.S. EPA for Ohio EPA agency permit review staff.

DAPC Reorganization Committee – The committee reported that the new DAPC reorganization has been approved by the Director of Ohio EPA. Ohio EPA will update the PPEC on the progress of the reorganization at future PPEC meetings. As presented at the October meeting, the original DAPC reorganization plan had to be reassessed due to the Ohio EPA budget reductions for the upcoming fiscal year.

Update from the Industry-Ohio EPA PPEC Implementation Workgroups

Permit By Rule Committee - The committee has been working on six Permit by Rule proposals in December and January. The six Permit by Rule proposals include:

1. Auto Body Shops
2. Storage tanks
3. Gasoline Service Stations
4. Printing facilities
5. Gas-fired boilers up to 100 MM BTU/hour
6. Paved roadways

The Ohio EPA completed preliminary review of all proposals in February 2003 and presented the proposed Permit by Rules to field offices and local air agencies. Ohio EPA may be requesting additional information from the committee on the six Permit by Rule proposals.

The next steps and timeframe for the Permit by Rule Committee include:

1. Ohio EPA forming internal review teams to discuss technical issues for each Permit by Rule proposal in March 2003.
2. Ohio EPA discussing PBR proposals with U.S. EPA, Region V in March and April 2003.
3. Ohio EPA and the committee drafting rule language in May 2003.

Elise Spriggs of the Ohio Petroleum Council (614 221-5439) is the committee trade assoc. representative.

General Permit Committee – The committee reported that the legal authority for a General Permit program exists in the Ohio Revised Code and that the committee has identified seven source categories for developing general permits.

The seven source categories are:

1. Aggregate Processing including storage pile and roadway general permits
2. Concrete Batch Plants
3. Asphalt Plants
4. Industrial Painting Operations
5. Drycleaners
6. Boilers
7. Gas and Diesel Loading Racks (bulk plants)

The committee is developing a General Permit package for each of the seven source categories that will be reviewed by Ohio EPA.

Jack Pounds of the Ohio Chemistry Technology Council (614 224-1730) is the committee trade assoc. representative.

Emissions Exemption Threshold Committee – The committee submitted a rule draft to Ohio EPA for review and comment in December 2002. The key points include: a facility must be in compliance with applicable laws, including major new source or other Clean Air Act provisions; must not be covered by a Permit-by-Rule or other permanent exemption; must have a Potential-to-Emit (PTE) of <25 TPY CO and <10TPY for any other air contaminant. The group is also discussing including an “actual” emission threshold of <25 and <10 TPY with some detailed record keeping. In addition, a facility must develop adequate records and maintain them for a period of time; notify Ohio EPA if they exceed the exempted emission level and also of use; and request to revoke a permit and operate under this exemption. After the review and comment of Ohio EPA, the next step will be to present the draft rule to U.S. EPA Region V.

Kristin Clingan of the Ohio Chamber of Commerce (614 228-4201) is the committee trade assoc. representative.

Emissions CAP / PAL Committee – On December 31, 2002, the *Federal Register* published the U.S. EPA's final and New Source Review (NSR) rules that will become effective in March 2003. As expected, nine states immediately filed a legal challenge against the final rule in the D.C. Circuit Court of Appeals. Additional states are considering filing legal challenges against the final rule, while others are considering intervening in the case on behalf of U.S. EPA and the final NSR rule package. The basic outline of the package includes:

- 1) Plant wide Applicability Limits
- 2) Clean Unit Exclusion
- 3) Pollution Control and Prevention Projects Exclusion
- 4) Actual-to-Future Actual Methodology Emissions Test

The committee is in the process of conducting a complete review of the final NSR rule package. To accept the new NSR package, Ohio EPA will have three years to revise its permitting rules and the SIP (State Implementation Plan). The committee will be working with Ohio EPA in its implementation of the new NSR rule package.

Greg Vergamini of the Ohio Manufacturers' Association (614 224-5111) is the committee trade assoc. representative.

Additional Issues from the Industry-Ohio EPA PPEC Meeting on February 11, 2003

PTIO proposal – Ohio EPA provided an update of the September 2002 Ohio EPA concept proposal to convert the current PTI and PTO permits into one permit ("PTIO") for non Title V permits. Last fall an Industry-Ohio EPA PPEC workgroup was formed to discuss the PTIO proposal and the workgroup submitted formal comments and a PPEC position paper to Ohio EPA on November 15th. Ohio EPA is currently reviewing all comments on the PTIO proposal and an Ohio EPA internal review team is working to evaluate the comments from various sources and develop a formal proposal for comment on the PTIO proposal. For an update and copy of the PPEC comments on the PTIO proposal, please contact Linda Woggon at the Ohio Chamber (614 228-4201).

Ohio EPA Permit Fees - Ohio EPA reviewed the budget and the increase in PTI fees for the upcoming 2003-2004 biennium budget bill. The increase in PTI fees will replace the anticipated lost fees/revenue from the adoption of the new exemptions and reduced permits that are being proposed by the PPEC implementation workgroups.

Key Upcoming Project Milestones

- Secure adequate funding to ensure the Industry-Ohio EPA PPEC continued viability to achieve the overall project objectives and meet individual committee needs as they are requested. The Industry-Ohio EPA PPEC would like to thank all of the companies that have made a financial commitment to the PPEC process and would encourage all PPEC members to make a financial contribution to PPEC.
- Maintain schedule with regard to current project milestones for each subcommittee and update project schedules to reflect actual progress to date.
- Maintain the 100% permitting goals set by Ohio EPA and Industry PPEC on PTI processing rates for new applications. Industry PPEC will continue to track the reduction and/or elimination of the PTI backlog and will urge Ohio EPA to post the results on the Ohio EPA website as agreed to in the PPEC agreement.

As you can see, the Industry-Ohio EPA Permit Process Efficiency Committee is making substantial progress. The collective objective is to make the air permit processing system more effective and responsive to industry in Ohio. It has been estimated that, if we are successful on all efforts, we will reduce permitting by as much as 40% resulting in reduced delays and more productive use of the agency's limited resources.

NOTE: THE NEXT INDUSTRY-OHIO EPA PPEC STEERING COMMITTEE MEETING IS JUNE 19, 2003 (10:00 AM) AT THE OHIO EPA OFFICES IN COLUMBUS, OHIO.