

RECEIVED
CLERK'S OFFICE

ORIGINAL

FEB 19 2002

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

STATE OF ILLINOIS
Pollution Control Board

IN THE MATTER OF:

PROPOSED SITE SPECIFIC)
AIR POLLUTION REGULATIONS) R02- 20
APPLICABLE TO HORWEEN) (Site-Specific Rulemaking - Air)
LEATHER COMPANY OF)
CHICAGO, ILLINOIS)
35 Ill. Adm. Code 211.6170)

NOTICE OF FILING

TO:

Clerk, Illinois Pollution Control Board
State of Illinois Center
100 West Randolph Street
Suite 11-500
Chicago, IL 60601

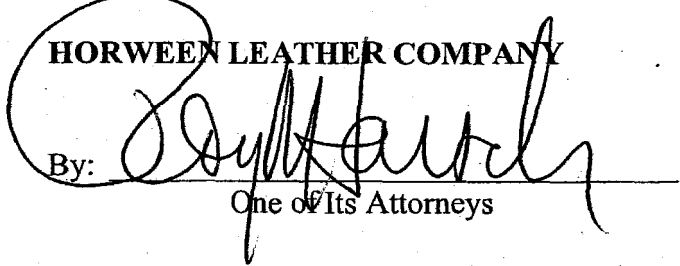
Illinois Environmental
Protection Agency
1021 N. Grand Ave. East
Springfield, IL 62702

Illinois Department of
Natural Resources
524 South Second Street
Springfield, IL 62701-1787

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

PLEASE TAKE NOTICE that on Tuesday, February 19, 2002, we filed the attached
Petition for Site-Specific Rulemaking with the Clerk of the Illinois Pollution Control
Board, a copy of which is herewith served upon you.

Respectfully submitted,

HORWEEN LEATHER COMPANY
By: 
One of Its Attorneys

Roy M. Harsch
Steven J. Murawski
GARDNER, CARTON & DOUGLAS
321 North Clark Street
Chicago, Illinois 60610
(312) 644-3000

RECEIVED
CLERK'S OFFICE

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

FEB 19 2002

STATE OF ILLINOIS
Pollution Control Board

IN THE MATTER OF:)
)
PROPOSED SITE SPECIFIC)
AIR POLLUTION REGULATIONS)
APPLICABLE TO HORWEEN)
LEATHER COMPANY OF)
CHICAGO, ILLINOIS)
35 Ill. Adm. Code 211.6170)

R02- 20
(Site-Specific Rulemaking - Air)

PETITION FOR SITE-SPECIFIC RULEMAKING

Horween Leather Company ("Horween") hereby petitions the Illinois Pollution Control Board ("Board") for a Site-Specific Rule pursuant to 35 Ill. Adm. Code Part 102, Subpart B and Sections 27 and 28 of the Illinois Environmental Protection Act, 415 ILCS 5/27-5/28 ("Act"). Horween requests that the Board issue a site-specific rule from 35 Ill. Adm. Code 211.6170 and 218.926 to change the control requirements as applied to a small amount of new specialty leathers that Horween would like to produce. The requested rule change would allow Horween to continue to produce its existing specialty leathers pursuant to the existing regulations, and develop new specialty leather products in compliance with environmental law pursuant to these requested regulations.

Introduction

Horween is submitting this petition based on inherent technical restraints associated with making new types of specialty leather to meet customers' demands driven by the fashion industry. The severe economic downturn in the U.S. leather industry has greatly reduced the production of leather and, as a result, the viability of Horween's business. In addition, there is a negligible environmental impact in allowing Horween to produce these new specialty leather products. In reality, Horween would not exceed volatile organic material ("VOM") emission levels of five years ago.

Horween, located in Chicago, Illinois, produces specialty leathers for a small niche of customers that demand quality. It is extremely important that Horween be able to produce

additional "specialty-type" leathers to support its business. Between 1995 and 2000, Horween has experienced a marked reduction of footage shipped: 6,950,128 to 4,780,291, respectively. See Attachment ("Attach.") 1. To remain a viable business, Horween must constantly change its products to meet the demands of its customers. As part of the market-driven changes and in order to continue to be a viable entity, Horween needs to be able to finish a larger variety of specialty-type leathers including cementable pull up, leathers designed for hand-sewn shoes, and other performance leathers that were not considered in the existing Reasonably Available Control Technology ("RACT") rule or the amendment to the RACT rule that included the definition of specialty leather and established a separate RACT rule for such leather.

The rapid decline in the U.S. leather manufacturing industry has created extreme economic uncertainty for all tanneries in the U.S. Since 1994, over one-half of the side leather production in this country has been lost. See Attach. 2 and 3. For example, in 1999 only 120 million out of 1,767 billion shoes consumed were domestically produced. As a result of the increasing offshore leather production and the relocation of leather customers overseas, the U.S. domestic side leather industry has been in the process of rapid consolidation. Since 1998, at least eight major leather producers have closed or are closing. The leather producers that have already closed include A.L. Gebhardt, Pfister & Vogel, Whitehall Tanning, Salz Leathers, and Lackawanna Tanning. Additionally, this year, Midwest Tanning announced plans to move to China and Blackhawk Tanning will be closing. Finally, Irving Tanning, a direct competitor of Horween, just filed for Chapter 11 bankruptcy this summer, Paul Flagg Tanning is for sale and Prime Tanning began ceasing domestic operations at the end of the 2001. See Attach. 4.

The inherent production requirements of leathers that use higher solvent-based finishes were the subject of Illinois' original adoption of amendments to the generally applicable RACT leather coating rule. See 35 Ill. Adm. Code §§ 218.926 and 211.6170; Board Order, PCB R93-14, January 6, 1994. Horween worked extensively with the Illinois Environmental Protection Agency ("IEPA" or "Agency") in that procedure and testified before the Board. The Board, after thoroughly evaluating the required production needs of specialty leathers with a high grease, wax

and oil content, adopted a special subcategory for this “specialty leather.” See 35 Ill. Adm. Code §§ 218.926 and 211.6170. The Illinois rule allows emission of VOM in the amount of 38 pounds (“lbs.”) per 1,000 square feet and further provides an exemption for the stains used on leather. 35 Ill. Adm. Code § 218.926. Furthermore, the rule specifically defines “specialty leather.” 35 Ill. Adm. Code § 211.6170. This particular rule was approved by the U.S. Environmental Protection Agency (“USEPA”) and included in the Illinois State Implementation Plan (“SIP”). 59 Fed. Reg. 46567 (Oct. 11, 1994). During that rulemaking process, the IEPA and ultimately the Board agreed that further solvent reductions and add-on control technology were not feasible and would create an undue burden upon specialty leather manufacturers. Thus, the Board enacted the Specialty Leather Rule to provide relief to these manufacturers from the generally applicable RACT coating rules.

At the time the IEPA was developing the adjusted RACT standards, Horween provided IEPA with a substantial amount of information to justify the modified standards. See Attach. 5. Part of the information included the disclosure that products being developed by Horween may change based on future customer demands and fashion changes. Horween produces leathers to meet the demand of its customers who primarily produce shoes. Fashion and the needs of the shoe production process drive this demand.

To continue to stay in business to provide high quality leather products and compete with international producers of leather products who are allowed to use a variety of finishes not subject to the same environmental constraints as those imposed in the United States, or even more specifically, in Illinois, Horween has recently explored the development of new leather products. To date, Horween has identified two types of what it believes to be “specialty leathers” that would allow Horween to replace a portion of the business it has lost. The first group includes a minor change to Horween’s existing CHROMEXCEL® specialty leather, and the second group, performance leathers, includes a leather previously made by a closed tannery. This leather, referred to by Horween as “GENTRY” can be hand sewn and ironed. See Attach. 6, 7 and 8.

Due to changes in demand, Horween now produces some CHROMEXCEL® Leathers with less grease, wax and oils being added to the mills during production; however, through combining hot stuffing with roller coating, more than 25 percent (“%”) grease, wax and oils are added on a dry weight basis. Recently, shoe manufacturers have been requesting that Horween produce specialty leathers with less of a waxy feel than the traditional CHROMEXCEL® Leathers. These new leathers are intended to satisfy consumer demand for dressier looks that are capable of being used in a different type of shoe making system involving cementing soles to the shoes, rather than sewing them. Unfortunately, the traditional CHROMEXCEL® Leathers are not capable of being cemented because the high grease, wax and oils content prevents any cements from forming a permanent bond. Thus, Horween cannot produce these new leathers in compliance with the current definition of CHROMEXCEL® Leather because the formula for producing this leather involves the use of less than 25% grease, wax and oils on a dry weight basis. Furthermore, based on Horween’s experience, there would still be enough grease, wax and oils present in these leathers to trigger the same technical problems which gave rise to the original need for the Specialty Leather Exemption related to the inability of water-based dyes, finishes or other low solvent coatings to penetrate or adhere to the leathers during the finishing process. These types of problems begin to appear at grease, wax and oils content of 12%. Therefore, the newly proposed leathers with between 12% and 25% grease, wax and oils content cannot be finished with coatings that comply with the generally applicable 3.5 lbs. per gallon RACT coating regulation and cannot satisfy the definition of specialty leather.

The second group of proposed leathers, including one leather that was produced in a tannery now closed in Wisconsin, was designed for specialty performance for hand-sewn shoes and an extremely glossy, dressy look and fine, smooth finish. From the tanning side, changes must be made so this type of specialty leather will withstand soaking and still be pliable enough that the leather and the finish shrink together at a consistent rate, yielding a smooth surface appearance. From the shoemaking side, the top finish of the leather must be able to withstand ironing with high temperatures to give a uniform, smooth appearance. The surface must also be

compatible with current shoe finishes used to stain and antique the shoes to give the desired appearance. Water-based finishes that comply with the 3.5 lbs. per gallon RACT coating regulation are not able to do this.

While developing these new products, Horween evaluated the existing RACT rules to review potential impacts on future environmental compliance should these new products be produced. Consequently, Horween realized that, as written, Horween would not be able to put these new leathers into production and continue to comply with the existing Illinois RACT rules. However, even though the production of the newly proposed products cannot meet the current RACT rules, there is a negligible environmental impact from producing these new products. The production of the new specialty leathers at this facility will hopefully replace production that has been lost since 1995 and would not exceed the VOM emissions from 1995 with an additional 20 ton per year ("tpy") cap on these new specialty leathers. Horween would not exceed current emission limits already in place in the facility's Title V permit and ERMS baseline. Thus, any environmental impact from production of the new products would be negligible.

Prior and subsequent to the amended RACT rule, Horween tested several water-based leather finishes and continues to be unsuccessful in replacing solvent-based materials where finish performance is an issue. While there are new stains that may be extended with water prior to application, when the VOM content of these finishes is calculated, the water content must be subtracted when calculating VOM content. See Attach. 9. Therefore, the substitution of these materials has not resulted in compliance with the generally applicable 3.5 lbs. of VOM per gallon RACT coating regulation. However, Horween replaced solvent-based materials with water-based materials for all of the leathers that do not require special finish performance or a dressier polished look. In addition, Horween continuously adjusts formulas to reduce VOM and HAP emissions, while maintaining quality specialty leathers that are acceptable to customer's demands.

Based on the above background and the original justification for amending the Illinois RACT requirements to recognize "specialty leather" manufacturers, Horween is proposing the Board adopt the same RACT rule the USEPA recently approved as part of the State of Maine's

SIP of 14.0 lbs. VOC (VOM) per 1,000 square feet for non-waterproof leather, and 24.0 lbs. VOC (VOM) per 1,000 square feet for waterproof leather. See Attach.10 and 11.

The two proposed groups of specialty leather will have both waterproof and non-waterproof leathers depending upon the customer's needs. Generally speaking, the difference between our waterproof and non-waterproof leathers is the stuffing, oiling, and retannage; not the top finishing coats. The top finishing coats affect the final appearance as far as a natural and casual, or a dressier more polished end-product. The components of the finishes are also greatly affected by the amount of grease, wax and oils used with the leather.

In addition to the limitations of the Maine RACT rule, Horween proposes an emissions cap of 20 tpy of VOM for the emissions from the production of the above-described two new leather product groups of "specialty leathers" that would satisfy the parameters of the proposed RACT rule. Furthermore, the remaining leather production would remain subject to the existing regulatory requirements. These changes will allow Horween to continue to respond to constant changes in the "specialty leather" market while continuing to operate its facility in compliance with environmental standards. The specific information required in a petition for a site-specific rulemaking pursuant to 35 Ill. Adm. Code §§102.202 and 102.210 is set forth below.

Section 102.202 – Petition Content Requirements

Section 102.202(a): The Language of the Proposed Rules

The current coating regulations applicable to leather manufacturers can found in 35 Ill. Adm. Code 211.6170 and 218.926. Horween has been able to comply with these regulatory provisions by carefully monitoring process materials in accordance the Illinois Rules and Horween's Title V permit requirements. However, as explained throughout this petition, due to market demand changes, inherent product manufacturing constraints, and the ability to stay well within its Title V emission limits, Horween would like to manufacture new products without raising any environmental concerns. Accordingly, Horween requests that the Board make the following changes to Section 218.926:

Except as provided in Section 218.929, eEvery owner or operator of miscellaneous fabricated product manufacturing process emission unit subject to this Subpart shall comply with the requirements of subsection (a), (b) or (c) of this Section:

Furthermore, Horween requests that the Board add Section 218.929 as follows:

Section 218.929 Cementable and Dress or Performance Shoe Leather

a) This rule applies to a leather manufacturing facility located at 2015 North Elston Avenue, Chicago, Illinois 60614. In addition to leathers produced in accordance with any other rule, this facility shall be allowed to produce the following types of leather:

1) Cementable Shoe Leather

- (a) A select grade of chrome tanned, bark/polymer retanned leather;
- (b) Hot stuffed, fat liquored or wet stuffed to over 12% but less than 25% by weight grease, wax and oils measured by dry weight balance calculation, by direct contact with such materials in liquefied form at elevated temperature; and
- (c) Finished with coating materials which adhere to the leather surface to provide color and a rich visual luster while allowing a surface that feels oily.

2) Dress or Performance Shoe Leather

- (a) A select grade of chrome tanned, bark/polymer retanned leather;
- (b) Finished with coating materials containing water emulsified materials using water miscible solvent materials to protect the leather and pigmented coating; and
- (c) Used primarily in the manufacture of sewn shoes where the leather must be capable of soaking and/or ironing of the finished shoe to smooth wrinkles; or leathers with a fine, dressy finish that cannot meet the 3.5 lbs. per gallon RACT coating regulation.

3) Does not meet the definition of specialty leather; and

4) Cannot meet the control requirements in Section 218.926.

b) The production of leather allowed under this provision is subject to the following limitations:

- 1) The total VOM emissions shall not exceed 24 lbs. VOM per 1,000 square feet for waterproof leather based on a 12-month rolling average;
- 2) The total VOM emissions shall not exceed 14 lbs. VOM per 1,000 square feet for non-waterproof leather based on a 12-month rolling average; and
- 3) The total annual VOM emissions shall not exceed 20 tons.

Section 102.202(b): Statement of the Reasons Supporting the Proposal¹

As stated throughout this petition, there are three main reasons that justify a site-specific rule in this circumstance. First, the rapid changes and deterioration of the U.S. leather industry requires the limited number of remaining U.S. specialty leather manufacturers to create new products to compete internationally or join the other recently failed leather manufacturers in extinction. Secondly, due to the technical and production limitations inherent in making specialty leather products, Horween cannot produce the newly proposed products while complying with the existing RACT rules.² Finally, Horween's production of the newly proposed products will not result in a negative environmental impact when compared to prior operation at the facility and the continuing requirement to comply with existing emission limits in the facility's Title V permit.

The negative effects upon Horween of maintaining the status quo are readily apparent. Since 1995, because of drastic market changes to the leather manufacturing industry, Horween's use of VOM has gone down along with its reduction of leather production and employees. More specifically, in 1995, the facility used finishes containing 62.764 tons of VOM and shipped 6,950,128 square feet of product. In 2000, the usage dropped to 40.980 tons of VOM and Horween's corresponding shipment of product dropped to 4,780,291 square feet for a total of over a 31% reduction in both areas. See Attach. 1. Consequently, Horween was forced to reduce its workforce from 201 employees in 1995 to a current low of 151, almost a 25 percent

¹ Also see the analysis for Section 102.210(c) which compliments this section.

² The requested limitations are consistent with recently-approved USEPA RACT regulations adopted by Maine.

loss of employment. The cost of continued compliance with the current regulations applicable to Horween is the continued exponential decrease in annual market share of the leather producers' market, a continued decrease in production, and Horween's eventual facility closure similar to the previously mentioned leather producers that have closed or are in the process of closing.

During the Board's decision to recognize the unique emissions of specialty leather manufacturers, it determined that add-on controls were technically infeasible. Furthermore, the Board concluded that the ability of specialty leather manufacturers to reformulate the solvents used in the manufacturing process was technically impossible based on the specific products manufactured. Finally, the Board determined that requiring add-on controls was economically unreasonable based on the few existing specialty leather manufacturing operations and the limited production at those facilities. Therefore, the true cost of compliance and compliance alternatives is eventual extinction of specialty leather manufacturing in Illinois and a continued decimation of U.S. leather manufacturing.

Furthermore, although the Horween facility is located in an area that has been designated as a nonattainment area for ozone, the emissions from the new leather products that Horween would like to produce are so small that the impact on ambient air quality could not be measured at the boundaries of the site. Moreover, the emissions from the facility resulting from the rule change would not exceed the permitted limits in the facility's existing Title V permit.

The requested rule change would specifically apply to the product development for cementable pull up, performance leathers and hand-sewn leathers which are currently estimated to be from 500 sides per week to a maximum of 2,000 sides per week depending on the limiting factors. See Attach. 1, 6, 7, and 8. At the maximum production rate of the new products, there would be no physical changes necessary to be made to the facility. Given the uncertainties in the planning process, the fact that the leathers have yet to be produced, and the need to develop other new products, Horween is proposing an emissions cap of 20 tpy VOM for the total production of these new leathers. Furthermore, Horween is recommending the additional limitations that the total VOM emissions shall not exceed 24 lbs. VOM per 1,000 square feet for waterproof leather,

and 14 lbs. VOM per 1,000 square feet for non-waterproof leather, based on a 12 month rolling average. These self-imposed constraints on emissions can easily be met and verified due to the limited size of the facility along with the specialized finishing equipment and processes used for finishing this type of specialty leather. When comparing the increases in VOM and HAP emissions to the recent VOM and HAP decreases due to Horween's market share loss, allowing a rule change so that Horween can produce the new products described above has a negligible impact on compliance with existing emission limits and standards. However, even without the recent decreases in VOM and HAP, the emissions related to the change still do not even come close to the emission caps of 99.12 tpy of VOM and HAP in Horween's Title V permit and Horween's allotment of 281 ATUs per season under the ERMS program.³

Finally, most of the finishing chemical HAPS are ethylene glycol n-butyl ether (2-butoxyethanol) ("EGBE") that should be delisted from the HAP list shortly. The Chemical Manufacturer's Association (CMA) petitioned to have EGBE delisted in August 1999. The USEPA scientific study has been concluded, with the recommendation that EGBE should be delisted. EGBE accounted for all but 2.5 tons of Horween's HAPS in 2000. See Attach. 12.

Section 102.202(c): Synopsis of All Testimony to be Presented at Hearing

At hearing, Horween will be prepared to present testimony on the technical, economic and environmental reasons why the Board should grant this petition for a site-specific rule. The general nature of the testimony to be provided has been described in this petition in the Introduction and Section 102.202(b).

Two witnesses who are prepared to testify at a hearing have provided affidavits attesting to the truth, accuracy and completeness of the information provided in this petition. The witnesses names, their relationship to Horween and their affidavits can be found in Attachment 13.

³ The Title V permit source-wide emissions limitation for HAP are included within the VOM emissions limitation.

Section 102.202(d): Copies of Any Material to be incorporated by reference within the proposed rule pursuant to Section 7-75 of the IAPA [5 ILCS 100/5-75]

At this time, the Petitioner does not request that any information or material be incorporated by reference within the proposed rule.

Section 102.202(e): Proof of Service upon All Persons Required to be Served Pursuant to Section 102.422

Attached to this petition is proof of service that the Petitioner satisfied the requirements of 35 Ill. Adm. Code 102.208 when filing this petition. Should the hearing officer or the Board create or modify a notice list during this regulatory proceeding pursuant to 35 Ill. Adm. Code 102.422, the Petitioner will add those persons to the notice list and serve those persons as required.

Section 102.202(f): Petition Signed by at least 200 Persons

Because the enactment of the proposed rule will not result in any negative environmental impact when compared to historical production of specialty leathers at this facility and the existing emission limitations in the facility's Title V permit, the Petitioner believes that the Board should waive the requirement to submit a petition signed by at least 200 persons in accordance with 35 Ill. Adm. Code 102.202(f). See Attach. 1. Horween also believes that a waiver of this requirement is further warranted based on the recent acceptance by USEPA and Maine of the same RACT rule as the rule outlined in this petition.

Section 102.202(g): Agency Proposal of Federally Required Rule

This subsection does not apply because the Petitioner is not the Agency.

Section 102.202(h): Verification that the Most Recent Rule is to be Amended

This statement certifies that the proposed changes to 35 Ill. Adm. Code 211.6170 and 218.926 outlined in this petition amend the most recent versions of the rules obtained from the Board's Web site.

Section 102.202(i): [For State Agencies] An Electronic Version of The Language of the Proposed Rules

This subsection does not apply because the Petitioner is not a State agency.

Section 102.202(j): Justification for Inapplicability of Sections in 102.202

Please see descriptions under each subsection above for justifications of inapplicability.

Section 102.210 – Petition Content Requirements

Section 102.210(a): Language of the Proposed Site-Specific Rule

For the language of the proposed site-specific rule, see the analysis for Section 102.202(a) above.

Section 102.210(b): Reasons for the Rule Change

For a description of the reasons for the rule change, see the analysis for Section 102.202(b) above. In addition to the detailed descriptions above that support this petition, Horween has also included seventeen (17) attachments that justify the site-specific rule based on technical, economic and environmental reasons.

Section 102.210(c): Description of the Site and the Area Affected by the Proposed Change⁴

Horween, a 96-year-old business, is located in the Elston Corridor Planned Manufacturing District No. 2 at 2015 North Elston Avenue, Chicago, Cook County, Illinois. It is zoned for Heavy Manufacturing and surrounded by manufacturing and commercial businesses. See Attach. 15. The facility currently employs 151 people and primarily processes and finishes specialty leather for a small niche of high-end customers that demand quality. Cattle hides received are produced into both specialty leather and standard leather. All cattle hides are washed, limed, de-haired, and chrome tanned to remove naturally occurring oils which must be

⁴ Also see the analysis for Section 102.202(b) which compliments this section.

replaced later in the process. Oils are replaced by hot stuffing, fat liquoring or wet stuffing. Leather is then dried and may undergo buffing, staking and splitting to prepare it for finishing. In the cattle leather finishing process, various types of leather coatings or finishes are applied depending upon the type of leather being produced. Coating operations include spraying, machine brushing, roll coating, or hand brushing of coatings onto leather. Drying techniques involve gas-fired low heat dryers, steam low heat dryers, vacuum drying, and hanging and toggling in drying rooms.

The facility currently has a Title V Clean Air Act Permit Program (CAAPP) Permit issued by IEPA on December 6, 1999, because it is considered a major source of VOM and Hazardous Air Pollutant ("HAP") emissions. The facility houses 22 significant emission sources, excluding emissions from miscellaneous/cleanup, that emit VOM, SO², PM and NOX. The permitted emission limits, in tons per year, for these pollutants are 99.12, 3.58, 10.62 and 13.63, respectively. Seven of the sources have particulate matter pollution control equipment including two built-in water curtains for the spray paint booths, one baghouse for four buffer units and a whirl-wet dust collector for an additional buffer. We also utilize electric eyes on our automatic spray lines to eliminate the overspraying of finishes. Work Practices, Compliance Procedures and Recordkeeping Requirements are all outlined in Section 5.0 Overall Source Conditions and Section 9.0 Standard Permit Conditions of Horween's Title V CAAPP Permit. See Attach. 16.

There are no treatment or control options that could avoid the Petitioner's request for this rule change. First, no feasible add-on equipment currently exists to control VOM emissions from the leather finishing process. Additionally, as explained above, even though Horween has invested heavily in the research and development of utilizing different replacement finishes and low VOM stain coats, no suitable substitute material has been satisfactorily developed to replace the use of solvent-based coating on these types of specialty leathers. Finally, material substitution or process modification is not a viable alternative for tanneries producing this type of specialty leather.

However, even though the use of the newly proposed specialty leather coating cannot meet the current rule, the environmental impact of the proposed change to the regulations allowing Horween to make these new specialty leather products is negligible. More specifically, Horween is asking for a 20 tpy limitation to ensure it does not exceed the Finishing VOM usage from 1995. See Attach. 5. Constraints on emissions will also stem from the limited size of the facility along with the specialized finishing equipment and processes used for finishing this type of specialty leather. When comparing the increases in VOM and HAP emissions to the recent VOM and HAP decreases due to Horween's market share loss, the proposed standard has no impact on compliance with existing emission limits and standards. However, even without recent decreases in VOM and HAP, the emissions related to the change still do not even come close to the emission caps in Horween's Title V permit of 99.12 tpy of VOM and HAP in Horween's Title V CAAPP Permit.⁵

Section 102.210(d): Demonstration that the Board may Grant the Proposed Relief

The Board can grant the proposed relief consistent with federal law governing the subject of the proposal. In the 1990 amendments to the Clean Air Act, Congress included provisions that required states to submit SIPs for moderate, serious, severe, and extreme ozone nonattainment areas that imposed RACT on all major sources of volatile organic compounds. See 42 U.S.C. § 7511a. Chicago has been determined to be located in a severe ozone nonattainment area. 40 C.F.R. § 81.314. Accordingly, Illinois submitted a SIP including RACT regulations for leather coating. As originally proposed by Illinois, Horween could not have met the RACT standards for leather coating. However, after providing a substantial amount of information about its unique process of tanning leather and the air pollutant emissions related to the process, IEPA agreed with Horween's position and reflected its agreement by proposing a specialty leather emissions rule that allowed VOM emissions in the amount of 38 lbs. per 1,000 square feet and created the

⁵ The Title V permit source-wide emissions limitation for HAP are included within the VOM emissions limitation.

existing definition of “specialty leather.” The amended RACT rule was approved by the Board and USEPA as part of its SIP under the Clean Air Act. 59 Fed. Reg. 46567 (Oct. 11, 1994).

With regard to Horween’s newly proposed products, the emission factors relating to producing these products are substantially different from the factors relied upon by the Board in adopting the general regulation. As Illinois affirmed when originally amending the RACT rule for specialty leather manufacturers, the unique treatment of specialty leather manufacturers is necessary because of their limited number and minimal impact on the degradation of air quality. Although the Horween facility is located in the Chicago metropolitan area, there will be a small impact, if any, on the facility’s emissions if the requested rule change is granted. Moreover, the impact of emissions will continue to be limited by the caps on Horween’s VOM emissions proposed in this petition and the limits on its VOM and HAP emissions currently in its Title V CAAPP Permit. Thus, Horween’s introduction of new specialty leather products would not cause or contribute to any violation of the national ambient air quality standards. Additionally, as set forth above, and perhaps most critical, no viable alternative currently exists to create the products for which Horween is seeking this relief. Accordingly, granting an amendment to the existing Illinois RACT rules to allow Horween to produce these new leather products is justified.

Because this petition affects the RACT rules established for the Chicago Metropolitan area and is not a proposal for an equivalent alternative control plan as identified in 35 Ill. Adm. Code 218.926(c), the IEPA will have to request a SIP revision to add this rule to Part 218. However, for the reasons stated above, IEPA’s SIP revision request will likely be non-controversial because of the negligible environmental impact of granting this proposed site-specific rule and the recent acceptance by USEPA of the same rule as RACT in Maine. See 65 Fed. Reg. 20749 (Apr. 18, 2000). See Attach. 10 and 11.

With regard to other related federal laws, USEPA has published a proposed NESHAP standard for Leather Finishing Operations that may affect Horween’s future HAP emissions, if approved. See 65 Fed. Reg. 58702 (Oct. 2, 2000). During the notice and comment period, Horween timely submitted comments to USEPA to explain its unique process of manufacturing

specialty leather products and requested USEPA recognize Horween's unique operations in any final NESHAP standard. See Attach. 17. On May 14, 2001, the USEPA announced that the NESHAP standard was in its final stages and placed the NESHAP standard on the list of rules to be promulgated within one year. See 66 Fed. Reg. 26119 (May 14, 2001). However, to date, the NESHAP rule has not yet been issued; thus, Horween cannot comment on how the USEPA will respond to Horween's comments, change the proposed rule to recognize Horween's unique operations, or affect Horween's operations.

Section 102.210(e): [State Only Requirement] Electronic Version of the Proposal

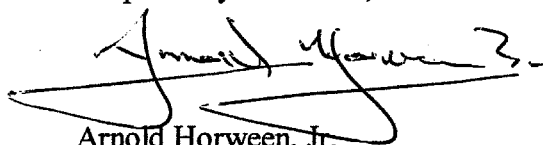
This subsection does not apply because the Petitioner is not a State agency.

Section 102.210(f): Justification for Inapplicability of Sections in 102.210

Please see descriptions under each subsection above.

WHEREFORE, Horween requests the Board grant a site-specific rule from compliance with 35 Ill. Adm. Code 211.6170 and 218.926 and add a new rule 218.929 so Horween can continue to produce its existing specialty leathers and to develop new products in compliance with environmental law.

Respectfully submitted,

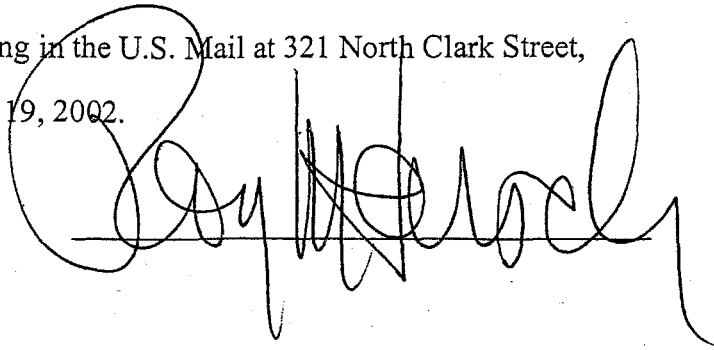


Arnold Horween, Jr.
President
HORWEEN LEATHER COMPANY

Attachments

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Notice of Filing and Petition for Site-Specific Rulemaking** was filed by hand delivery with the Clerk of the Illinois Pollution Control Board and served upon the parties to whom said Notice is directed by first class mail, postage prepaid, by depositing in the U.S. Mail at 321 North Clark Street, Chicago, Illinois on Tuesday, February 19, 2002.

A handwritten signature in black ink, appearing to read "Raymond A. Wood", is written over a horizontal line. The signature is highly stylized and cursive.

CH01/12208868.1