

ENVIRONMENTAL ANALYSIS AND DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT (EIS)

Form 1600-1

Rev. 6-2010

Department of Natural Resources (DNR)

Region or Bureau NER / AM
Type List Designation II

NOTE TO REVIEWERS: This document is a DNR environmental analysis that evaluates probable environmental effects and decides on the need for an EIS. The attached analysis includes a description of the proposal and the affected environment. The DNR has reviewed the attachments and, upon certification, accepts responsibility for their scope and content to fulfill requirements in s. NR 150.22, Wis. Adm. Code. Your comments should address completeness, accuracy or the EIS decision. For your comments to be considered, they must be received by the contact person before 4:30 p.m., July 19, 2011.

Contact Person: Jonathan Wright, P.E.
Title: Air Management Engineer
Address: 625 E. County Road Y, Suite 700 Oshkosh, WI 54901
Telephone Number (920) 303-5432

Applicant: Oshkosh Corporation

Address: main plant- 2307 Oregon Street, Oshkosh, WI 54902-7062

Title of Proposal: Oshkosh Corp. – Spray booth expansion

Location: County: Winnebago City/Town/Village: Oshkosh

PROJECT SUMMARY

1. Brief overview of the proposal including the DNR action (include cost and funding source if public funds involved)

The Oshkosh Corporation is located in Oshkosh, Wisconsin, and operates under WDNR Permit No. 471032650-P12. Current air pollutant emitting operations at the Oshkosh Plant consist primarily of electrodeposition coating, glue booths, undercoating booths, rustproofing booths, prime booths, topcoat booths, paint drying ovens, paint equipment cleaning, cab buildup, , and combustion sources (e.g., ovens, heaters, boilers, etc). The facility is currently classified as a major source of VOC under NR 405, Wisconsin Administrative Code because potential emissions of VOC exceed 250 tons per year. The facility is classified as a major Part 70 source under Title V of the Clean Air Act Amendments (CAAA) of 1990 and the State of Wisconsin's corresponding NR 407, Wisconsin Administrative Code, because potential emissions of VOCs are greater than 100 tons per year. The facility is also a major source of federal hazardous air pollutants (HAPs). The facility is proposing to lease an existing building, to be called the Oakwood Street location, which will be added to the facility with this application.

The facility operates an electrodeposition coating (E-Coat) operation to assist in the production of the Family of Medium Tactical Vehicles (FMTV). The facility installed two E-Coat lines and four paint booths in conjunction with the initial notification in 2009 of an award of a 5-year contract from the Department of Defense (DOD) to produce these vehicles. The installed equipment was permitted under Wisconsin Department of Natural Resources (WDNR) Permit No. 09-JJW-207. In the initial permit a cap of 39 tons per year (TPY) of VOC emissions was applied to the E-Coat facility. The facility was recently informed by the DOD of an accelerated time table for the manufacture of the FMTV vehicles. As a result, the facility plans to install additional paint booths which will require the facility to emit more than their permit cap of 39 TPY VOC. Therefore, this modification is subject to the Prevention of Significant Deterioration (PSD) requirements for volatile organic compounds (VOC).

Two of the proposed new paint booths will be installed at the E-Coat facility, while two booths will be added to the Oakwood Street Plant and one at the Harrison Street Plant. Each booth will have the ability to apply primer, top coat and/or rust-proofing

material. In addition to coatings and rust-proofing material, other surface preparation materials (e.g. adhesives, fillers, sealants, caulks, etc) will be used in the booth area as needed. The new spray booths will utilize efficient particulate filters to enable compliance with particulate emission limitations. Potential air toxic emissions from the facility after the installation of the new coating operations are being evaluated on a facility-wide basis.

2. Purpose and Need (include history and background as appropriate)

The facility is proposing to expand their FMTV production operations at their facilities due to their need for additional production capacity beyond that required by their current air permit. The spray booth operations are currently permitted under WDNR Operation Permit No. 471032650-P12. Therefore, the proposed changes will require modification to the facility's operation permit.

3. Authorities and Approvals (list local, state and federal permits or approvals required)

The facility is currently classified as a major Part 70 source under Title V of the Clear Air Act Amendments (CAAA) of 1990 and the State of Wisconsin's corresponding NR 407, Wisconsin Administrative Code, because potential emission of VOCs are greater than 100 tons per year. The spray booth operations are currently permitted under WDNR Operation Permit No. 471032650-P12.

An NR 405, NR 406, and NR 407 Wisconsin Administrative Code construction and operation permit application for facility expansion is currently being prepared for submittal to the WDNR. An air permit must be acquired before commencement of the construction of the proposed project. Other environmental permits from the WDNR are not required and no other media permits are required.

PROPOSED PHYSICAL CHANGES (more fully describe the proposal)

4. Manipulation of Terrestrial Resources (include relevant quantities - sq. ft., cu. yard, etc.)

The installation of spray booths will not result in the construction of any new structures or roads. Construction work will be on the existing facilities.

5. Manipulation of Aquatic Resources (include relevant quantities - cfs, acre feet, MGD, etc.)

None; the installation of spray booths will not result in an increase in wastewater or storm water from the facility.

6. Buildings, Treatment Units, Roads and Other Structures (include size of facilities, road miles, etc.)

Spray booths will be added to existing facilities. No new structures or roads will be constructed.

7. Emissions and Discharges (include relevant characteristics and quantities)

The spray booths will generate emissions during the production of FMTV. The facility will continue to operate approximately 250 days a year.

The emissions from the proposed facility modification will trigger NR 405 PSD permitting for VOC because the potential emissions of the additional spray booths will be above 40 tons of VOC per year. Estimated emissions from the proposed units are summarized in Table 1, below. Operation of the E-Coat facility have been incorporated into three separate process units, the pretreatment operations (P51), the E-Coat primer coating (P52), and the spray booths for topcoat and rustproofing (P53).

Additionally, the proposed paint booths at the Oakwood and Harrison Street facilities have been incorporated into separate process units, two Oakwood Street spray booths for topcoat and rustproofing (P54) and one Harrison Street touch up booth (P55).

As required by NR 405.08, Wisconsin Administrative Code, the consultant for the facility has completed a BACT analysis for process units with a net increase of VOC or visible emissions over the significance threshold.

Table 1: Potential Emissions from the Modification (Tons per Year)

Process	NOx TPY	CO TPY	SO2 TPY	VOC TPY	PM TPY	PM10 TPY	PM2.5 TPY
Electrodeposition Pretreatment Line (P51)	20.7	17.4	0.12	150 ⁽³⁾	1.57	1.57	1.57
Electrodeposition Primer Coating Line (P52)	4.29	3.60	2.6E-2		0.33	0.33	0.33
E-Coat spray booths and ovens (P53) ⁽¹⁾	2.36	1.98	1.4E-2		4.80	3.36	0.77
Two Oakwood Spray Booths (P54) ⁽²⁾	1.19	1.0	7.1E-3	60 ⁽³⁾	1.62	1.13	0.26
Harrison Street Spray Booth (P55)	0	0	0	10 ⁽³⁾	0.13	0.092	0.021
Total	28.5	24.0	0.17	220	8.45	6.48	2.95

Notes:

- (1) P53 consists of the four recently installed E-Coat paint booths and the two proposed paint booths.
- (2) P54 consists of the two booths at the Oakwood Plant.
- (3) Represents the elected cap on VOC emissions from the equipment.

A dispersion modeling demonstration of compliance with particulate matter ambient air quality standards was performed for PM. The dispersion model has predicted the impact of PM from the proposed project to be below the corresponding NAAQS.

Air toxic emission rates associated with the expansion have been demonstrated to be less than appropriate NR 445 de minimus levels with the exception of eleven air toxics. For these compounds dispersion modeling has been used to demonstrate compliance with NR 445.

Water

The proposed project is not expected to impact the facility's discharge of wastewater to the environment.

Solid Waste

A slight increase in the facility's total generation of solid waste could occur as a result of proposed modifications. The increase in solid waste generation is expected to be approximately proportional to the increase in production rate at the facility. Solid wastes are expected to be managed in the same manner as the current wastes (daily cover at landfill, beneficial reuse, etc).

8. Other Changes

No other changes associated with this project are expected.

9. Identify the maps, plans and other descriptive material attached

- Attachment County map showing the general area of the project
- Attachment USGS topographic map
- Attachment Site development plan
- Attachment Plat map
- Attachment DNR county wetlands map
- Attachment Zoning map
- Attachment Other - Describe:

AFFECTED ENVIRONMENT (describe existing features that may be affected by proposal)

10. Information Based On (check all that apply):

- Literature/correspondence (specify major sources)

Personal Contacts (list in item 26)

Field Analysis By: Author Other (list in item 26)

Past Experience With Site By: Author Other (list in item 26)

11. Physical Environment (topography, soils, water, air)

The facility is located in Oshkosh, Wisconsin. To the west of the main facility is Wittman Regional Airport. Residential land and Lake Winnebago are to the east. A shopping center is north of the main plant and wooded, flat land is to the south. Winnebago County is in attainment with National Ambient Air Quality Standards (NAAQS).

12. Biological Environment (dominant aquatic and terrestrial plant and animal species and habitats including threatened/endangered resources; wetland amounts, types and hydraulic value)

Land Cover

The land immediately surrounding the facility consists of grass and tree cover, asphalt and concrete. The facility is proposing to install five new spray booths, in addition to the four spray booths installed under 09-JJW-207, to accommodate an increase in productivity. This will be conducted inside existing buildings on the facility's property, or, in the case of the Oakwood Street booths, on leased property.

Waterways/Wetlands

The proposed modification will not impact any off-site waterways and wetlands.

Animal

Wildlife in the area includes rabbits, squirrels, mice, and various types of birds. No known threatened or endangered animal species are known to exist at the proposed sites.

13. Cultural Environment

a. Land use (dominant features and uses including zoning if applicable)

The proposed modifications will occur at existing industrial facilities. No additional land purchase will be required for the proposed project.

b. Social/Economic (including ethnic and cultural groups)

- I. The facility is an existing facility located in Oshkosh, Wisconsin. This expansion project may increase production on the associated lines. The typical operating schedule at the facility is anticipated to be up to 20 hours per day as a result of this project.
- II. This project may result in an increase in employment. The increase in employment may result in some construction of new housing. However, emissions from construction of these new homes will be temporary and insignificant because of the limited numbers of new homes expected.
- III. Although new industrial jobs often lead to new support jobs as well, the small number of new people brought into the community through employment at the plant is not expected to generate any significant commercial growth. Since this is an existing facility, no related industrial growth is expected to accompany the plant expansions. With no associated commercial or industrial growth projected it then follows that there will be no growth-related air pollution impacts.
- IV. There may be an increase in traffic on local roads due to new employees and more deliveries of supplies and shipments of finished products, plus an additional vehicle increase as a result of the paint booth installation. Vehicles from new employees will be spread throughout the two-shift schedule. The increase in emissions due to increased traffic is expected to be insignificant.

c. Archaeological/Historical

None are known to be within the facility's facility property boundaries.

14. Other Special Resources (e.g., State Natural Areas, prime agricultural lands)

The shore of Lake Winnebago is located within a mile of the facility.

ENVIRONMENTAL CONSEQUENCES (probable adverse and beneficial impacts including indirect and secondary impacts)

15. Physical (include visual if applicable)

The addition of the five spray booths will be the only physical change to the facility. All other facility buildings and property area will not be modified significantly to accommodate the new expansion.

Due to the VOC emissions, adverse impacts on the visibility due to atmospheric discoloration or reduction of visual range due to increased haze may occur. However, these visible impacts are expected to be small and occur near the facility. The facility is located more than 100 km from the nearest Class I areas (Rainbow Lake Wilderness and the Forest County Potawatomi), so visibility impacts on Class I areas are expected to be negligible. The visibility of the plume leaving the stacks is expected to be negligible.

16. Biological (including impacts to threatened/endangered resources)

Phytotoxic pollutants have the potential to cause injury to vegetation. Phytotoxic pollutants include sulfur dioxide, nitrogen oxides, and ozone. This project requires approval under the PSD regulations for volatile organic compounds (VOC). There are no known impacts to vegetation or soils resulting from VOC emissions from the existing facility. Therefore, no impacts are expected from VOC emissions for the proposed project.

No other known or anticipated adverse biological impacts can be estimated as a result of the proposed action.

17. Cultural

a. Land Use (including indirect and secondary impacts)

The site is currently an industrial facility. The proposed modifications will not change the status of the facility or the use of the land. Any modifications made will be within the existing industrial property area.

b. Social/Economic (including ethnic and cultural groups, and zoning if applicable)

- V. This expansion project will increase production of FMTV. This change will result in a small increase in the total number of employees required to operate the facility.
- VI. Emission from construction of new housing, which may be a result of a possible employment increase, will be temporary and insignificant because of the limited numbers of new homes expected.
- VII. No growth-related air pollution impacts are expected due to the fact that no associated commercial or industrial growth is projected from the proposed project.
- VIII. Vehicles from new employees will be spread throughout the two-shift schedule; therefore, the increase in emissions due to increased traffic is expected to be insignificant.

c. Archaeological/Historical

Since the proposed modifications will occur at an existing facility where the ground has been disturbed in the past, no impact is anticipated.

18. Other Special Resources (e.g., State Natural Areas, prime agricultural lands)

The proposed action is not anticipated to significantly affect the surrounding environment since all modifications will occur within the facility's property boundaries.

19. Summary of Adverse Impacts That Cannot Be Avoided (more fully discussed in 15 through 18)

The proposed actions will result in a change of stack-vented emissions. Most of the stack-vented emissions are controlled and the impact of these emissions cannot be avoided.

The increase in noise will be a temporary condition that cannot be avoided during the construction activities. In addition, traffic will also increase temporarily during construction.

DNR EVALUATION OF PROJECT SIGNIFICANCE (complete each item)

20. Environmental Effects and Their Significance

- a. Discuss which of the primary and secondary environmental effects listed in the environmental consequences section are long-term or short-term.

No substantial physical, biological, or socio-economical changes are anticipated.

- b. Discuss which of the primary and secondary environmental effects listed in the environmental consequences section are effects on geographically scarce resources (e.g. historic or cultural resources, scenic and recreational resources, prime agricultural lands, threatened or endangered resources or ecologically sensitive areas).

The proposed project is not anticipated to have significant short-term, long-term, or secondary effects on geographically scarce resources, scenic and recreational resources, prime agricultural lands, threatened or endangered species, or ecologically sensitive areas.

- c. Discuss the extent to which the primary and secondary environmental effects listed in the environmental consequences section are reversible.

The proposed project is not anticipated to have significant short-term, long-term, or secondary effects on geographically scarce resources, scenic and recreational resources, prime agricultural lands, threatened or endangered species, or ecologically sensitive areas.

21. Significance of Cumulative Effects

Discuss the significance of reasonably anticipated cumulative effects on the environment (and energy usage, if applicable). Consider cumulative effects from repeated projects of the same type. Would the cumulative effects be more severe or substantially change the quality of the environment? Include other activities planned or proposed in the area that would compound effects on the environment.

The area surrounding the facility is currently considered in 'attainment' of all criteria pollutants. It would be expected that if a large number of new sources (having emissions equivalent to those potential emissions associated with the proposed modifications for this facility) were to locate in the immediate surrounding area, air quality in the area would eventually decline. However, the required air quality analysis for this project and for any additional projects by the facility or other facilities in the area would serve to prevent the degradation of air quality to levels below applicable air quality standards.

22. Significance of Risk

- a. Explain the significance of any unknowns that create substantial uncertainty in predicting effects on the quality of the environment. What additional studies or analysis would eliminate or reduce these unknowns?

NA

- b. Explain the environmental significance of reasonably anticipated operating problems such as malfunctions, spills, fires or other hazards (particularly those relating to health or safety). Consider reasonable detection and emergency response, and discuss the potential for these hazards.

NA

23. Significance of Precedent

Would a decision on this proposal influence future decisions or foreclose options that may additionally affect the quality of the environment? Describe any conflicts the proposal has with plans or policy of local, state or federal agencies. Explain the significance of each.

None

24. Significance of Controversy Over Environmental Effects

Discuss the effects on the quality of the environment, including socio-economic effects, that are (or are likely to be) highly controversial, and summarize the controversy.

None

ALTERNATIVES

25. Briefly describe the impacts of no action and of alternatives that would decrease or eliminate adverse environmental effects. (Refer to any appropriate alternatives from the applicant or anyone else.)

No action

The no action alternative would make it difficult for the company to meet the production demands of their customer, the Department of Defense, and have a negative impact on the readiness of armed forces to carry out their mission.

Off-Site Production

Off-site painting of the FMTVs is not a cost effective alternative.

Modified Project

Installing an alternative to the proposed project would make it difficult for the company to meet the production demands of their customer, the Department of Defense, and have a negative impact on the readiness of armed forces to carry out their mission.

Air Pollution Control Equipment

The facility could utilize add-on air pollution control equipment, such as oxidation and absorption systems, to further reduce VOC emissions from the paint booth operations. However, a BACT analysis was performed for the proposed project and add-on control equipment was determined to be economically infeasible. Essentially all particulate emitting sources utilize best practice air pollution control equipment.

SUMMARY OF ISSUE IDENTIFICATION ACTIVITIES

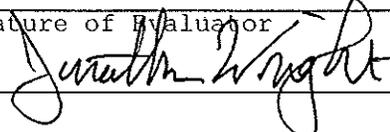
26. List agencies, citizen groups and individuals contacted regarding the project (include DNR personnel and title) and summarize public contacts, completed or proposed).

<u>Date</u>	<u>Contact</u>	<u>Comment Summary</u>
06/15	Mr. Stan Mermall, WDNR	WDNR compliance engineer for The facility.

PRELIMINARY DECISION

In accordance with s. 1.11, Wis. Stats., and Ch. NR 150, Wis. Adm. Code, the Department is authorized and required to determine whether it has complied with s. 1.11, Wis. Stats., and ch. NR 150, Wis. Adm. Code.

The Department has made a preliminary determination that the Environmental Impact Statement process will not be required for this action/project. This recommendation does not represent approval from other DNR sections which may also require a review of the action/project.

Signature of Evaluator 	Date Signed 6/20/11
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FINAL DECISION

The public review process has been completed. The Department received and fully considered responses to the news release or other notice.

Pursuant to s. NR 150.22(2)a., Wis. Adm. Code, the attached analysis of the expected impacts of this proposal is of sufficient scope and detail to conclude that this is not a major action, and therefore the environmental impact statement process is not required prior to final action by the Department.

The Department has determined that it has complied with s. 1.11, Wis. Stats., and ch. NR 150, Wis. Adm. Code. This decision does not represent approval from other DNR sections which may also require a review of the action/project.

Signature of Environmental Analysis Program Staff 	Date Signed 7/27/11
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NOTICE OF APPEAL RIGHTS

If you believe that you have a right to challenge this decision, you should know that the Wisconsin statutes and administrative rules establish time periods within which requests to review Department decisions must be filed. For judicial review of a decision pursuant to sections 227.52 and 227.53, Wis. Stats., you have 30 days after the decision is mailed, or otherwise served by the Department, to file your petition with the appropriate circuit court and serve the petition on the Department. Such a petition for judicial review must name the Department of Natural Resources as the respondent.

To request a contested case hearing pursuant to section 227.42, Wis. Stats., you have 30 days after the decision is mailed, or otherwise served by the Department, to serve a petition for hearing on the Secretary of the Department of Natural Resources. All requests for contested case hearings must be made in accordance with section NR 2.05(5), Wis. Adm. Code, and served on the Secretary in accordance with section NR 2.03, Wis. Adm. Code. The filing of a request for a contested case hearing does not extend the 30 day period for filing a petition for judicial review.