

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

<b>In the Matter of:</b>	)	<b>Docket No. CAA-05-2023-0045</b>
	)	
<b>Rollex Corporation</b>	)	<b>Proceeding to Assess a Civil Penalty</b>
<b>Elk Grove Village, IL</b>	)	<b>Under Section 113(d) of the Clean Air Act,</b>
	)	<b>42 U.S.C. § 7413(d)</b>
<b>Respondent.</b>	)	
_____	)	

**Consent Agreement and Final Order**

**Preliminary Statement**

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the CAA), 42 U.S.C. § 7413(d), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. Part 22.

2. Complainant is the Director of the Enforcement and Compliance Assurance Division, U.S. Environmental Protection Agency (EPA), Region 5.

3. Respondent is Rollex Corporation (Rollex), a corporation doing business in Illinois.

4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.

### **Jurisdiction and Waiver of Right to Hearing**

7. Respondent admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations or the conclusions of law as set forth in this CAFO.

8. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO and its right to appeal this CAFO.

### **Statutory and Regulatory Background**

#### ***Illinois State Implementation Plan and Facility Permit***

9. Each state must submit to the Administrator of EPA a plan for attaining and maintaining the National Ambient Air Quality Standards under Section 110 of the CAA, 42 U.S.C. § 7410.

10. Under 40 C.F.R. § 52.23, any permit limitation or condition contained within a permit issued under an EPA-approved program that is incorporated in a SIP, is a requirement of the SIP, and is federally enforceable under Section 113 of the CAA, 42 U.S.C. § 7413. Failure to comply with any limitation or condition contained in such a permit is a violation subject to an enforcement action under Section 113 of the CAA.

11. On May 31, 1972, EPA approved 35 Illinois Administrative Code (IAC) Part 201, “Permits and General Conditions,” as part of the federally enforceable SIP for the State of Illinois. 37 Fed. Reg. 10,862. Since then, EPA has approved several revisions of 35 IAC Part 201 into the federally enforceable SIP. *See, e.g.*, EPA’s April 7, 2014 approval of a revision to the Illinois SIP to extend the term for a Federally Enforceable State Operating Permit (FESOP) from five to ten years. 79 Fed. Reg. 18,997.

12. On June 28, 1989, EPA promulgated Requirements for the Preparation, Adoption and Submittal of Implementation Plans. 54 Fed. Reg. 27,274. In that rulemaking, EPA clarified

its regulations to specify that state-issued operating permits may be treated as “federally enforceable” if certain criteria are met and the permit program is approved by EPA under Section 110(a)(2)(C) of the CAA, 42 U.S.C. § 7410(a)(2)(C). The criteria for such FESOP Programs include, among others, that all emissions limitations, controls, and other requirements imposed by such permits are permanent, quantifiable, and otherwise enforceable as a practical matter. *See* 54 Fed. Reg. 27,282.

13. On December 17, 1992, EPA approved the Illinois FESOP program. 57 Fed. Reg. 59,928.

14. On January 29, 2016, Illinois EPA issued Rollex a FESOP, application number 04080076, that expires on January 29, 2026.

15. Under Condition 23d.i.–iii. of the FESOP, the owner or operator of a subject coating line must collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

- a. Control device monitoring data.
- b. A log of the operating time for the capture system, control device, monitoring equipment, and the associated coating line.
- c. A maintenance log for the capture system, control device, and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.

16. Under Condition 9 of the FESOP, pursuant to 40 C.F.R. § 60.11(d), at all times, including periods of startup, shutdown, and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution

control equipment, in a manner consistent with good air pollution control practice for minimizing emissions.

17. Under Condition 12d. of the FESOP, the owner or operator shall, in accordance with the manufacturer's and/or vendor's recommendations, perform periodic maintenance on the thermal oxidizer such that the thermal oxidizer be kept in proper working condition and not cause a violation of the Illinois Environmental Protection Act or regulations promulgated therein.

18. Under Condition 15b.ii. of the FESOP, an owner or operator must use the following procedures for each affected facility that continuously uses a capture system and a control device that destroys volatile organic compounds (VOCs) (e.g., an incinerator) to comply with the emission limit specified under 40 C.F.R. § 60.462(a)(2) or (3):

- a. Determine the overall reduction efficiency (R) for the capture system and control device. For the initial performance test, the overall reduction efficiency (R) shall be determined as prescribed in 40 C.F.R. § 60.463(c)(2)(i)(A), (B), and (C). In subsequent months, the owner or operator may use the most recently determined overall reduction efficiency (R) for the performance test, providing control device and capture system operating conditions have not changed. The procedure in 40 C.F.R. § 60.463(c)(2)(i)(A), (B), and (C) must be repeated when the owner or operator elects to operate the control device or capture system at conditions different from the initial performance test.

19. Under Standard Conditions for Operating Permits, Condition 7, the owner or operator must maintain all equipment covered under this permit in such a manner that the performance of such equipment shall not cause a violation of the Illinois Environmental Protection Act or regulations promulgated thereunder.

20. Under Condition 13a.i. of the FESOP, the thermal oxidizer shall be designed and operated such that it results in a 99% overall emission reduction for the coil coating line.

21. Under Condition 13a.ii. of the FESOP, volatile organic matter (VOM) emissions from the water quench were limited to 0.40 pounds per hour (lbs/hr).

22. On November 17, 2021, Illinois EPA issued Rollex a revision to the FESOP. The revision included a change to the unit of measure for the VOM emissions limit for the water quench. The limit was revised from 0.40 lbs/hr to 0.13 tons per month (tons/month). The limit of VOM emissions from the water quench in the unit of tons per year remained unchanged at 1.30 tons per year.

### ***New Source Performance Standards***

23. Under Section 111 of the CAA, 42 U.S.C. § 7411, EPA promulgated the Standards of Performance for New Stationary Sources (NSPS) General Provisions at 40 C.F.R. Part 60, Subpart A.

24. Under Section 111 of the CAA, 42 U.S.C. § 7411, EPA promulgated the NSPS for Metal Coil Surface Coating Operations at 40 C.F.R. Part 60, Subpart TT.

25. The NSPS, at 40 C.F.R. § 60.11(d) requires that “[a]t all times, including periods of startup, shutdown, and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions.”

26. The NSPS, at 40 C.F.R. § 60.463(c)(2) requires an owner or operator to use the following procedures for each affected facility that continuously uses a capture system and a control device that destroys VOCs (e.g., an incinerator) to comply with the emission limit specified under 40 C.F.R. § 60.462(a)(2) or (3):

- a. Determine the overall reduction efficiency (R) for the capture system and control device. For the initial performance test, the overall reduction efficiency (R) shall be determined as prescribed in 40 C.F.R. § 60.463(c)(2)(i)(A), (B), and (C). In subsequent months, the owner or operator may use the most recently determined overall reduction efficiency (R) for the performance test, providing control device and capture system operating conditions have not changed. The procedure in 40 C.F.R. § 60.463(c)(2)(i)(A), (B), and (C), shall be repeated when directed by the Administrator or when the owner or operator elects to operate the control device or capture system at conditions different from the initial performance test.

27. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$55,808 per day of violation up to a total of \$446,456 for violations that occurred after November 2, 2015 under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

28. Section 113(d)(1) limits the Administrator's authority to matters where the first alleged date of violation occurred no more than 12 months prior to initiation of the administrative action, except where the Administrator and the Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.

29. The Administrator and the Attorney General of the United States, each through their respective delegates, have determined jointly that an administrative penalty action is appropriate for the period of violations alleged in this CAFO.

### **Factual Allegations and Alleged Violations**

30. On March 31, 2021, EPA issued to Rollex a Notice and Finding of Violation giving notice of the violations alleged below.

31. On May 20, 2021, and other subsequent dates, representatives of Rollex and EPA discussed the March 31, 2021 Notice and Finding of Violation.

32. Rollex owns and operates a metal coil coating and roll forming facility at 800 Chase Avenue, Elk Grove Village, Illinois.

33. Rollex is a corporation authorized to do business in Illinois.

34. Rollex is a “person,” as that term is defined in Section 302(e) of the CAA. 42 U.S.C. § 7602(e).

35. Illinois issued Rollex a FESOP pursuant to the Illinois FESOP program, and Rollex is therefore subject to the Illinois SIP and its FESOP.

36. Rollex owns and operates a stationary source which contains an affected facility, the construction or modification of which commenced after December 23, 1971, and is therefore subject to the NSPS General Provisions at 40 C.F.R. Part 60, Subpart A.

37. Rollex owns and operates a metal coil coating and roll forming facility that commenced construction, modification, or reconstruction after January 5, 1981, and is therefore subject to NSPS at 40 C.F.R. Part 60, Subpart TT.

38. Rollex owns or operates an “emission source” within the meaning of Section 114(a)(1) of the CAA, 42 U.S.C. § 7414(a)(1). Therefore, Rollex is subject to the requirements of Section 114(a)(1).

**Count 1. RTO Operation Records—FESOP Condition 23d.ii.**

39. Condition 23d.ii of the FESOP requires Rollex to keep a log of the operating time for the capture system, control device, monitoring equipment, and the associated coating line. Temperature records for the RTO indicated the operating time of the control device but not the operating times of the capture system, monitoring equipment, and the associated coating line.

40. Failure to keep a log of the operating time for the capture system, monitoring equipment, and associated coating line is a violation of Condition 23d.ii of the FESOP, which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

**Count 2. RTO Maintenance Records—FESOP Condition 23d.iii.**

41. In response to an information request asking for the maintenance logs pursuant to 23d.iii. of the FESOP, Rollex did not supply records of routine or preventative maintenance, nor a log detailing all routine and non-routine maintenance performed with records of dates or durations of outages.

42. Failure to collect and record a maintenance log for the capture system, control device, and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages is a violation of Condition 23d.iii. of the FESOP, which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

**Count 3. RTO Operation and Maintenance—FESOP Condition 9 and 40 C.F.R. § 60.11(d)**

43. From March 2020 through June 2020, Rollex received recommendations from service calls which it did not act upon, and service and maintenance records from that time period demonstrate that Rollex had not always kept the RTO in proper working condition, nor



had it maintained and operated the RTO in a manner consistent with good air pollution control practice for minimizing emissions.

44. By failing to implement recommended repairs on the RTO, Rollex failed to maintain and operate the affected facility in a manner consistent with good air pollution control practice for minimizing emissions and violated Condition 9 of the FESOP and 40 C.F.R. § 60.11(d), which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

45. After issuance of EPA's Notice and Finding of Violation, Rollex completed the repair/service recommendations referenced in Paragraph 43.

**Count 4. RTO Operation and Maintenance—FESOP Condition 12d.**

46. Complainant reincorporates the allegations contained in Paragraph 43, above, by reference as though fully set forth herein.

47. By failing to perform periodic and preventative maintenance on the thermal oxidizer in accordance with the manufacturer's recommendations and failing to maintain the RTO in proper working condition, Rollex violated Condition 12d. of the FESOP, which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

**Count 5. RTO Operation and Maintenance—FESOP Condition 7**

48. Complainant reincorporates the allegations contained in Paragraph 43, above, by reference as though fully set forth herein.

49. By failing to perform preventive maintenance and failing to implement recommended repairs, Rollex failed to maintain the equipment covered under the FESOP, including the RTO, in a manner that the performance of the equipment would not cause a

violation of the Illinois Environmental Protection Act and the regulations promulgated thereunder and violated Condition 7 of the Standard Conditions for Operation Permits of the FESOP, which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

#### **Count 6. Determination of Reduction Efficiency**

50. On October 3, 2000, Rollex conducted emission testing to demonstrate the destruction efficiency (a necessary component of determining overall reduction efficiency) of the RTO. The testing also demonstrated that the enclosure surrounding the prime and finish coating heads met the criteria to qualify as a permanent total enclosure.

51. Rollex completed repairs on the RTO in 2016 including installing a new combustion/regenerative chamber, upgrading the diverter valve system from a pneumatic drive system to an electric drive system and installing a new Variable Energy Recovery system. Rollex did not determine the overall reduction efficiency of the control device and capture system after these modifications to the RTO.

52. By failing to determine the overall reduction efficiency of the control device and capture system after the modifications completed in 2016, Rollex violated Condition 15b.ii.A. of the FESOP and 40 C.F.R. § 60.463(c)(2), which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

#### **Count 7. RTO Emissions Reduction**

53. On March 5, 2020, Mostardi-Platt conducted informal emission testing of the RTO which indicated a destruction efficiency below 99% while coating parts with the PVC based paint.

54. On January 14, 2022, Mostardi-Platt conducted emission testing of the RTO which indicated a destruction efficiency of 96.5%.

55. On May 5, 2023, Mostardi-Platt conducted emission testing of the RTO which indicated a destruction efficiency of 93.07%.

56. By failing to operate the thermal oxidizer so that the overall emissions reduction was 99% for the coil coating line, Rollex violated Condition 13a.i. of the FESOP, which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

### **Count 8. Water Quench Emissions**

57. The March 5, 2020 testing referenced in Paragraph 53 indicated an emission rate of 1.37 lb/hr as propane from the water quench.

58. By failing to operate the water quench so that the emission rate was under 0.4lb/hr, Rollex violated Condition 13a.ii. of the FESOP, which subjects Respondent to issuance of a CAFO pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 52.23.

59. Testing conducted by Mostardi-Platt on January 14, 2022 showed an emissions rate of 0.12 tons/month, indicating that, as of that date, Rollex was complying with the revised water quench limit in its FESOP.

### **Civil Penalty**

60. Based on analysis of the factors specified in Section 113(e) of the CAA, 42 U.S.C. § 7413(e), the facts of this case and Rollex's cooperation, Complainant has determined that an appropriate civil penalty to settle this action is \$262,000.

61. Penalty Payment. Respondent agrees to:

- a. Pay the civil penalty of \$262,000 within 30 days after the effective date of this CAFO.
- b. Pay the civil penalty using any method provided in the table below.

Payment Method	Payment Instructions
<p>Automated Clearinghouse (ACH) payments made through the US Treasury</p>	<p>US Treasury REX/Cashlink ACH Receiver            ABA: 051036706            Account Number: 310006, Environmental Protection Agency            CTX Format Transaction Code 22 – checking</p> <p>In the comment area of the electronic funds transfer, state Respondent’s name and the CAFO docket number.</p>
<p>Wire transfers made through Fedwire</p>	<p>Federal Reserve Bank of New York            ABA: 021030004            Account Number: 68010727            SWIFT address: FRNYUS33            33 Liberty Street            New York, NY 10045            Beneficiary: US Environmental Protection Agency</p> <p>In the comment area of the electronic funds transfer, state Respondent’s name and the docket number of this CAFO.</p>
<p>Payments made through <a href="http://Pay.gov">Pay.gov</a></p> <p>Payers can use their credit or debit cards (Visa, MasterCard, American Express &amp; Discover) as well as checking account information to make payments.</p>	<ul style="list-style-type: none"> <li>• Go to <a href="http://Pay.gov">Pay.gov</a> and enter “SFO 1.1” in the form search box on the top left side of the screen.</li> <li>• Open the form and follow the on-screen instructions.</li> <li>• Select your type of payment from the "Type of Payment" drop down menu.</li> <li>• Based on your selection, the corresponding line will open and no longer be shaded gray. Enter the CAFO docket number into the field</li> </ul>
<p>Cashier’s or certified check payable to “Treasurer, United States of America.”</p> <p>Please notate the CAFO docket number on the check</p>	<p>For <b>standard delivery</b>:            U.S. Environmental Protection Agency            Fines and Penalties            Cincinnati Finance Center            P.O. Box 979078            St. Louis, Missouri 63197-9000</p> <p>For <b>signed receipt confirmation</b> (FedEx, UPS, Certified Mail, etc):            U.S. Environmental Protection Agency            Government Lockbox 979078            U.S. EPA Fines and Penalties            1005 Convention Plaza            SL-MO-C2-GL            St. Louis, Missouri 63101</p>

62. Within 24 hours of the payment of the civil penalty, Respondent must send a notice of payment and state Respondent's name and the docket number of this CAFO to EPA at the following addresses:

Air Enforcement and Compliance Assurance Branch  
U.S. Environmental Protection Agency, Region 5  
[R5airenforcement@epa.gov](mailto:R5airenforcement@epa.gov)

Lisa Frasco  
Office of Regional Counsel  
U.S. Environmental Protection Agency, Region 5  
[Frasco.lisa@epa.gov](mailto:Frasco.lisa@epa.gov)

Regional Hearing Clerk (E-19J)  
U.S. Environmental Protection Agency, Region 5  
[r5hearingclerk@epa.gov](mailto:r5hearingclerk@epa.gov)

63. This civil penalty is not deductible for federal tax purposes.

64. If Respondent does not pay timely the civil penalty, EPA may request the Attorney General of the United States to bring an action to collect any unpaid portion of the penalty with interest, nonpayment penalties and the United States enforcement expenses for the collection action under Section 113(d)(5) of the CAA, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

65. Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 26 U.S.C. § 6621(a)(2). Respondent must pay the United States enforcement expenses, including but not limited to attorneys fees and costs incurred by the United States for collection proceedings. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue. This

nonpayment penalty will be 10 percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter. 42 U.S.C. § 7413(d)(5).

### **General Provisions**

66. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: frasco.lisa@epa.gov (for Complainant), and efigueroa@rollex.com; jhalama@mp-mail.com; sb@nijmanfranzetti.com; and lg@nijmanfranzetti.com (for Respondent). Respondent understands that the CAFO will become publicly available upon filing.

67. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in this CAFO.

68. The CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

69. This CAFO does not affect Respondent's responsibility to comply with the CAA and other applicable federal, state and local laws. Except as provided in Paragraph 67, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

70. Respondent has signed an Administrative Consent Order to be issued under Section 113(a) of the CAA, in which it has agreed to take specific actions in order to achieve and maintain compliance with the Illinois SIP, its FESOP, and Subparts A and TT of the NSPS.

71. This CAFO constitutes an "enforcement response" as that term is used in EPA's Clean Air Act Stationary Civil Penalty Policy to determine Respondent's "full compliance history" under Section 113(e) of the CAA, 42 U.S.C. § 7413(e).

72. The terms of this CAFO bind Respondent, its successors and assigns.

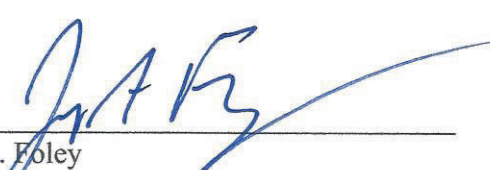
73. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.
74. Each party agrees to bear its own costs and attorney's fees in this action.
75. This CAFO constitutes the entire agreement between the parties.



**Rollex Corporation, Respondent**

9.27-23

Date

  
\_\_\_\_\_  
John A. Foley  
Chief Financial Officer  
Rollex Corporation

36-3435871

\_\_\_\_\_  
Tax Identification Number

**United States Environmental Protection Agency, Complainant**

**MICHAEL  
HARRIS**

Digitally signed by  
MICHAEL HARRIS  
Date: 2023.09.28  
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Michael D. Harris  
Division Director  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region 5

**Consent Agreement and Final Order  
In the Matter of: Rollex Corporation  
Docket No. CAA-05-2023-0045**

**Final Order**

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

\_\_\_\_\_  
Date

**ANN COYLE** Digitally signed by ANN  
COYLE  
Date: 2023.09.28  
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Ann L. Coyle  
Regional Judicial Officer  
U.S. Environmental Protection Agency  
Region 5