



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

SEP 25 2017

REPLY TO THE ATTENTION OF:

VIA E-MAIL: laebert@lithographic.com

Louis A. Ebert, Sr., President
Lithographic Industries, Inc.
2445 Gardner Road
Broadview, Illinois 60155
Email: laebert@lithographic.com

Dear Mr. Ebert:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves Lithographic Industries, Inc., docket no. CAA-05-2017-0041. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on

September 25, 2017.

Pursuant to paragraph 35 of the CAFO, Lithographic Industries, Inc. must pay the civil penalty within 30 days of the filing date. Your check must display the case name and case docket number.

Please direct any questions regarding this case to Jason Schenandoah, Environmental Engineer, 312-886-9506.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Frank".

Nathan Frank, Chief
Air Enforcement and Compliance Assurance Section (IN/IL)

Enclosure

cc: Ann Coyle, Regional Judicial Officer/C-14J
Regional Hearing Clerk/E-19J
Kasey Barton/C-14J
Yasmine Keppner-Bauman, Acting Manager, IEPA, Compliance Section, Bureau of Air

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5



In the Matter of:) **Docket No. CAA-05-2017-0041**
)
Lithographic Industries, Inc.) **Proceeding to Assess a Civil Penalty**
Broadview, Illinois) **Under Section 113(d) of the Clean Air Act,**
) **42 U.S.C. § 7413(d)**
Respondent.)
_____)

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 Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5.

3. Respondent is Lithographic Industries, Inc. (Lithographic Industries), 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 and alleged violations 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 (SIP)

9. On March 23, 2012, EPA approved 35 Ill. Admin. Code (IAC) §§ 218.204 and 218.207 as part of the federally enforceable state implementation plan (SIP) for Illinois. *77 Fed. Reg.* 16940.

10. 35 IAC § 218.204(c) provides that on or after May 11, 2011, no owner or operator of a coating line shall apply at any time any paper coating in which the volatile organic material (VOM)¹ content exceeds the emission limits of 0.40 lb VOM/lb solids applied and 0.08 lb VOM/lb coatings applied, with a relevant exception provided in 35 IAC § 218.207.

11. 35 IAC § 218.207(a) provides that any owner or operator of a coating line subject to 35 IAC § 218.204 may comply with 35 IAC § 218.207, rather than 35 IAC § 218.204, if a capture system and control device are operated at all times the coating line is in operation and the owner or operator demonstrates compliance with the applicable source category requirements identified in 35 IAC § 218.207.

12. 35 IAC § 218.207(l) provides that on or after May 1, 2011, no owner or operator of, among other things, a paper coating line that is equipped with a capture system and control device shall operate the subject coating line unless either:

¹ VOM is also known as volatile organic compounds, or "VOCs."

- (1) The capture system and control device provide at least 90 percent reduction in the overall emissions of VOM from the coating line; or
- (2) The owner or operator complies with the applicable limitation set forth in Section 218.204 of this Subpart by utilizing a combination of low-VOM coatings and a capture system and control device.

Illinois Federally Enforceable Operating Permit (FESOP) Program

13. On December 17, 1992, EPA approved Illinois' existing operating permit program rules, which includes FESOPs, as part of the federally enforceable SIP for the State of Illinois. *57 Fed. Reg.* 59928. Illinois' operating permit program rules are codified in 35 IAC Part 201.

14. Lithographic Industries previously operated subject to a FESOP issued by the Illinois Environmental Protection Agency (IEPA) on May 1, 2006. On August 27, 2015, IEPA issued a renewal FESOP to Lithographic Industries.

15. Condition 6.a. of the May 1, 2006 FESOP and Condition 10.b. of the August 27, 2015 FESOP require the catalytic afterburner to be in operation at all times when the associated roll coater is in operation and emitting air contaminants.

16. Condition 4 of the August 27, 2015 FESOP provides that the roll coater with catalytic afterburner is subject to 35 IAC §§ 218.204(c), 218.207(a) and 218.207(l).

17. Condition 11.d. of the August 27, 2015 FESOP provides that the emissions of any single hazardous air pollutant (HAP) shall not exceed 7.9 tons per year.

18. Condition 11.e. of the August 27, 2015 FESOP provides that compliance with annual limits is determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12-month total).

Enforcement of the CAA

19. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$37,500 per day of violation for CAA violations that occurred on or before November 2, 2015, and \$45,268 per day of violation for violations that occurred after November 2, 2015, up to a total penalty of \$362,141 under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

20. 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.

21. 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

22. Lithographic Industries owns and operates a facility located at 2445 Gardner Road in Broadview, Illinois (the Facility). Lithographic Industries manufactures blister cards, which are decorated cards used to package various consumer products, at the Facility.

23. Lithographic Industries operates a roll coater, which is a paper coating line that applies a clear coating that contains high amounts of VOM, including the hazardous air pollutant toluene, to each blister card. Lithographic Industries previously used a catalytic afterburner, also known as a catalytic oxidizer, to control VOM emissions from the roll coater. Lithographic

Industries is subject to the SIP provisions for emission limitations and requirements applicable to paper coating operations at 35 IAC §§ 218.204(c) and 218.207(D).

24. On September 13, 2013, EPA conducted an inspection at the Facility.

25. EPA received documents during the September 13, 2013 inspection that show Lithographic Industries applies paper coating in which the VOM content is greater than 0.40 lb VOM/lb solids applied and 0.08 lb VOM/lb coatings applied.

26. On September 4, 2015, EPA issued an information request to Lithographic Industries under Section 114(a) of the CAA, 42 U.S.C. § 7414, which required Lithographic Industries to submit information and conduct a performance test at the roll coater to determine the VOM capture and destruction efficiency of the roll coater and catalytic afterburner.

27. On October 9, 2015, Lithographic Industries submitted its response to EPA's September 4, 2015 information request.

28. In the October 9, 2015 response, Lithographic Industries stated that it does not operate the catalytic afterburner when "water based clear coatings" are utilized at the roll coater. These coatings contain VOM, including the hazardous air pollutants methanol and trimethylamine.

29. On December 9, 2015, Lithographic Industries submitted to EPA the results of the performance test conducted on November 10, 2015 at the roll coater pursuant to the requirements of EPA's September 4, 2015 information request. The performance test results indicated that the catalytic afterburner had an average VOM destruction efficiency of 77.3 percent.

30. Lithographic Industries no longer operates a catalytic afterburner. Instead, the company purchased, installed, and operates a regenerative thermal oxidizer (RTO) to control emissions from the roll coater. Lithographic Industries began operating the RTO in May of 2016.

31. From November 10, 2015 through May 1, 2016, Lithographic Industries operated a paper coating line that applied paper coating in which the VOM content exceeded the emission limits of 0.40 lb VOM/lb solids applied and 0.08 lb VOM/lb coatings applied, and did not meet the requirements for the alternative option of compliance at 35 IAC § 218.207(l), in violation of the Illinois SIP at 35 IAC § 218.204(c) and the FESOP for the Facility.

32. From August 2015 through May 2016, Lithographic Industries' emissions of toluene exceeded 7.9 tons per year, as determined using a 12-month rolling total, in violation of the FESOP for the Facility.

33. During 56 days between September 2012 and September 2015, when applying coatings that complied with the emission limits in 35 IAC § 218.204(c)(2), Lithographic Industries failed to operate the catalytic afterburner at all times when the associated roll coater was in operation and emitting air contaminants, in violation of the FESOP for the Facility.

34. On November 17, 2016, IEPA issued Lithographic Industries a revised FESOP for the Facility. Condition 10.b of the FESOP requires the RTO to be in operation at all times when the associated roll coater is in operation and emitting air contaminants, unless coatings that comply with 35 IAC § 218.204(c)(2) are being used.

Civil Penalty

35. 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 cooperation, Complainant has determined that an appropriate civil penalty to settle this action is \$50,000.

36. Within 30 days after the effective date of this CAFO, Respondent must pay a \$50,000 civil penalty by sending a cashier's or certified check, payable to "Treasurer, United States of America," to:

U.S. EPA
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

The check must note Respondent's name and the docket number of this CAFO.

37. Respondent must send a notice of payment that states Respondent's name and the docket number of this CAFO to EPA at the following addresses when it pays the penalty:

Attn: Compliance Tracker (AE-18J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

Kasey Barton (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

Regional Hearing Clerk (E-19J)
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

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

39. 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.

40. 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 attorney 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

41. Consistent with the Standing Order Authorizing E-Mail Service of Orders and Other Documents Issued by the Regional Administrator or Regional Judicial Officer under the Consolidated Rules, dated March 27, 2015, the parties consent to service of this CAFO by e-mail at the following e-mail addresses: Barton.Kasey@epa.gov (for Complainant), and laebert@lithographic.com (for Respondent). The parties waive their right to service by the methods specified in 40 C.F.R. § 22.6.

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

43. 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.

44. 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 42, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

45. Respondent certifies that to the best of its knowledge and belief after reasonable inquiry it is complying fully with the Illinois SIP and the FESOP for the Facility.

46. 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).

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

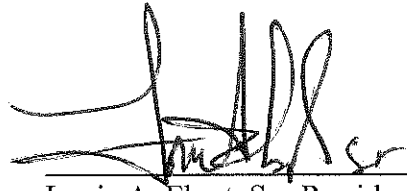
48. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

49. Each party agrees to bear its own costs and attorney fees in this action.

50. This CAFO constitutes the entire agreement between the parties.

Lithographic Industries, Inc., Respondent

Sept 15 - 2017
Date



Louis A. Ebert, Sr., President
Lithographic Industries, Inc.

United States Environmental Protection Agency, Complainant

9/22/17
Date



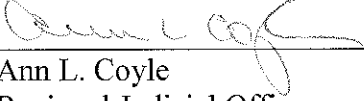
Edward Nam
Director
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5

Consent Agreement and Final Order
In the Matter of: Lithographic Industries, Inc.
Docket No. CAA-05-2017-0041

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.

September 22, 2017
Date



Ann L. Coyle
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 5

Consent Agreement and Final Order
In the matter of: Lithographic Industries, Inc.
Docket Number: CAA-05-2017-0041

CERTIFICATE OF SERVICE


I certify that I served a true and correct copy of the foregoing **Consent Agreement and Final Order**, docket number CAA 05 2017 0041, which was filed on September 25, 2017, in the following manner to the following addressees:

Copy by E-mail to Respondent: Louis A. Ebert, Sr.
laebert@lithographic.com

Copy by E-mail to Attorney for Complainant: Kasey Barton
Barton.Kasey@epa.gov

Copy by E-mail to Regional Judicial Officer: Ann Coyle
coyle.ann@epa.gov

Dated: September 25, 2017


LalDawn Whitehead
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 5