



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

OCT 22 2014

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Curtis Towne
Chrysler Group LLC
Jefferson North Assembly Plant
2101 Connor Avenue
Detroit, Michigan 48215

Dear Mr. Towne:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves case docket no. CAA-05-2015-0002. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on OCT 22 2014.

Pursuant to paragraph 30 of the CAFO, Chrysler Group LLC must pay the civil penalty within 30 days of the date the CAFO was filed. Your check must display the case docket number OCT 22 2014.

Please direct any questions regarding this case to Ms. Cynthia King, Associate Regional Counsel, at (312) 886-6831.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Marshall".

Sarah Marshall
Chief
Air Enforcement and Compliance Assurance Section (MI/WI)

Enclosure

cc: Ann Coyle Regional Judicial Officer/C-14J
Regional Hearing Clerk/E-19J
Cynthia King/C-14J
Tom Hess, MDEQ
Robert Byrnes, MDEQ

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:) Docket No. CAA-05-2015-0002
)
Chrysler Group LLC) Proceeding to Assess a Civil Penalty
Jefferson North Assembly Plant) Under Section 113(d) of the Clean Air Act
Detroit, Michigan,) 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 Chrysler Group LLC (Chrysler), a limited liability corporation doing business in Michigan.
4. Under 40 C.F.R. § 22.13(b), 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).
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 in this CAFO.

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

Statutory and Regulatory Background

9. On May 6, 1980, 45 Fed. Reg. 29790, EPA approved R336.1201 (Permits-to-Install) as part of the federally enforceable Michigan State Implementation Plan (SIP).

10. R336.1201 provides, in relevant part: “[a] person shall not install, construct, reconstruct, relocate, or alter any process, fuel-burning equipment, or control equipment pertaining thereto, which may be a source of an air contaminant, until a permit is issued . . . This shall be known as a permit to install and shall cover construction, reconstruction, relocation, and alteration of equipment where such is involved.”

11. 40 C.F.R. § 52.23 states that, among other things, failure to comply with any provisions of this part, any approved regulatory provision of a state implementation plan, any permit condition, or with any permit limitation or condition contained within an operating permit, renders the person or governmental entity so failing to comply in violation of a requirement and subject to enforcement action under Section 113 of the CAA, 42 U.S.C. § 7413.

12. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b), provide that after the effective date of any permit program approved or promulgated under

Title V of the CAA, no source subject to Title V may operate except in compliance with the Title V permit.

13. U.S. EPA granted full approval to the Michigan Title V operating permit program on December 4, 2001, 66 Fed. Reg. 62949. The program became effective on November 30, 2001.

14. Section 113(a)(1-3) of the CAA, 42 U.S.C. § 7413(a)(1-3), authorizes the Administrator to initiate an enforcement action whenever, on the basis of any available information, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of, among others, any implementation plan or permit, Title I or Title V of the CAA, or any rule promulgated, issued or approved under Title I or Title V of the CAA.

15. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$37,500 per day of violation up to a total of \$295,000 for violations that occurred after January 12, 2009, under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

16. 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.

17. 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

18. Chrysler owns and operates an automobile assembly plant located at 2101 Conner Avenue, Detroit, Michigan called the Jefferson North Assembly Plant (Chrysler JNAP). At Chrysler JNAP vehicles are assembled and painted.

19. Chrysler JNAP includes three parallel topcoating lines for painting the assembled vehicles. Each line consists of the following areas in sequence: three basecoat robot zones; basecoat electrostatic bells; basecoat automatic conventional zone; heated flash zone; two clearcoat robot zones; clearcoat electrostatic bells zone; and a cure oven.

20. On April 19, 2010, the Michigan Department of Environmental Quality (MDEQ) issued Permit to Install (PTI), No. 18-08 to Chrysler JNAP.

21. In the PTI, FG-FACILITY Emission Limit I.3 establishes a limit for the facility of 42.4 tons per year of particulate matter particles with an aerodynamic diameter less than or equal to a nominal 10 micrometers (PM₁₀) over a 12-month rolling time period

22. On December 22, 2010, MDEQ issued Renewable Operating Permit, No. MI-ROP-N2155-2010 (Title V permit) to Chrysler JNAP.

23. In the Title V permit, FG-FACILITY Emission Limit I.3 establishes a limit of 42.4 tons per year of PM₁₀, over a 12-month rolling time period.

24. On May 24, 2012, EPA conducted an inspection of Chrysler JNAP to assess compliance with the CAA.

25. On August 21, 2012, EPA issued a Request for Information to Chrysler JNAP under Section 114 of the CAA 42 U.S.C. § 7414. Chrysler JNAP provided responses on October 1, 2012, October 29, 2012, and December 10, 2012.

26. According to information provided by Chrysler JNAP, emissions testing for PM₁₀ was performed at the paint spraybooths from December 7 to 16, 2010. The results from this test were improperly averaged across the zones within each booth (rather than summed) resulting in the use of an incorrect emission factor of 0.109 pounds of PM₁₀ per vehicle. The correct emission factor from the 2010 test is 0.316 pounds of PM₁₀ per vehicle painted.

27. On June 28, 2013, EPA issued a Notice of Violation to Chrysler JNAP alleging that at the facility, from November 2011 until at least December 2012, Chrysler JNAP exceeded the annual PM₁₀ emission limit of 42.4 tons per year specified in the PTI, FG-FACILITY Emission Limit I.3 and its Title V permit in violation of Michigan Administrative Code R336.1201 and R336.1331, 42 U.S.C. §§ 7410 and 7661a, 40 C.F.R. § 52.23, and 40 C.F.R. § 70.7(b) of the CAA.

28. Representatives of Chrysler JNAP and EPA met on September 17, 2013, to discuss the allegations. New testing was performed on March 19 and 20, 2014, with the final report containing results dated May 15, 2014. The testing established new emission factors that demonstrate compliance with the annual emissions limits contained in the PTI and Title V Permit.

Civil Penalty

29. 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 the Respondent's cooperation, Complainant has determined that an appropriate civil penalty to settle this action is \$49,571.

30. Within 30 days after the effective date of this CAFO, Respondent must pay a \$49,571 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 the Respondent's name and the docket number of this CAFO.

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

Attn: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

Cynthia A. King (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

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

33. 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.

34. 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

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

36. 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.

37. 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 35, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

38. Respondent certifies that it is complying with the 42.4 tons/year PM₁₀ emission limit in its PTI and Title V Permit.

39. 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).

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

41. 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.

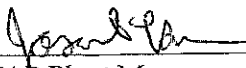
42. Each party agrees to bear its own costs and attorney fees in this action.

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

44. This CAFO shall become effective immediately upon filing with the Regional Hearing Clerk.

Chrysler Group LLC
Jefferson North Assembly Plant, Respondent

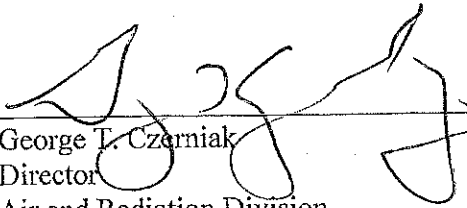
9/24/14
Date



JNA Plant Manager
Chrysler Group LLC

United States Environmental Protection Agency, Complainant

10/10/14
Date




George T. Czerniak
Director
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5

Consent Agreement and Final Order
In the Matter of: Chrysler Group LLC, Jefferson North Assembly Plant
Docket No. CAA-05-2015-0002

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.

10-10-14
Date



Susan Hedman
Regional Administrator
U.S. Environmental Protection Agency
Region 5

Consent Agreement and Final Order
In the Matter of: Chrysler Group, LLC
Docket No. CAA-05-2015-0002

Certificate of Service

I certify that I filed two originals of the Consent Agreement and Final Order (CAFO), docket number CAA-05-2015-0002 with the Regional Hearing Clerk (E-19J), United States Environmental Protection Agency, Region 5, 77 W. Jackson Boulevard, Chicago, Illinois 60604, and that I mailed one original to the Respondent by first-class, postage prepaid, certified mail, return receipt requested, addressed as follows:

Mr. Curtis Towne
JNAP Plant Manager
Chrysler Group LLC
2101 Connor Avenue
Detroit, Michigan 48215

I certify that I sent a copy of the CAFO by intra-office mail to:

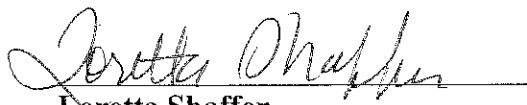
Ann Coyle
Regional Judicial Officer (C-14J)
U.S. Environmental Protection Agency
77 W. Jackson Boulevard
Chicago, Illinois 60604

I also certify that I mailed a copy of the CAFO by first-class mail to:

Thomas Hess, Enforcement Chief
Air Quality Division, MDEQ
P.O. Box 30242
Lansing, Michigan 48909

Robert Byrnes
Air Quality Division, MDEQ
P.O. Box 30242
Lansing, MI 48909

On the 22 day of Oct 2014.


Loretta Shaffer
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER(S): 70091680 0000 7670 0863