



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

March 9, 2021

VIA E-MAIL
DELIVERY RECEIPT REQUESTED

Lee Nadler, President
Lakeside Lithography LLC
1600 South Laflin Street
Chicago, Illinois 60608

Email: lee@lakesidelitho.com

Dear Mr. Nadler:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves Lakeside Lithography LLC docket no. CAA-05-2021-0010. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on March 9, 2021.

Pursuant to paragraph 42 of the CAFO, Lakeside Lithography LLC 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 Louise Gross, Associate Regional Counsel, 312-886-6844.

Sincerely,

CONSTANTINOS LOUKERIS
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CONSTANTINOS LOUKERIS
Date: 2021.03.04 11:10:33
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Constantinos Loukeris, Acting Chief
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

cc: Ann Coyle, Regional Judicial Officer/via electronic mail
Regional Hearing Clerk/via electronic mail
Louise Gross/via electronic mail
Kent Mohr/via electronic mail

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	Docket No. CAA-05-2021-0010
)	
Lakeside Lithography, LLC)	Proceeding to Assess a Civil Penalty
Chicago, Illinois)	Under Section 113(d) of the Clean Air Act,
)	42 U.S.C. § 7413(d)
Respondent.)	
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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 Lakeside Lithography, LLC (Lakeside), a limited liability company 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 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

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. On May 31, 1972, EPA approved 35 Illinois Admin. Code (IAC) §§ 201.102, 201.141, and 201.142 as part of the federally enforceable Illinois State Implementation Plan (SIP). 37 Fed. Reg. 10862.

11. The Illinois SIP at 35 IAC § 201.102 defines air pollution as “the presence in the atmosphere of one or more air contaminants in sufficient quantities and of such characteristics and duration as to be injurious to human, plant or animal life, to health, or to property, or to unreasonably interfere with the enjoyment of life or property.”

12. The Illinois SIP at 35 IAC § 201.141 states no person shall cause or threaten or allow the discharge or emission of any contaminant into the environment in any State so as, either alone or in combination with contaminants from other sources, to cause or tend to cause air pollution in Illinois, or so as to violate the provisions of this Chapter, or so as to prevent the attainment or maintenance of any applicable ambient air quality standard.

13. The Illinois SIP at 35 IAC § 201.142 states no person shall cause or allow the construction of any new emission source or any new air pollution control equipment, or cause or

allow the modification of any existing emission source or air pollution control equipment, without first obtaining a construction permit from the Illinois Environmental Protection Agency.

14. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), provides that it is unlawful for any person to, among other things, violate any requirement of a permit issued under Title V of the CAA.

15. Section 502(d) of the CAA, 42 U.S.C. § 7661a(d), provides that each state must submit to the EPA a permit program meeting the requirements of Title V.

16. Pursuant to Section 502(b) of the CAA, 42 U.S.C. § 7661a(b), EPA promulgated regulations establishing the minimum elements of a Title V permit program to be administered by any air pollution control agency. See 57 Fed. Reg. 32295 (July 21, 1992). Those regulations are codified at 40 C.F.R. Part 70.

17. On December 4, 2001, EPA granted full approval to Illinois' CAA permit program, set forth at 415 Illinois Compiled Statutes (ILCS) 5/39.5. See 66 Fed. Reg. 62946 and 415 ILCS 5/39.5(3).

18. On August 25, 1998, the Illinois Environmental Protection Agency (Illinois EPA) issued a construction permit (application number 98080080) to Lakeside for the coating and lithographic printing facility it owns and operates (the Facility), and which is located at 1600 South Laflin Street, Chicago, Illinois (the 1998 Construction Permit).

19. Provision 1 of the 1998 Construction Permit requires that “[t]he two coating lines with afterburners shall be operated and maintained so that it provides an overall efficiency greater than 90 percent due to the capture efficiency of 100 percent and the destruction efficiency being greater than 90 percent.”

20. Provision 2(b) of the 1998 Construction Permit requires that “[t]he catalytic afterburners combustion chambers shall be preheated to the manufacturer’s recommended temperature but not lower than 625 degrees F, before the coating process is begun; this temperature shall be maintained during the coating process.”

21. Under Section 113(a)(1) of the CAA, 42 U.S.C. § 7413 (a)(1), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating a SIP. The Administrator has delegated this authority to the Director of the Enforcement and Compliance Assurance Division.

22. Under Section 114(a)(1) of the CAA, 42 U.S.C. § 7414 (a)(1), the Administrator of EPA may require any person who owns or operates an emission source to make reports, sample emissions, keep records on control equipment parameters or provide information required by the Administrator. The Administrator has delegated this authority to the Director of the Enforcement and Compliance Assurance Division.

23. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$48,192 per day of violation up to a total of \$385,535 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.

24. 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.

25. 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

26. Emissions from coating processes at the Facility include volatile organic compounds, such as xylene.

27. Coating processes are conducted on two production lines, Line 1 and Line 2.

28. Lakeside 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, Lakeside is subject to the requirements of Section 114(a)(1).

29. Between January 14, 2016 and July 18, 2017, on a number of separate dates, Lakeside did not consistently maintain a minimum temperature, at its catalytic afterburner combustion chamber, of 625 °F while a coating process was in operation on Line 2.

30. On December 22, 2017, EPA issued to Lakeside a Notice and Finding of Violation (NOV/FOV) alleging that it violated 35 Ill. Admin. Code §§ 201.141 of the Illinois SIP and regulations promulgated under Title V of the CAA at 40 C.F.R. Part 70.

31. On February 8, 2018, pursuant to Section 113 of the CAA, representatives of EPA and Lakeside met to discuss the NOV/FOV (113 Conference). Lakeside agreed to provide EPA with additional information.

32. On March 6, 2018, Lakeside provided the additional information that EPA had requested at the 113 Conference.

33. On April 5, 2018, Lakeside and EPA held a conference call to discuss the information provided by Lakeside on March 6, 2018. At that time, Lakeside agreed to perform an analysis on

temperature rise across the catalytic oxidizers of both lines and compare it to the temperature rise achieved during the last performance stack test, performed in March 2011.

34. On May 4, 2018, Lakeside reported to EPA that the temperature rise analysis showed that the temperature rise across Line 1's catalytic oxidizer was substantially less than the temperature rise attained during the March 2011 stack test, while the temperature rise across Line 2's catalytic oxidizer was similar to the temperature rise attained during the March 2011 stack test.

35. On May 10, 2018, Lakeside and EPA held a conference call. Lakeside agreed to have a third party perform a catalyst evaluation on the catalyst for Line 1.

36. On July 2, 2018, Lakeside submitted to EPA a catalyst evaluation report that indicated that the catalyst on Line 1 "has lost performance and is deactivated" and "is most likely not performing as designed in the field."

37. On August 6, 2018, Lakeside reported to EPA that coating operations on Line 1 have been discontinued.

38. Lakeside has allowed the discharge of emissions from the coating lines that have caused violations of its 1998 construction permit in violation of 35 IAC § 201.141 of the Illinois SIP.

39. On July 8, 2019, EPA notified Lakeside that it was violating provision 2(b) of the 1998 Construction Permit. EPA sent a copy of this notification to the state of Illinois.

40. Since Lakeside has on some occasions operated a coating process on Line 2, while the temperature of the combustion chamber was below 625 °F, Lakeside has violated provision 2(b) of the 1998 Construction Permit.

Civil Penalty

41. 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 level of cooperation by Lakeside, Complainant has determined that an appropriate civil penalty to settle this action is \$42,000.

42. Within 30 days after the effective date of this CAFO, Respondent must pay the \$42,000 civil penalty by either:

- a. Sending a cashier's or certified check via U.S. Postal Service, payable to "Treasurer, United States of America," to:

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

- b. Sending a cashier's or certified check via non-U.S. Postal Service express mail, payable to "Treasurer, United States of America," to:

U.S. Bank
Government Lockbox 979077
U.S. EPA Fines and Penalties
1005 Convention Plaza
Mail Station SL-MO-C2-GL
St. Louis, MO 63101

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

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

44. 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.

45. 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

46. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: gross.louise@epa.gov (for Complainant), and hsheldon@hinshawlaw.com (for Respondent).

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

48. 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.

49. 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 47, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

50. Respondent certifies that it is complying fully with its Construction Permit and the Illinois SIP.

51. 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).

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

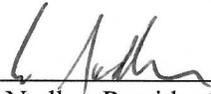
53. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

54. Each party agrees to bear its own costs and attorney’s fees in this action.

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

**Lakeside Lithography, LLC,
Respondent**

MARCH 1, 2021
Date



Lee Nadler, President
Lakeside Lithography, LLC

United States Environmental Protection Agency, Complainant

**MICHAEL
HARRIS**

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MICHAEL HARRIS
Date: 2021.03.08
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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: Lakeside Lithography
Docket No. CAA-05-2021-0010**

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: 2021.03.09 10:29:28
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Ann L. Coyle
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 5

Consent Agreement and Final Order
In the matter of: Lakeside Lithography LLC
Docket Number: CAA-05-2021-0010

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of the foregoing **Consent Agreement and Final Order**, docket number CAA-05-2021-0010, which was filed on March 9, 2021, in the following manner to the following addressees:

*Copy by E-mail to Respondent: Lee Nadler
lee@lakesidelitho.com

Copy by E-mail to Louise Gross
Attorney for Complainant: Gross.Louise@epa.gov

Copy by E-mail to Harvey Sheldon
Attorney for Respondent: hsheldon@hinshawlaw.com

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

Dated: _____
LaDawn Whitehead
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 5