

EPA ENFORCEMENT ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

TO BE FILLED OUT BY ORIGINATING OFFICE:

(Attach a copy of the final order and transmittal letter to Defendant/Respondent)

This form was originated by: Wojciech Jankowski 12/8/10
Name of Contact person Date

in the Office of Regional Counsel at 215-814-2463
Office Phone number

Non-SF Jud. Order/Consent Decree. DOJ COLLECTS

Administrative Order/Consent Agreement
FMD COLLECTS PAYMENT

SF Jud. Order/Consent Decree. FMD COLLECTS

This is an original debt

This is a modification

Name of Person and/or Company/Municipality making the payment

Cambridge-Lee Industries, LLC

The Total Dollar Amount of Receivable \$15,000

(If in installments, attach schedule of amounts and respective due dates)

The Case Docket Number CAA-03-2011-0016

The Site-Specific Superfund Acct. Number N/A

The Designated Regional/HQ Program Office Air Protection Division

TO BE FILLED OUT BY LOCAL FINANCIAL MANAGEMENT OFFICE:

The IFMS Accounts Receivable Control Number _____

If you have any questions call: _____

Name of Contact

Date

in the Financial Management Office, phone number: _____

JUDICIAL ORDERS: Copies of this form with an attached copy of the front page of the final judicial order should be mailed to:

1. Rosemarie Pacheco
Environmental Enforcement Section
Lands Division, Room 130044
1425 New York Avenue, N.W.
Washington, D.C. 20005

2. Originating Office (ORC)
3. Designated Program Office

ADMINISTRATIVE ORDERS: Copies of this form with an attached copy of the front page of the administrative order should be sent to:

1. Originating Office
3. Regional Hearing Clerk

2. Designated Program Office
3. Regional Counsel

In re: Cambridge-Lee Industries
Docket No. CAA-03-2011-0016

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date listed below, the original of the Consent Agreement and Final Order for this matter was filed with the Regional Hearing Clerk, EPA Region III, and that a true and correct copy of the Consent Agreement and Final Order was sent via first class mail, return receipt requested, to the following person at the address shown below:

Christopher M. Roe, Esquire
Fox Rothschild LLP
747 Constitution Drive, Suite 100
P.O. Box 673
Exton, PA 19341-0673

Date: _____

12/18/2010



Wojciech Jankowski
Assistant Regional Counsel
EPA Region III

**BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029**

IN RE: :
 : DOCKET NO. CAA-03-2011-0016
Cambridge-Lee Industries, LLC :
86 Tube Drive :
Reading, Pennsylvania 19605 :
 :
 : **PROCEEDING UNDER:**
 :
Respondent. : Section 113(d) of the Clean Air Act,
 : 42 U.S.C. § 7413(d).
 :
 :
 :
 :

CONSENT AGREEMENT

I. PRELIMINARY STATEMENT

This Consent Agreement is entered into by the Director of the Air Protection Division, U.S. Environmental Protection Agency - Region III ("EPA" or "the Agency" or "Complainant"), and Cambridge-Lee Industries, LLC ("Cambridge" or "Respondent"), pursuant to Section 113(a)(3) and (d) of the Clean Air Act ("CAA" or the "Act"), as amended, 42 U.S.C. § 7413(a)(3) and (d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, and the Revocation/Termination or Suspension of Permits ("Consolidated Rules"), 40 C.F.R Part 22, with specific reference to the Consolidated Rules set forth at 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3). This Consent Agreement and the accompanying Final Order (collectively referred to herein as the "CAFO") address violation(s)

by Respondent of section 110 of the Act, 42 U.S.C. § 7410, and certain provisions of the federally enforceable Pennsylvania State Implementation Plan, 25 Pa. Code Chapter 127 ("Pa. SIP").

II. GENERAL PROVISIONS

1. For purposes of this proceeding only, Respondent admits the jurisdictional allegations set forth in this CAFO.
2. Respondent neither admits nor denies the specific factual allegations, determinations and conclusions of law set forth in this Consent Agreement, except as provided in Paragraph 1, above.
3. Respondent agrees not to contest EPA's jurisdiction with respect to the execution and enforcement of this Consent Agreement or the issuance of the accompanying Final Order.
4. For the purposes of this proceeding only, Respondent hereby expressly waives its right to a hearing on any issue of law or fact set forth in this Consent Agreement and any right to appeal the accompanying Final Order.
5. Respondent consents to the issuance of the CAFO and agrees to comply with the terms of the CAFO.
6. Respondent shall bear its own costs and attorney's fees.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

7. Complainant has determined that Respondent has violated section 110 of the Act and section 127.441 of the Pa. SIP by violating Section E, condition #007 of an operating permit, permit #06-05061 (the "Permit"). In accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation, Termination or Suspension of Permits ("Consolidated Rules"), set forth at 40 C.F.R Part 22, with specific reference to the Consolidated Rules set forth at 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3), Complainant alleges the following findings of fact and conclusions of law.
8. Respondent is a corporation incorporated in the state of Delaware, with a principle place of business located at 86 Tube Drive in Reading, Pennsylvania.
9. The Respondent is a "person" as that term is defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e), and within the meaning of Section 113(d) of the CAA, 42 U.S.C. § 7413(d).
10. Respondent operates the Cambridge facility, located at 86 Tube Drive in Berks County, Pennsylvania, which primarily manufactures copper pipe and tubing for sale to industrial and commercial customers (the "Facility").
11. Since 1996, and at all times relevant to this CAFO, Respondent has owned the Facility.
12. Respondent has an operating permit, permit #06-05061 (the "Permit"), issued by the Pennsylvania Department of Environmental Protection ("PADEP"), on November 17,

2005.

13. The Permit became effective on December 1, 2005, and is valid through November 30, 2010.

14. Respondent's Facility contains, among other things, two natural gas fired billet heaters referred to as "Billet Heater Furnace A" and "Billet Heater Furnace B."

15. Section E of the Permit contains specific provisions for Billet Heater Furnace A and Billet Heater Furnace B.

16. The provisions found in Section E of the Permit are authorized pursuant to 25 PA Code § 127.441, and are federally enforceable.

17. On May 12, 2009, duly authorized inspectors from EPA and PADEP conducted an inspection of the Facility (the "Inspection").

18. During the Inspection, EPA and PADEP reviewed and collected records, and completed a physical inspection of the Facility.

19. On May 28, 2009, EPA issued an Air Compliance Inspection Report, dated May 13, 2009, to Respondent (the "Inspection Report") which summarized the Inspection, EPA's observations and the information requested of Respondent during the inspection which included, without limitation, a request for:

- A description of the specifications for the purchased scrap materials; and
- The provision of records related to the Facility's cooling water temperature, Toxic Release Inventory, production records for 1998 through 2000; weekly

visual inspections and olfactory reports, capital projects since 1998 and HVAC equipment.

20. On June 9, 2009, Respondent provided EPA with records and information requested during the Inspection, which included, without limitation:

- The specification and testing parameters for the purchased scrap metals;
- The temperature log of outfall water discharged under the Facility's NPDES permit;
- Copies of the Facility's Form R Toxic Release Inventory for the 2003 to 2007 reporting years;
- A copy of the Facility's Title V Weekly Walkaround Inspection Log for 2009;
- An explanation that the Respondent was unable to locate the monthly production records for the years 1998 through 2000;
- A list of the capital projects for the past ten (10) years; and
- A certification from the HVAC technician.

21. Subsequent to the inspection, EPA issued an information request letter to Respondent on July 8, 2009 (the "IRL"), pursuant to Section 114 of the CAA, 42, U.S.C. § 7414, which included, without limitation, a request for:

- An explanation for reduction and fluctuation of emissions;
- A description of the Facility's use of No. 2 Fuel Oil;
- Information and records related to furnace testing, compliance assurance and

maintenance; and

- The provision of the weekly inspection logs, capital authorization requests, volatile organic compound usage records and an inventory of space heaters

22. In addition to the above noted requests, the IRL requested, in part, information regarding stack test information for Billet Heater Furnaces A and B.

23. On September 11, 2009, Respondent provided EPA with records and information requested in the IRL which included, without limitation:

- An explanation related to emissions reductions and fluctuations; and
- The Facility's weekly inspection logs, capital authorization requests, solvent usage records and a space heater inventory

24. By electronic mail on September 29, 2009, EPA issued two follow-up questions to Respondent's September 11, 2009 letter (the "Follow-up Email") which requested:

- A further explanation of the reason for the reduction of CO and NO_x emissions; and
- A description of the compliance assurance process for emission sources at Plant 4 of the Facility.

25. On October 9, 2009, Respondent provided EPA with a substantive response to the two questions set forth in the September 29, 2009 Follow-up Email.

26. On April 16, 2010, EPA issued a Notice of Noncompliance and Request to Show Cause ("NON") to respondent in which EPA identified certain items of alleged noncompliance

discovered as a result of the Inspection.

27. On May 10, 2010, Respondent, by and through its attorney, provided EPA with a response to the NON.

28. Under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), the Administrator and the United States Attorney General, through their delegated representatives, have jointly determined that this matter, involving a first alleged date of violations more than twelve months prior to the initiation of the administrative action, is appropriate for an administrative penalty action.

IV. VIOLATION

COUNT I

29. Complainant realleges the allegations contained in paragraphs 1 through 28, above.

30. Section E of the Permit, "Source Group Restrictions," applies to Billet Heater Furnaces A and B.

31. Condition #007, in Section E of the Permit provides, in pertinent part that, "[t]he permittee shall perform an annual adjustment and/or tune-up on each furnace, which shall include the following: a. Inspection, adjustment, cleaning or replacement of fuel-burning equipment, including the burners and moving parts necessary for proper operation as specified by the manufacturer; and b. Inspection of the flame pattern or characteristics and adjustment necessary to minimize emissions of Nox, and operation as specified by

the manufacturer....”

32. During the inspection, Respondent provided EPA with stack test reports for the Billet Heater Furnaces as required by Condition #007, Section E, of the Permit.

33. During the inspection, reports were provided to EPA by Respondent for reporting years 2003 through 2009.

34. Review of the reports provided by Respondent and review of information provided by Respondent to the July 8, 2009 IRL to EPA indicated that a stack test was not completed for reporting year 2007.

35. The failure to complete a stack test for Billet Heater Furnaces A and B in 2007 constitutes a violation of Section E, Condition #007 of the Permit.

V. CIVIL PENALTY

36. In settlement of the above-captioned action, Respondent agrees to pay a civil penalty in the amount of fifteen thousand dollars (\$15,000) in satisfaction of Respondent’s liability for Federal civil penalties for the violations and facts alleged in this CAFO. The aforesaid settlement amount is based upon Complainant’s consideration of a number of factors, including, but not limited to, Section 113, 42 U.S.C. § 7413 penalty assessment criteria, including the seriousness of Respondent’s violations and Respondents’ good faith efforts to comply as provided in the Clean Air Act Stationary Source Civil Penalty Policy.

37. Such civil penalty amount shall become due and payable immediately upon Respondent’s

receipt of a true and correct copy of this CAFO. In order to avoid the assessment of interest, administrative costs, and late payment penalties in connection with such civil penalty as described in this CAFO, Respondent must pay the civil penalty no later than thirty (30) calendar days after the date on which a copy of this executed CAFO is mailed or hand-delivered to Respondent.

38. Payment of the penalty shall be made by cashier's check, certified check, electronic wire transfer, Automated Clearing House ("ACH"), or an on line, internet payment as specified below. All payments are payable to Treasurer, United States of America and shall reference the above case caption and docket number.

39. All checks shall be made payable to Treasurer, United States of America and shall be mailed to the attention of:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P. O. Box 979077
St. Louis, MO 63197-9000.

Overnight deliveries shall be sent to:
U.S. Environmental Protection Agency
Fines and Penalties
ATTENTION: Natalie Pearson
U.S. Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101.

All electronic wire transfer payments shall be directed to:
Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727

SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

Payments through ACH (also known as REX or remittance express) shall be directed to:
Automated Clearinghouse (ACH) for receiving US currency
PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact – Jesse White 301-887-6548
ABA = 051036706
Transaction Code 22 - checking
Environmental Protection Agency
Account 310006
CTX Format

An on-line, internet payment option, is also available through the United States Department of Treasury. This payment option can be accessed from www.pay.gov. Enter sfo 1.1 in the search field. Open form and complete required fields.

40. All payments made by check also shall reference the above case caption and docket number, CAA-03-2011-0016. At the same time that any payment is made, copies of any corresponding check, or written notification confirming any electronic wire transfer, shall be mailed to Lydia A. Guy, Regional Hearing Clerk (3RC00), U.S. EPA, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029 and to Carolyn Bernotta (3WC32), Waste and Chemicals Management Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029.
41. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and a charge to

cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment or to comply with the conditions in this CAFO shall result in the assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.

42. Interest on the civil penalty assessed in this CAFO will begin to accrue on the date that a copy of this executed CAFO is mailed or hand-delivered to Respondents. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid within thirty (30) calendar days after the date on which such interest begins to accrue. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. §13.11(a).
43. The cost of EPA's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. 40 C.F.R. §13.11(b). Pursuant to Appendix 2 of EPA's Resources Management Directives - Cash Management, Chapter 9, EPA will assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains unpaid.
44. A penalty charge of six percent per year will be assessed monthly on any portion of the civil penalty which remains delinquent for more than ninety (90) calendar days. 40 C.F.R. §13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. §901.9(d).

45. Respondent agrees not to deduct for civil taxation purposes the civil penalty paid pursuant to this CAFO.

V. RESERVATION OF RIGHTS

This CAFO resolves only Respondent's liability for Federal civil penalties for the violations and facts alleged in this CAFO. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in Section 22.18(c) of the Consolidated Rules of Practice. Further, EPA reserves any rights and remedies available to it under the CAA, the regulations promulgated thereunder, and any other federal laws or regulations for which EPA has jurisdiction, to enforce the provisions of this CAFO, following its filing with the Regional Hearing Clerk.

VI. FULL AND FINAL SATISFACTION

Payment of the penalty specified above constitutes full and final satisfaction of Federal civil penalties for the violations and facts alleged in this CAFO.

VII. PARTIES BOUND

This Consent Agreement and the accompanying Final Order shall apply to and be binding

In Re: Cambridge-Lee Industries, LLC
Consent Agreement and Final Order

Docket No. CAA-03-2011-0016

upon the Respondent and the employees, successors and assigns of Respondent.

VIII. EFFECTIVE DATE

The effective date of this Consent Agreement and the accompanying Final Order is the date on which the Final Order is filed with the Regional Hearing Clerk of U.S. EPA - Region III.

By his or her signature below, the person signing this Consent Agreement on behalf of the Respondent is acknowledging that he or she is fully authorized to enter into this Consent Agreement and to bind the Respondent to the terms and conditions of this Consent Agreement.

For the Respondent:

Date 12-22-2010



Erik Wagner, Director of Operations
Cambridge-Lee Industries, LLC

In Re: Cambridge-Lee Industries, LLC
Consent Agreement and Final Order

Docket No. CAA-03-2011-0016

For the Complainant:

United States Environmental Protection Agency
Region III

Date:

12/23/2010

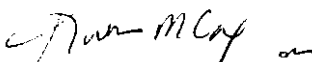


Wojciech Jankowski
Assistant Regional Counsel

The Air Protection Division, United States Environmental Protection Agency - Region III, recommends that the Regional Administrator of U.S. EPA Region III or his designee issue the accompanying Final Order.

Date:

12/23/2010



Diana Esher, Director
Air Protection Division

In Re: Cambridge-Lee Industries, LLC
Consent Agreement and Final Order

Docket No. CAA-03-2011-0016

The effective date of this Final Order and the accompanying Consent Agreement is the date on which the Final Order is filed with the Regional Hearing Clerk of U.S. EPA - Region III, following signature by the Regional Judicial Officer.

Date:

12/28/10

A handwritten signature in cursive script that reads "Renee Sarajian". The signature is written in black ink and is positioned above a horizontal line.

Renee Sarajian
Regional Judicial Officer
U.S. EPA, Region III