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**U.S. EPA REGION 7
HEARING CLERK**

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7
11201 RENNER BOULEVARD
LENEXA, KANSAS 66219

IN THE MATTER OF:

Loparex LLC

Respondent

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Docket No. CAA-07-2025-0128

CLEAN AIR ACT

42 U.S.C. § 7401, *et. seq.*

AMENDED NOTICE AND FINDING OF VIOLATION

The United States Environmental Protection Agency (“EPA”) notifies Loparex LLC that the EPA finds its Iowa City, Iowa facility in violation of Sections 110 and 112 of the Clean Air Act (“CAA” or “the Act”), 42 U.S.C. §§ 7410 and 7412, as specifically set forth below. This Notice and Finding of Violation is issued pursuant to Sections 113(a)(1) and 113(a)(3) of the CAA, 42 U.S.C. §§ 7413(a)(1) and 7413(a)(3), which provide that whenever, on the basis of information available to the Administrator, EPA finds that any person has violated or is violating any requirement or prohibition of an applicable implementation plan or permit, EPA shall notify the person and the State in which the plan applies of such finding.

A. STATUTORY AND REGULATORY BACKGROUND

1. The CAA establishes a regulatory framework designed to protect and enhance the quality of the nation’s air so as to promote the public health and welfare and the productive capacity of its population. 42 U.S.C. § 7401.

Iowa Implementation Plan and Title V Operating Permit Program

2. Section 110(a) of the CAA, 42 U.S.C. § 7410(a), requires each state to adopt and submit to EPA for approval a plan that provides for the attainment and maintenance of the national ambient air quality standards in each air quality control region within each state. This plan is known as a State Implementation Plan (“SIP”).

3. Pursuant to Section 110 of the CAA, 42 U.S.C. § 7410, after SIPs are approved by EPA, they are enforceable both by the respective states in which they are adopted and, pursuant to Section 113(b) of the CAA, 42 U.S.C. § 7413(b), by the United States.

4. The regulations in Chapter 24: Excess Emissions of Section 567 of the IAC govern reporting of excess emissions and were first adopted as part of the federally approved Iowa SIP in 1982.

5. 567 IAC 24.1(2) states: “An incident of excess emission (other than an incident of excess emission during a period of startup, shutdown, or cleaning) shall be reported to the appropriate regional office of the department within eight hours of, or at the start of the first working day following the onset of the incident.” *Approval and Promulgation of Implementation Plans; Iowa*, 47 FR 1119 (January 11, 1982).

6. Section 24.1(2) further requires the incident report to be made by e-mail, in person, or by telephone and to include, at a minimum:

a. The identity of the equipment or source operation from which the excess emission originated and the associated stack or emission point.

b. The estimated quantity of the excess emission.

c. The steps being taken to remedy the excess emission.

d. The steps being taken to limit the excess emission in the interim period.
Approval and Promulgation of Implementation Plans; Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants, State of Iowa; Control of Emissions from Existing Hospital/Medical/Infectious Waste Incinerator Units, Negative Declaration and 111(d) Plan Recission; Approval and Promulgation of Operating Permits Program, State of Iowa, 78 FR 63887 (October 25, 2013).

7. The regulations further require a written report to follow-up the initial incident report “within seven days of the onset of the upset condition.” *Id.* The incident report must minimally include six elements.

8. The Iowa Department of Natural Resources (“IDNR”) most recently submitted a SIP revision to approve changes to 567 IAC 24 into the SIP on March 1, 2011, and these changes were adopted as part of Iowa’s SIP on October 25, 2013. *See* 40 C.F.R. § 52.820(c).

9. Subsequent to the 2013 SIP revision, IDNR revised Section 567 of the IAC, so that the regulations in Chapter 24 were moved to Chapter 21: Compliance, Excess Emissions, and Measurement of Emissions. Aside from the renumbering, the excess emissions regulations were revised to add two more required elements to an initial incident report.

10. The regulations appearing at 567 IAC 24.1, as approved into the Iowa SIP on October 25, 2013, were the relevant regulations at the time of the violations alleged in this Notice. All citations herein refer to provisions of the IAC as applicable at the times of the violations alleged herein. *See* 40 C.F.R. § 52.820(c).

11. The regulations in Chapter 33: Special Regulations and Construction Permit Requirements for Major Stationary Sources – Prevention of Significant Deterioration (PSD) of Air Quality of Section 567 of the IAC implements the major New Source Review program set forth in Title I, Part of the CAA and 40 C.F.R. Part 52.

12. Chapter 33 was first adopted as part of the federally enforceable Iowa SIP in 2007.

13. 567 IAC 33.3(1) defines “best available control technology” or “BACT” as “an emissions limitation, including a visible emissions standard, based on the maximum degree of reduction for each regulated NSR pollutant which would be emitted from any proposed major stationary source or major modification which the reviewing authority, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for such source of modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combination techniques for control of such pollutant. In no event shall application of best available control technology result in emissions of any pollutant which would exceed the emissions allowed by any applicable standard under 567-subrules 23.1(2) through 23.1(5) (standards for new stationary sources, federal standards for hazardous air pollutants, and federal emission guidelines), or federal regulations as set forth in 40 CFR Parts 60, 61 and 63 but not yet adopted by the state. If the department determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard infeasible, a design, equipment, work practice, operational standard or combination thereof may be prescribed instead to satisfy the requirement for the application of best available control technology. Such standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of such design, equipment, work practice or operation and shall provide for compliance by means which achieve equivalent results.”

14. 567 IAC 33.3(1) defines “emissions unit” as “any part of a stationary source that emits or would have the potential to emit any regulated NSR pollutant and includes an electric utility steam generating unit. For purposes of this chapter, there are two types of emissions units: 1. A new emissions unit is any emissions unit that is (or will be) newly constructed and that has existed for less than two years from the date such emission unit first operated. 2. An existing emissions unit is any emissions unit that does not meet the requirements in ‘1’ above. A replacement unit is an existing emissions unit.”

15. 567 IAC 33.3(1) defines “enforceable permit condition” to be “for the purposes of this chapter, means any of the following limitations and conditions: requirements developed pursuant to new source performance standards, prevention of significant deterioration standards, emissions standards for hazardous air pollutants, requirements within the SIP, and any permit requirements established pursuant to this chapter, any permit requirements established pursuant to 40 CFR 52.21 or Part 51, Subpart I, as amended through October 20, 2010, or under construction or Title V operating permit rules.”

16. 567 IAC 33.3(1), in relevant part, defines “regulated NSR pollutant” as “any pollutant for which a national ambient air quality standard has been promulgated and any constituents or precursors for such pollutants identified by the Administrator [including] volatile organic compounds and nitrogen oxides are precursors to ozone in all attainment and unclassifiable areas.”

17. The PSD program requirements in 567 IAC Chapter 33 apply to the construction of any new major stationary source or any project as an existing major stationary source in an area designated as attainment or unclassifiable under Section 107(d)(1)(A)(ii) or (iii) of the CAA. 567 IAC 33.3(2).

18. The Iowa regulations incorporate by reference the control technology review provisions set forth in 40 C.F.R. § 52.21(j). 567 IAC 33.3(10).

19. The PSD program requires that “a major modification shall apply best available technology for each regulated NSR pollutant for which it would result in a significant net emissions increase at the source.” 40 C.F.R. § 52.21(j)(3).

20. Title V of the CAA, 42 U.S.C. §§ 7661-7661f, establishes an operating permit program for major sources of air pollution.

21. Section 502(d) of the CAA, 42 U.S.C. § 7661a(d), requires each state to develop and submit a permit program meeting the requirements of Title V for approval by the EPA.

22. The Iowa SIP regulations governing air quality and air pollution control are codified under Section 567 of the Iowa Administrative Code (“IAC”), Chapter 22. 567 IAC 22.101(1) requires that a stationary source obtain a Title V operating permit if it is a major source.

23. The regulations at 567 IAC 22.101(1) were all incorporated into and part of the Iowa SIP at the time of the violations alleged in this Notice of Violation. 567 IAC 22.101(1) was approved by the EPA as part of the Iowa SIP on July 14, 1997 (62 Fed. Reg. 37514).

24. Under 40 C.F.R. § 70.6(b), all terms and conditions contained in a permit issued under a permit program approved pursuant to the Title V are federally enforceable under Section 113 of the CAA, 42 U.S.C. § 7413, unless the term or condition is not required under the CAA.

25. Pursuant to Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), it is unlawful for any person to, among other things, operate a major source subject to Title V except in compliance with a Title V permit after the effective date of any permit program approved or promulgated under Title V of the Act.

National Emission Standards for Hazardous Air Pollutants

26. Section 112 of the CAA, 42 U.S.C. § 7412, requires the EPA to develop emissions standards that apply to specific categories of major sources and area sources of listed hazardous air pollutants. The National Emissions Standards for Hazardous Air Pollutants (“NESHAPs”) apply to specific sources that emit listed hazardous air pollutants. These emissions standards must require the maximum degree of reduction in emissions of HAPs that the Administrator, taking into consideration the cost of achieving such emission reduction, and any non-air quality health and environmental impacts and energy requirements, determines is achievable for the new or existing sources in the category to which the emission standard applies.

The NESHAPs are developed and implemented by EPA and are delegated to the states. However, even when delegated to the states, EPA retains the authority to implement and enforce the NESHAPs.

27. The NESHAP for Paper and Other Web Coating at 40 C.F.R. Part 63, Subpart JJJJ, establishes national emission standards for hazardous air pollutants for paper and other web coating operations.

28. The owner or operator of existing affected sources must limit organic HAP emissions to no more than 5 percent of the organic HAP applied for each month (95 percent reduction) for all periods of operation, including startup, shutdown, and malfunction by July 9, 2023. 40 C.F.R § 63.3320(b)(1).

29. For any web coating line or group of web coating lines for which an add-on control device is used to demonstrate compliance, the owner or operator must meet operating limits specified in Table 1 to Subpart JJJJ. The operating limits must be established during the performance test according to the requirements of 40 C.F.R. § 63.3360(e)(3), and the owner or operator must meet the operating limits at all times after the limits are established. 40 C.F.R § 63.3321(a).

30. The owner or operator of affected sources which commenced construction or reconstruction prior to September 19, 2019, must conduct a periodic emissions performance test by July 9, 2023, or within 60 months of the previous test, whichever is later, and subsequent tests no later than 60 months thereafter. 40 C.F.R § 63.3330(a)(2).

31. 40 C.F.R. § 63.3340(b) requires that “on and after July 9, 2021, [for affected sources as of September 19, 2019] . . . , you must always operate and maintain your affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. The general duty to minimize emissions does not require the owner or operator to make any further efforts to reduce emissions if levels required by the applicable standard have been achieved. Determination of whether a source is operating in compliance with operation and maintenance requirements will be based on information available to the Administrator which may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the source.”

32. The owner or operator of an affected source must demonstrate compliance each month with the emission limitations in § 63.3320(b). An owner or operator of an existing affected source that demonstrates compliance through the use of a capture system and control device must demonstrate overall organic HAP control efficiency is equal to 95 percent. To make this demonstration, the owner or operator must follow the procedures set forth in § 63.3370(f) to determine compliance according to § 63.3370(l) if using an oxidizer. 40 C.F.R § 63.3370(a).

33. Pursuant to Section 112(l) of the CAA, 42 U.S.C. § 7412(l), states may develop and submit to the Administrator for approval a program for the implementation and enforcement

(including a review of enforcement delegations previously granted) of emissions standards and other requirements for air pollution subject to this section.

34. Iowa accepted delegation for 40 C.F.R. Part 63, Subpart JJJJ on November 3, 2020.

35. EPA retains concurrent enforcement authority of the NESHAP. 42 U.S.C. § 7412(1)(7).

36. The NESHAP for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters at 40 C.F.R. Part 63, Subpart DDDDD, establishes national emission limitations and work practice standards for HAPs emitted from industrial, commercial, and institutional boilers and process heaters located at major sources of HAP.

37. 40 C.F.R. § 63.7540(a)(10) requires that “If your boiler or process heater has a heat input capacity of 10 million Btu per hour or greater, you must conduct an annual tune-up of the boiler or process heater to demonstrate continuous compliance as specified in paragraphs (a)(10)(i) through (vi) of this section.”

38. Iowa has not accepted delegation for 40 C.F.R. Part 63, Subpart DDDDD.

39. Section 112(i)(3) of CAA, 42 U.S.C. § 7412(i)(3), and 40 C.F.R. § 63.4, prohibit the owner or operator of any source from operating such source in violation of any NESHAP applicable to such source.

40. Pursuant to Section 113 of the Act, 42 U.S.C. § 7413, the requirements of the Iowa SIP, as approved by EPA, are enforceable by EPA. Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), states that once the Administrator finds that any person is in violation of any requirement of an applicable implementation plan or permit, the Administrator shall notify the person and the State in which the plan applies of such finding.

41. Section 113(a)(1) of the Act further provides that at any time after the expiration of 30 days following the date on which such notice of a violation is issued, the Administrator may issue an order requiring such person to comply with the requirements or prohibitions of such plan or permit.

B. FACTUAL BACKGROUND

42. Respondent is, and at all times referred to herein was, a “person” as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(a).

43. Respondent is the “owner” and/or “operator” of the specialty paper and film release liner manufacturing facility located at 2000 Industrial Park Road, Iowa City, Iowa 52240 (the “Facility”) within the meaning of Section 112(a) of the Act, 42 U.S.C. § 7412(a).

44. The Facility is a “stationary source” as defined by Section 302(z) of the CAA, 42 U.S.C. § 7602(z).

45. The Facility has eight web coating lines and uses thermal oxidizers to demonstrate compliance with NESHAP JJJJ for Lines 14/16, 17, and 18. These thermal oxidizers are known as Control Equipment (CE) 014/016, CE017, and CE018.

46. The Facility is a major source of volatile organic compounds (“VOC”), individual HAPs, and combined HAPs.

47. The Thermal Oxidizers CE014/016, CE017, and CE018 are subject to 40 C.F.R. § 63.3321 because they are add-on control devices used to comply with the emission standards in § 63.3320.

48. The Auxiliary Heaters EU-017-5 and EU-018-5 are subject to 40 C.F.R. § 63.7540(a)(10) because they are industrial boilers or process heaters as defined in § 63.7575 that are located at a major source of HAPs and have a heat input capacity of greater than 10 million Btu per hour.

49. Respondent is a “major source” subject to Title V of the CAA, 42 U.S.C. § 7661 *et seq.*

50. As pertinent to this Notice, on July 28, 2009, the Iowa Department of Natural Resources (“INDR”) issued the Facility an Original State PSD Permit, Permit Number 09-A-365-P (“Construction Permit”) for the construction of Line 18 Oven Zone 1 (EU 018-3a) and Line 18 Oven Zone 2 (EU 018-3b).

51. Permit Condition 10a of the Construction Permit set forth the BACT Emission limits for the emissions units, which includes a limit of 49.2 tons per year of VOCs for all emission points on Line 18. The Construction Permit allows the owner/operator to select from three different control options to meet the VOC emission limit. Control Option 3 requires that the owner or operator meet a minimum of a 98 percent reduction (three-hour average) based on the total VOC inlet rate to the emission units on Line 18 and the outlet VOC emissions measured at each stack associated with Line 18.

52. Effective March 17, 2022, the Iowa Department of Natural Resources issued the Facility a Title V Operating Permit, Air Quality Operating Permit Number: 01-TV-005R3 (“Operating Permit”). The Permit includes the NESHAP limits for 40 C.F.R. Part 63, Subpart DDDDD, and 40 C.F.R. Part 63, Subpart JJJJ.

53. The Operating Permit incorporates the BACT limit for VOC set forth in Construction Permit Conditions 10a at page 71.

54. The Operating Permit states that organic HAP emission from Line 18 shall be limited as required by 40 C.F.R. Part 63, Subpart JJJJ.

55. EPA conducted an inspection at the Facility on December 10-11, 2024, to determine compliance with the CAA.

56. As a part of the inspection, EPA received information demonstrating that the latest performance test demonstrating compliance with 40 C.F.R. § 63.3360 for Thermal Oxidizer CE014/016 was conducted on August 2, 2012.

57. As a part of the inspection, EPA received information demonstrating that the latest performance test demonstrating compliance with 40 C.F.R. § 63.3360 for Thermal Oxidizer CE017 was conducted on March 12, 2003.

58. As a part of the inspection, EPA received information demonstrating that the latest performance test demonstrating compliance with Construction Permit Condition 10a and 40 C.F.R. § 63.3360 for Thermal Oxidizer CE018 was conducted on March 12, 2003.

59. As part of the inspection, EPA received information indicating that Loparex performed an engineering study to determine the VOC and HAP control efficiency of Thermal Oxidizer CE014/016, Thermal Oxidizer CE017, and Thermal Oxidizer CE018 on May 6, 2025.

60. The engineering study results demonstrated that Thermal Oxidizer CE017 did not limit organic HAP to no more than 5 percent of the organic HAP applied for each month (95 percent reduction) for all periods of operation, set forth in 40 C.F.R. § 63.3320(b)(1).

61. The engineering study further demonstrated that the control efficiency for Thermal Oxidizer CE018 did not meet the 98 percent VOC destruction efficiency limit established by Construction Permit Condition 10a.

62. The engineering study results demonstrated that Thermal Oxidizer CE018 did not limit organic HAP to no more than 5 percent of the organic HAP applied for each month (95 percent reduction) for all periods of operation, set forth in 40 C.F.R. § 63.3320(b)(1).

63. As a part of the inspection, EPA received information demonstrating that the Line 17 Auxiliary Heater EU-017-5 had annual tune-ups conducted on May 14, 2021, December 19, 2024, and January 29, 2025.

64. As a part of the inspection, EPA received information demonstrating that the Line 18 Auxiliary Heater EU-018-5 had annual tune-ups conducted on May 7, 2021, December 12, 2024, and January 29, 2025.

C. VIOLATIONS

65. Loparex has violated Section 110 of the Act, 42 U.S.C. § 7410, and Loparex's Operating Permit from at least May 6, 2025, through at least July 21, 2025, by failing to report excess emissions from the Thermal Oxidizer CE017 and the Thermal Oxidizer CE018, as required by 567 IAC 24.1(2), as approved into the Iowa SIP on October 25, 2013, and Section G14.2 of Loparex's Operating Permit.

66. Loparex has violated Section 110 of the Act, 42 U.S.C. § 7410, and Loparex's Construction Permit from at least May 6, 2025, through August 6, 2025, by failing to limit VOC emissions through ventilation of all VOC emissions to a thermal incinerator with a destruction efficiency of at least 98 percent averaged over three hours.

67. Loparex has violated Section 112 of the Act, 42 U.S.C. § 7412 and Loparex's Operating Permit from at least May 6, 2025, through August 6, 2025, by failing to limit organic HAP emissions to no more than 5 percent of the organic HAP applied for each month (95 percent reduction) from Thermal Oxidizer CE018, as required by 40 C.F.R. § 63.3320(b)(1) and Loparex's Operating Permit at pages 74 – 75.

68. Loparex has violated Section 112 of the Act, 42 U.S.C. § 7412 and Loparex's Operating Permit from at least May 6, 2025, through present, by failing to limit organic HAP emissions to no more than 5 percent of the organic HAP applied for each month (95 percent reduction) from Thermal Oxidizer CE017, as required by 40 C.F.R. § 63.3320(b)(1) and Loparex's Operating Permit at pages 65 – 66.

69. Loparex has violated Section 112 of the Act, 42 U.S.C. § 7412, from at least July 9, 2023, through present by failing to conduct the required performance test on Thermal Oxidizers CE014/016, CE017, and CE018 by the compliance date, as required by 40 C.F.R. § 63.3330(a)(2).

70. Loparex has violated Section 112 of the Act, 42 U.S.C. § 7412 and Loparex's Permit from at least May 6, 2025, through present, by failing to operate and maintain Thermal Oxidizer CE017 and Thermal Oxidizer CE018 in a manner consistent with safety and good air pollution control practices so as to minimize emissions, as required by 40 C.F.R. § 63.3340(b).

71. Loparex has violated Section 112 of the Act, 42 U.S.C. § 7412 and Loparex's Permit from at least May 7, 2022, through January 29, 2025, by failing to conduct required annual tune-ups on Auxiliary Heater EU-017-5 and Auxiliary Heater EU-018-5, as required by 40 C.F.R. § 63.7540(a)(10) and Loparex's Permit at page 69.

D. POTENTIAL LIABILITY

72. Sections 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. §§ 7413(a)(1) and (3), provide that, whenever on the basis of available information, the Administrator finds that any person has violated or is in violation of any requirement or prohibition of any other requirement or prohibition of an applicable implementation plan or permit, the Administrator shall notify the person and the State in which the plan applies of such a finding. At any time after the expiration of thirty (30) days following the date this Notice and Finding of Violation is issued, the Administrator may, without regard to the period of violation:

a. Issue an order requiring compliance with the requirements or prohibitions of the applicable plan or permit;

b. Issue an administrative penalty order assessing a civil penalty not to exceed \$59,114 per day for each violation that occurred after November 2, 2015;

c. Bring a civil action for permanent or temporary injunction or to recover a penalty not to exceed \$124,426 per day for each violation that occurred after November 2, 2015; or;

d. Request the Attorney General to commence a criminal action in accordance with Section 113(c).

73. The issuance of this Notice and Finding of Violation does not preclude the State of Iowa or EPA from assessing penalties or taking any action authorized by the CAA. This Notice and Finding of Violation does not affect the obligation of Loparex to comply with all applicable federal, state, and local regulations.

74. Pursuant to Section 306 of the CAA, 42 U.S.C. § 7606, Executive Order 11738, and EPA regulations at 40 C.F.R. Part 15, facilities to be utilized in federal contracts, grants, and loans must be in compliance with standards established pursuant to the Act. The violations set forth in this notification may result in ineligibility to participate with a federal contract, grant, or loan.

Date

David Cozad
Director
Enforcement and Compliance Assurance Division

CERTIFICATE OF SERVICE
(to be completed by EPA)

I certify that that a true and correct copy of the foregoing Notice and Finding of Violations was sent this day in the following manner to the addressees:

Copy via E-mail to Complainant:

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Copy via Certified Mail, Return Receipt Requested to Respondent:

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400 East Court Avenue, Suite 110
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Dated this _____ day of _____, _____.

Signed