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Permit NO. NSR 4.4.4, SAC 03-01

Knauf Insulation (AKA Knauf Fiber Glass) has operated without a Title V Permit to Operate for over four years. They still do not have a Permit to Operate. Thus, the EPA Region IX has thwarted the intent of the Clean Air Act. If factories do not need Permits to Operate then what exists to motivate corporations to abide by any environmental laws? Or do laws only apply to some businesses but not others?

How fair is this policy to Knauf's competitors that do follow the Clean Air Act and other laws? Do they not suffer financially because of the EPA's grossly favorable treatment towards Knauf?

Knauf has been in violation of their original PSD air permit since November 22, 2002. Knauf has failed every air compliance test they have taken. Knauf has ignored their air permit and broken the federal pollution laws. For over 3 years EPA has allowed this company to dump illegal pollution into our air. As a reward for Knauf's illegal activity, the EPA has now granted Knauf an even larger permit to pollute.

This plan makes a mockery of the EPA's mission statement. A copy of the mission statement exists on the EPA website:

"The mission of the Environmental Protection Agency is to protect human health and the environment. Since 1970, EPA has been working for a cleaner, healthier environment for the American people."

Instead of protecting people and enforcing Knauf's pollution limits, both federal and local authorities have failed to enforce the laws of this country. In fact, no fines against Knauf have been levied. To date, Knauf has not paid any money for fines, nor signed any paperwork with any government agency obligating them to pay fines.

The EPA needs to spend less time writing new permits and more time enforcing the permits they've already issued. If the EPA won't enforce the

pollution laws that Knauf is currently violating, it has absolutely no business granting Knauf a new permit with even higher pollution limits.

Despite numerous complaints from community members, the EPA has refused to protect our environment and enforce Knauf's original permit. The EPA should be ashamed and embarrassed to be involved in this criminal fiasco.

The EPA has made excuses on Knauf's behalf attempting to explain why Knauf's actual NOx emissions ended up being 226% of what their original permit allowed. It is self-evident that Knauf knew all along that their NOx emissions would be well above their permit but submitted a lower figure so they could circumvent BACT (Best Available Control Technology) and defraud the public.

You will note that Knauf has claimed that the reason for the 226% discrepancy in Knauf's NOx is an "engineering error." Yet, Knauf continues to use the exact same company to do their environmental review, Mostardi Platt. The same company that made the previous "engineering error" is responsible for the environmental document that the EPA is now relying on.

Please read the attached public comments by Ivan Hall regarding the absolute lack of BACT analysis done for this permit.

On Sunday, February 2, 2003, Knauf ran a full page newspaper advertisement in the Redding Record Searchlight admitting to their NOx violation, but attempted to cover up their particulate matter (PM10) violation with this incorrect statement: *"With the exception of NOx, we have significantly beaten all permitted levels."* This is simply not true. The test results plainly show that Knauf is violating their permit limit for particulate matter. Ironically, in the same full page advertisement, Knauf accused *"some people"* in the public of making *"misleading claims about our performance."* The advertisement goes on to say, *"It seems that some people are willing to say just about anything to justify their actions, including stretching or even ignoring the truth."* Here we have an illegal polluter attacking the public's credibility while simultaneously polluting illegally.

Knauf did receive a Notice of Violation from the EPA in October of 2004 but nothing has been done to make them comply with their permit. The

Notice of Violation was signed by EPA Region 9 Air Director Deborah Jordan. Both Deborah Jordan and the EPA's public affairs department have refused to return phone calls made by the public regarding the Notice of Violation.

Eric Cassano, a local resident who lives within 2 miles of Knauf contacted EPA Special Agent in Charge Scott West. Mr. West went out to the factory and took a look at it. Eric Cassano also gave Mr. West a large amount of information about the Knauf violations which included press clippings, test data and Knauf's full page newspaper advertisement which admitted that the NOx emissions at their Shasta Lake factory exceeded the permitted level.

At one point, while talking on his cell phone, Mr. West even described Eric Cassano as a possible witness in an air case. Eric Cassano recently called the EPA to check up on the case and learned that Mr. West had transferred out of EPA Region 9 to another region. None of the other investigators would give any information on the status of the case. It was as if the whole matter had completely disappeared.

It is obvious the proposed PSD permit has been written by Knauf's paid consultant. It is odd that Deborah Jordan's name is spelled wrong on the cover of the permit. You would think that the EPA person who drafted the permit would know how to spell the name of the Region IX Air Director. . You may also note that Knauf's address is wrong on both the PSD permit and the Ambient Air Quality Impact Report. The hacks who wrote these documents don't even know where the factory is located let alone how Knauf's pollution will affect the surrounding area.

There are several problems with the permit and the air report.

*Performance tests shall be performed by an independent testing firm.
Performance tests shall be at least performed at or greater than 95 percent of the maximum operating capacity of 225 tons of molten glass produced in any rolling 24-hour period. The Permittee shall furnish EPA with a written report of the results of such tests within thirty (30) days after the performance tests are conducted.*

Upon prior written request and adequate justification from the Permittee, EPA may waive the annual test and/or allow for testing to be done at less

than 95 percent of the maximum operating capacity of 225 tons of molten glass produced in any rolling 24-hour period. EPA approval shall be in writing. Such request must be submitted to EPA no later than 60 days prior to the annual test date.

Who's idea was it to give Knauf the options of testing at less than maximum operating capacity or simply eliminate testing completely? Did the EPA think that nobody was going to read their proposed permit? Is this what happens when Knauf's lawyers and paid consultants write the EPA's documents for them? The testing is intended to ensure that Knauf is complying with their permit. The inclusion of these ridiculous loopholes makes the permit useless as a way to regulate Knauf's pollution or even know what their pollution levels are really testing at.

The EPA is using their "AMBIENT AIR QUALITY IMPACT REPORT" to justify giving Knauf a new permit. This report could have easily been written by Knauf's public relations department. Here's the way the report describes Knauf's violation of their original PSD permit.

Knauf's emissions tests demonstrated that the original permit limits for NOx were not appropriate. (From page 9 of the AMBIENT AIR QUALITY IMPACT REPORT)

Not appropriate? The report *should* actually read...

"Knauf's emissions tests demonstrate that the company is in violation of their original permit limits for NOx and particulate matter but has been allowed to pollute illegally for over three years with no enforcement by the EPA."

How can the EPA simply ignore this company's violations of the law by saying the permit limits were "not appropriate?"

For several years EPA has been making excuses for Knauf's violations claiming that an "engineering error" led to a miscalculation of the NOx emissions. The identity of this numerically-challenged engineer has never been revealed despite numerous requests to EPA officials. Now the EPA has changed their defense of Knauf's lawbreaking by simply stating that the "limits for NOx were not appropriate."

At one point, an EPA technical expert claimed that the ambient NOx levels used in the air report's computer modeling were measured in the town of Bella Vista, California back in the year 2000. How can this computer modeling possibly be accurate considering that the data was collected at least 5 years ago? The town of Bella Vista is close to 9 miles east of Knauf's factory and approximately 320 feet lower in elevation. An air analysis that uses data measured in Bella Vista can not possibly be accurate and should not be used by the EPA to support giving Knauf higher pollution limits.

This kind of nonsense wouldn't even be acceptable in an 8th grade science class. The EPA needs to do a real air study with good local data instead of just plugging in some Knauf-friendly numbers whipped up by their paid consultants. These same consultants were responsible of the original "engineering error" that ended up with a NOx limit that far exceeded the original 1996 Environmental Impact Report projections.

When Knauf's NOx violations were first announced by Shasta County officials the public was told that Knauf was causing \$2000 a day of environmental impact. If this is true, how can the EPA justify raising Knauf's permit limits beyond a level that has already caused impact to the environment?

The EPA did not take the public comment process seriously. At the end of the Ambient Air Quality Impact Report there is a paragraph suggesting that the permit would be issued despite any new information brought forth during the public comment period. It is as if it was deliberately written this way to discourage public comment.

XIV. CONCLUSION & PROPOSED ACTION Based on the information supplied by Knauf and the analyses conducted by EPA, it is the preliminary determination of EPA that the proposed modification will not interfere with the attainment or maintenance of any applicable PSD increment or NAAQS, and meets all of the requirements of 40 CFR ' 52.21. Therefore, EPA proposes to issue the PSD permit after soliciting public comment and conducting a public hearing. (From page 37 of the AMBIENT AIR QUALITY IMPACT REPORT)

Knauf needs to be held to their original permit limits and forced to comply

with the law, even if it means shutting the place down until they do. The EPA also needs to send Knauf another Notice of Violation for their particulate matter (PM10) violations occurring at their furnace stack. Now is the time for action, before the EPA's credibility sinks any lower.

A company that has polluted illegally for well over three years can not be allowed to avoid punishment for their actions and continue unchecked. Knauf must be forced to comply with their original permit and punished properly according to the law.

Knauf's request for a new permit must be denied.

If this permit decision is allowed to stand, it will only encourage other industrial pollution sources to break the law. Right now, competitors of Knauf that follow their permit limits, or only have minor deviations, are being punished. They must compete against a toxic polluter that breaks the law with impunity. They must compete against a factory that produces a product in violation of environmental regulations set up to protect the public.

Most frightening of all, is the ease with Knauf has been able to flout environmental regulations. Their blatant contempt for public health makes the EPA appear both uncaring and fundamentally corrupt.

Please review this revised permit carefully. Please remand it back to the EPA on the grounds of sheer audacity, if nothing else.

Thank you.

Executed on this day 8/30/06



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