



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

SEP 8 2010

REPLY TO THE ATTENTION OF:
AE-17J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Patrick T. Chambliss
Vice President and CFO
International Converter, LLC
17153 Industrial Highway
Caldwell, Ohio 43724

Henry C. Eisenberg
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, DC 20005-2111

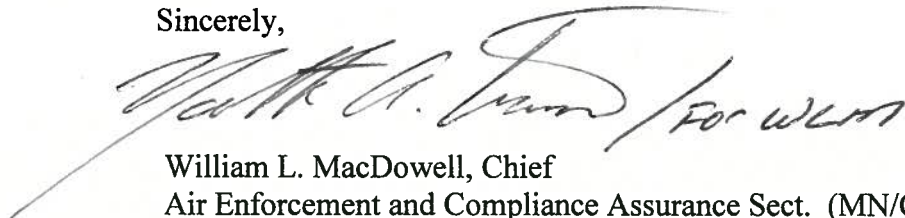
Dear Mr. Chambliss and Mr. Eisenberg:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves CAA-05-2010-0065. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on SEP 10 2010.

Pursuant to paragraph 67 of the CAFO, International Converter, LLC must pay the civil penalty within 30 days of SEP 10 2010. Your check must display the case name, the docket number CAA-05-2010-0065, and the billing document number 2751003A064.

Please direct any questions regarding this case to Kathleen Schnieders, Attorney in the Office of Regional Counsel, (312) 353-8912.

Sincerely,



William L. MacDowell, Chief
Air Enforcement and Compliance Assurance Sect. (MN/OH)

Enclosure

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:) Docket No. **CAA-05-2010-0065**
)
International Converter, LLC) Proceeding to Assess a Civil Penalty under
Caldwell, Ohio) § 113(d) of the Clean Air Act, 42 U.S.C.
) § 7413(d)
International Converter, LLC)
Belpre, Ohio)
)
Respondent)

RECEIVED
REGIONAL HEARING CLERK
U.S. EPA REGION 5
2010 SEP 10 AM 10:53

Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced under § 113(d) of the Clean Air Act (CAA or the Act), 42 U.S.C. 7413(d), and Sections 22.1(a)(2), 22.13(b), and 22.18(b) 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 (2004).
2. Complainant is the Director of the Air and Radiation Division, U. S. Environmental Protection Agency, Region 5.
3. Respondent is International Converter, LLC (Converter), a corporation doing business in Ohio.
4. Where the parties agree to settle one or more causes of action before the filing of a complaint, an 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) (2007)
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 entry of this CAFO and the assessment of the specified civil penalty, and agrees to comply with the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

7. Converter admits the jurisdictional allegations in this CAFO, and neither admits nor denies the factual allegations nor legal conclusions contained in this CAFO.

8. Converter 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. Section 112(d) of the Act, 42 U.S.C. § 7412(d), authorizes EPA to promulgate regulations for particular industrial sources that emit one or more of the hazardous air pollutants (HAPs) listed in Section 112(b) of the Act in significant quantities.
10. Pursuant to Section 112(a)(1) of the Act, 42 U.S.C. § 7412(a)(1), a “major source” is any source that has the potential to emit 10 tons per year or more of any single HAP or 25 tons per year of any combination of HAPs.
11. Sources of HAPs that are not major are known as area sources. 40 C.F.R. § 63.2
12. Regulations promulgated pursuant to Section 112(d) are referred to as National Emissions Standards for Hazardous Air Pollutants (NESHAPs), also known as Maximum Achievable Control Technology (MACT) Standards.
13. Pursuant to Section 112(d) of the Act, EPA promulgated the Printing and Publishing NESHAP, 40 C.F.R. Part 63, Subpart KK, on May 30, 1996, with an effective date of May 30, 1999. 40 C.F.R. § 63.826(a); 61 Fed. Reg. 27140
14. The Printing and Publishing NESHAP, at 40 C.F.R. § 63.820(a), applies to each new and existing facility that is a major source of HAP at which publication rotogravure, product and packaging rotogravure, or wide-web flexographic printing presses are operated.
15. The Printing and Publishing NESHAP, at 40 C.F.R. § 63.821(a), defines an affected source as (1) all of the publication rotogravure presses and all affiliated equipment, including proof presses, cylinder and parts cleaners, ink and solvent mixing and storage equipment, and solvent recovery equipment at a facility; and (2) all of the product and packaging rotogravure or wide-web flexographic printing presses at a facility plus any other equipment at that facility which the owner or operator chooses to include in accordance with paragraph (a)(3) and (a)(4) of this section, except (i) proof presses, and (ii) any product and packaging rotogravure or wide-web flexographic press which is used primarily for coating, laminating, or other operations which the owner or operator chooses to exclude, so long as the mass of inks, coatings, solvents and other materials applied on such unit for purposes of printing do not exceed, in any month, five percent (5%) of the total mass of the inks, coatings and solvents applied on such unit.
16. The Printing and Publishing NESHAP requires the owner or operator of an affected source to submit various reports, maintain records, perform performance tests, and to limit emissions. Alternative means of complying with the Printing and Publishing NESHAP are set forth at 40

CFR § 63.825(b), including limiting the amount of organic HAPs applied to no more than four percent (4%) of the total mass of the inks, coatings, varnishes and other materials applied to the affected source each month.

17. The Printing and Publishing NESHAP establishes criteria that a facility can commit to and comply with to establish the facility as an area source of HAP with respect to Subpart KK (hereinafter “area source criteria”). 40 C.F.R. § 63.820(a)(2)
18. The first criteria for area sources requires the source use less than 9.1 Mg (10 tons) per each rolling 12-month period per HAP at the facility, including materials used for source categories or purposes other than printing and publishing. 40 C.F.R. § 63.820(a)(2)(i)
19. The other criteria for area sources requires the source to use less than 22.7 Mg (25 tons) per each rolling 12-month period of any combination of HAPs at the facility, including materials used for source categories or purposes other than printing and publishing. 40 C.F.R. § 63.820(a)(2)(ii)
20. Area sources must submit an initial notification. 40 C.F.R. § 63.830(b)(1)
21. Area sources must also maintain records of all required measurements and calculations needed to demonstrate compliance with these criteria, including the mass of all HAP containing materials used and the mass fraction of HAP present in each HAP containing material used, on a monthly basis. 40 C.F.R. § 63.829(d)
22. The Paper and Other Web Coating (POWC) NESHAP, at 40 C.F.R. § 63.3290, applies to each new and existing facility that is a major source of HAP, as defined in 40 CFR § 63.2, at which web coating lines are operated (but does not include web coating lines that are subject to the Printing and Publishing NESHAP).
23. Pursuant to Section 112(d) of the Act, EPA promulgated the POWC NESHAP on December 4, 2002, with an effective date of December 4, 2005. 40 C.F.R. § 63.3330(a)
24. The POWC NESHAP, at 40 C.F.R. § 63.3300, defines an affected source as the collection of all web coating lines at a facility. This includes web coating lines engaged in the coating of metal webs that are used in flexible packaging, and web coating lines engaged in the coating of fabric substrates for use in pressure sensitive tape and abrasive materials.
25. The POWC NESHAP requires the owner or operator of an affected source to submit various reports, maintain records, and demonstrate compliance with emission standards set forth at 40 C.F.R. § 63.3320.

Facilities Included

26. Converter operates a laminating facility at 17153 Industrial Highway, Caldwell, Ohio (hereinafter "Caldwell").
27. There are currently five foil paper laminators at the Caldwell facility, each with one gravure roll coating/printing station (laminators 2-6, emission units K002, K003, K004, K005, and K009). A sixth foil paper laminator at the facility has four gravure roll coating/printing stations (laminator 7, emission unit K010). Converter also owns and operates one color flexographic printing press coating/printing stations at the Caldwell facility (emission units K006). Converter discontinued operation of laminator 1 (emission unit K001) and flexographic printers 2 and 3 (emission units K007 and K008) in 2008 and has removed these emission units from the facility.
28. All of the laminators, other than laminator 6 (K009), and the three flexographic printing presses comprised the affected source subject to the Printing and Publishing NESHAP, with an effective date of May 30, 1999, although laminator 7 did not become part of the affected source for this regulation until it commenced operation in 2006. Laminator 1 and flexographic printers 2 and 3 are no longer in operation and are no longer part of the affected source subject to the Printing and Publishing NESHAP.
29. Laminator 6 (K009) is the affected source subject to the POWC NESHAP, with an effective date of December 5, 2005.
30. From at least January 2004 through December 2008, Converter also operated a laminating facility located at 721 Farson Street, Belpre, Ohio (hereinafter "Belpre"). Operations at the Belpre facility were discontinued in December 2008 and Converter has subsequently sold the property at which the operation was located.
31. At Belpre, Converter owned and operated four continuous paper/foil laminators. The laminators were designated as emission units K001 (laminator 1), K002 (laminator 2), K003 (laminator 3), and K006 (laminator 5).

Permits

32. Section 110 of the Act requires states to develop and submit for approval State Implementation Plans (SIPs) to implement requirements of the Act.
33. On October 31, 1980, EPA approved the federally enforceable Ohio SIP. 45 Fed. Reg. 72119
34. Section 502(a) of the Act, 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 Act, no source subject to Title V may operate except in compliance with a Title V permit.

35. On August 15, 1995, EPA approved Ohio's Operating Permits Program as a 40 C.F.R. Part 70 (Title V) permit program, effective October 1, 1995. 60 Fed. Reg. 42045.
36. Title V of the CAA, 40 C.F.R Part 70 applies to any major stationary source that emits or has the potential to emit 10 tons per year (tpy) or more of any hazardous air pollutant (HAP).
37. Caldwell is a major source that operates under a Title V permit number P0090209, issued by the State of Ohio. The permit has an effective date of May 16, 2001, and Caldwell has a pending permit renewal application.
38. Caldwell's Title V permit includes requirements that it submit quarterly and semi-annual deviation reports, maintain records of VOCs vented to the incinerator, and maintain operation of the catalytic incinerator within certain temperature parameters (for inlet temperature and temperature rise across the catalyst bed) that are determined by approved stack tests.
39. Converter also has a permit to install (PTI) number 06-07864 for laminator 7 at Caldwell, with an effective date of November 22, 2005. Caldwell has a pending application to modify its permit for laminator 7. The PTI for laminator 7 includes similar terms as the Title V permit.
40. At all times relevant to this matter, Ohio regulations required area sources to obtain Permits to Operate (PTOs). OAC 3745-35 [Effective June 30, 2008, the Ohio PTO rule was rescinded and replaced with the Permit-to-Install and Operate Program (PTIO) found at OAC 3745-31].
41. With respect to the Belpre facility, Converter was issued a PTO for laminator 1 on September 6, 1994. A permit renewal application was submitted for this laminator in 1997. Converter was also issued a PTO for laminator 5 on February 23, 2001. A renewal application was submitted for laminator 5 in 2006. Converter was also issued PTOs for laminators 2 and 3 on January 4, 2002.
42. The Belpre PTOs included recordkeeping and reporting obligations that varied depending on the permit. At times relevant to this matter, the PTOs for laminators 2, 3 and 5 at Belpre required Converter to submit quarterly deviation reports.

Enforcement

43. Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a), authorizes the Administrator to initiate an enforcement action whenever the Administrator finds, among other things, that any person has violated or is in violation of a requirement or prohibition of Title V of the Act, or any rule promulgated, issued or approved under Title V of the Act.
44. The Administrator may assess a civil penalty of up to \$27,500 per day of violation of the Act

up to a total of \$220,000 for violations that occurred from January 31, 1997, through March 15, 2004, and may assess a civil penalty of up to \$32,500 per day of violation up to a total of \$270,000 for violations that occurred after March 15, 2004, and before January 11, 2009, under Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19 (2004).

45. Section 113(d)(1) of the Act 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 Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.
46. 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.

Violations

Caldwell Violations

47. The Printing and Publishing NESHAP at 40 CFR § 63.825 allows the affected source to comply with the NESHAP by limiting the amount of organic HAP applied for each month to less than four percent (4%) of the mass of inks, coatings, varnishes, adhesives, primers, solvents, reducers, thinners, and other materials applied for the month. 40 C.F.R. § 63.825
50. Converter did not achieve compliance with the 4% "as applied" rule until October 2007 for the affected source at the Caldwell facility subject to the Printing and Publishing NESHAP (at the time, this included emission units K001-K008 and K010).
51. Similarly, the POWC NESHAP allows an affected source to comply with the NESHAP by limiting the amount of organic HAP applied for each month to less than 4 percent (4%) of the mass of coating materials applied each month. 40 C.F.R. § 63.3320
52. Converter did not achieve compliance with the 4% "as applied" rule until October 2007 for the affected source at the Caldwell facility subject to the POWC NESHAP (emission unit K009).
53. Converter submitted its first and second quarter 2007 deviation report and its semi-annual report for the six month period ending June 30, 2007, required by the Title V permit for the Caldwell facility, on August 23, 2007. The deviation report for the first quarter 2007 was due on April 30, 2007, and the deviation report for the second quarter 2007 and semi-annual deviation report were due on July 30, 2007.
54. Converter failed to maintain a specific record of the hours when air flows were and were not vented to the incinerator, on a daily basis, as required by its Title V permit, from January

2004 through June 21, 2007, and failed to maintain a specific record of the hours when units applying coatings and inks with a VOC content in excess of 1.14 lb/hr were not vented to the catalytic incinerator, as required by its Title V permit, from January 2004 through July 8, 2007.

55. Converter failed to maintain daily records of VOCs applied on laminator 6 from January 2004 until July 8, 2007.
56. With respect to the catalytic incinerator at Caldwell, Converter maintained records of average temperature across the temperature bed, rather than inlet temperature as required by its Title V permit from January 2004 through July 17, 2007. Commencing July 17, 2007, Converter did not directly record inlet temperatures, but calculated inlet temperatures using the record of average temperature across the temperature bed and temperature rise. Converter did not begin to directly record inlet temperatures until September 27, 2008 (after installing and testing a digital monitor). In addition, prior to the installation of the digital monitor, Converter intermittently failed to maintain recording instruments associated with its analog monitoring device in order to properly record temperature parameters at the catalytic incinerator.
57. The violations of the Printing and Publishing NESHAP, POWC NESHAP, and of Caldwell's Title V permit constitute violations of the Act.

Belpre Violations

58. The Belpre facility failed to comply with certain provisions of the Printing and Publishing NESHAP regulations.
59. Specifically, Converter failed to comply with the initial reporting requirements found at 40 C.F.R. § 63.830(b)(1) with respect to the Belpre facility.
60. Converter also failed to maintain records of the mass of all HAPs containing materials used and the mass fraction of HAP present in each HAP containing material used on a monthly basis, as required by 40 C.F.R. § 63.829(d).
61. Converter failed to comply with the VOC emission limitation on laminator 1 on at least one day in 2007, in violation of the conditions of the PTO issued for laminator 1 at the Belpre facility.
62. Converter failed to comply with the VOC emission limitation on laminator 2 on at least 17 days in 2007, in violation of the conditions of the PTO issued for laminator 2 at the Belpre facility.

63. Converter failed to apply for a renewal for the permits for laminators 2 and 3 at the Belpre facility on a timely basis in 2007.
64. Converter failed to comply, in a timely fashion, with the reporting requirements set forth in the PTOs issued for laminators, 1, 2, 3 and 5 located at the Belpre facility.
65. The violations of the Printing and Publishing NESHAP and of Belpre's permits constitute violations of the Act.

Terms of Settlement

Civil Penalty

66. Based on analysis of the factors specified in Section 113(e) of the Act, 42 U.S.C. § 7413(e), the facts of this case, and information that Converter has submitted, EPA has determined that an appropriate civil penalty to settle this action is \$ 300,000.
67. Converter must pay the \$ 300,000 civil penalty by cashier's or certified check payable to the "Treasurer, United States of America" within 30 days after the effective date of this CAFO to the following address:

US checks sent by regular US Postal Service mail:

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

US checks in US dollars sent by Fed Ex and other non-US-Postal-Service express mail:

U.S. Bank
Government Lockbox 979077
US EPA Fines & Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101
314-418-1028

68. A transmittal letter, stating Respondent's name, complete address, and the case docket number must accompany the payment. Respondent must write the case docket number on the face of the check. Respondent must send copies of the check and transmittal letter to:

Attn: Regional Hearing Clerk, (E-19J)
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

Attn: Compliance Tracker, (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

Kathleen Kelly Schnieders, (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

69. This civil penalty is not deductible for federal tax purposes.
70. If Converter does not pay timely the civil penalty, EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties and the United States' enforcement expenses for the collection action under Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.
71. Interest will accrue on any overdue amount from the date payment was due at a rate established under 31 U.S.C. § 3717. Converter will pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. Converter will pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue according to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). 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.

Final Statement

72. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in the Violations section of this CAFO.
73. This CAFO does not affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.
74. This CAFO does not affect Converter's responsibility to comply with the Act and other applicable federal, state and local laws, and regulations. Except as provided in paragraph 72

above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws and regulations administered by Complainant.

75. This CAFO constitutes an "enforcement response" as that term is used in "EPA's Clean Air Act Stationary Source Civil Penalty Policy" to determine Converter's "full compliance history" under Section 113(e) of the Act, 42 U.S.C. § 7413(e).
76. The terms of this CAFO bind Converter, and its successors and assigns.
77. Each person signing this consent agreement certifies that he or she has the authority to sign this consent agreement for the party whom he or she represents and to bind that party to its terms.
78. Each party agrees to bear its own costs and attorneys' fees in this action.
79. This CAFO constitutes the entire agreement between the parties.

U.S. Environmental Protection Agency, Complainant

Date

9/7/10



Cheryl L. Newton
Director

Air and Radiation Division
U.S. Environmental Protection Agency
Region 5 (A-18J)

CONSENT AGREEMENT AND FINAL ORDER
International Converter, LLC
Docket No.

International Converter, LLC, Respondent

8/20/2010
Date



Patrick T. Chambliss
P&CFD

U.S. ENVIRONMENTAL
PROTECTION AGENCY
OFFICE OF REGIONAL
COUNSEL
AUG 24 2010

CONSENT AGREEMENT AND FINAL ORDER

International Converter, LLC

Docket No. CAA-05-2010-0065

Final Order

It is ordered as agreed to by the parties and as stated in the consent agreement, effective immediately upon filing of this CAFO with the Regional Hearing Clerk. This final order disposes of this proceeding pursuant to 40 C.F.R. § 22.18.

9-8-10

Date



Susan Hedman
Regional Administrator
U.S. Environmental Protection Agency
Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3511

RECEIVED
SEP 10 2010

**REGIONAL HEARING CLERK
U.S. ENVIRONMENTAL
PROTECTION AGENCY**

In the Matter of International Converter, LLC.
Docket No. CAA-05-2010-0065

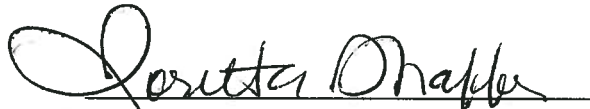
CERTIFICATE OF SERVICE

I, Loretta Shaffer, certify that I hand delivered to the Regional Hearing Clerk, Region 5, United States Environmental Protection Agency, the original and one copy of the Consent Agreement and Final Order, docket number CAA-05-2010-0065. Further, I certify that I mailed correct copies of the Consent Agreement and Final Order, by first-class, postage prepaid, certified mail, return receipt requested, to the Respondent by placing them in the custody of the United States Postal Service addressed as follows:

Patrick T. Chambliss
Vice President and CFO
International Converter, LLC
17153 Industrial Highway
Caldwell, Ohio 43724

Henry C. Eisenberg
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, DC 20005-2111

on the 10 day of Sept, 2010.


Loretta Shaffer, Secretary
AECAS (MN/OH)

RECEIVED
REGIONAL HEARING CLERK
U.S. EPA REGION 5
2010 SEP 10 AM 10:52

CERTIFIED MAIL RECEIPT NUMBER: 70010320000602931114
70010320000602931107