Kodak

VIA UPS OVERNIGHT DELIVERY

May 12, 2009

Karen Maples
Regional Hearing Clerk
U.S. Environmental Protection Agency – Region 2
290 Broadway – 16th Floor
New York, NY 10007-1866

Kara E. Murphy
Assistant Regional Counsel
Office of Regional Counsel, Air Branch
U.S. Environmental Protection Agency – Region 2
290 Broadway – 16th Floor
New York, NY 10007-1866

Re: In the Matter of Eastman Kodak Company, CAA-02-2009-1212

Dear Ms. Maples & Ms. Murphy:

Enclosed is Eastman Kodak Company's Answer and Request For Hearing in the above referenced matter. Kodak wishes to continue the effort to reach a negotiated settlement. I can be reached during business hours at 585-231-1220 or by cell at 585-773-2156.

Very truly yours,

% Ann E. Gould

JEG:mag Enclosure (ANSWER LETTER) 13 PH 1: 33



cc: NYSDEC:

- L. Bracci
- T. Marriott
- C. McCarthy
- R. Stanton

Kodak:

- V. Dauksha
- M. Zapkin
- P. Faraci
- J. Haag, Esq.
- S. Underberg, Esq.
- M. Miles
- J. Neff
- P. Bartz
- J. O'Connor

UNITED STATES ENVIRONMENATL PROTECTION AGENCY REGION 2

in re:

EASTMAN KODAK COMPANY Respondent

ANSWER

CAA-02-2009-1212

In a Proceeding under Section 113(d) of the Clean Air Act

Defendant Eastman Kodak Company ("Kodak") for it's Answer to EPA's Complaint, responds as follows, upon information and belief:

- 1. Admits the allegations in paragraphs 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23, 24, 25, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 46, 49, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 85, 93, 94, 95, 98, 100, 101, 103, 104, 105, 106, 112, 113, 114, 115, 116, 118, 119, 120, 123, 124, 126, 127, 128, 129, 130, 131, 134, 135, 136, 141, 143, 144, 145, 146, 147, 152, 179.
- 2. Denies the allegations in paragraphs 21, 26, 31, 45, 48, 73, 86, 87, 88, 89, 92, 97, 102, 107, 109, 117, 121, 148, 149, 150, 153, 154, 155, 157, 158, 159, 161, 162, 163, 165, 166, 167, 169, 170, 171, 172, 173, 175, 176, 177, 180, 181, 182, 184, 185, 186, 188, 189, 190.
- 3. Denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraphs 6, 7, 18, 38, 50, 61, 84, 90, 91, 96, 99, 108, 110, 111, 122, 125, 132, 133, 137, 138, 139, 140.
- 4. Re-alleges its admissions, denials or statements that it lacks knowledge or information to form a belief as to the allegations contained in paragraphs 47, 142, 151, 156, 160, 164, 168, 174, 178, 183, 187.
- 5. With respect to the allegations identified as Count 1, Kodak maintains that there was no violation of 40 CFR Section 82.166(k) or the Facility's Title V permit because No. 11 Unit was removed from service to modify the installation of oil coalescing elements in the high stage oil separator. The problem was

causing excessive oil carry over into other sections of the equipment creating process problems, but no refrigerant leaks were detected to prompt this activity. The charge was transferred to the building storage tank when it was determined that the system was actually overcharged by 462 pounds, verifying that no leakage occurred. The refrigerant work log indicates that no net charge was added (Service Record Form, Service ID 202), and we added the full charge to the unit, which is 7500 pounds, from the storage tank.

- 6. With respect to the allegations identified as Count 2, Kodak maintains that there was no violation of 40 CFR Section 82.156(i)(2) or the Facility's Title V permit because the unit came off line on 7/7/04 and was "mothballed" as defined in § 82. 152. The unit remained out of service until it's re-start in March, 2005.
- 7. With respect to the allegations identified as Count 3, Kodak maintains that there was no violation of 40 CFR Section 82.156(i)(3) or the Facility's Title V permit because the initial verification tests were documented in the repair log between 2/8/05 and 2/21/05.
- 8. With respect to the allegations identified as Count 4, Kodak maintains that there was no violation of 40 CFR Section 82.156(i)(3) or the Facility's Title V permit because multiple, redundant verification tests performed during the period of 2/8/05 through 2/21/05 met the definition of follow-up verification test in Section 82.152.
- 9. With respect to the allegations identified as Count 5, Kodak maintains that there was no violation of 40 CFR Section 82.166(k) or the Facility's Title V permit because the amount of R-22 added on 2/2/06 is stated on the Service Record Form ID #236 (a total of 1650 pounds). Service Record Form 236 was inadvertently omitted in the initial response of the information request.
- 10. With respect to the allegations identified as Count 6, Kodak maintains that there was no violation of 40 CFR Section 82.156(i)(3) or the Facility's Title V permit because initial verification tests were performed on 5/9/06, 5/10/06, and 5/18/06 through 5/22/06. Charging commenced on 5/23/06, but the charge was subsequently dropped to storage after a new leak developed on the unit. The repair was made, and a new pressure test was performed to check the leak on 6/12/06. Another vacuum decay test started on 6/15/06 and was passed on 6/16/06. It also passed a two hour wet bulb test on 6/16/06.
- 11. With respect to the allegations identified as Count 7, Kodak maintains that there was no violation of 40 CFR Section 82.156(i)(3) or the Facility's Title V permit because multiple, redundant verification tests performed during the period of 4/10/06 through 6/16/06, confirmed that all leaks had been repaired to meet all operating pressure conditions seen during normal operation and met the definition of follow-up verification test in Section 82.152.

- 12. With respect to the allegations identified as Count 8, Kodak maintains that there was no violation of 40 CFR Section 82.166(k) or the Facility's Title V permit because Trane service report #27560 shows 130lbs R-22 was removed from circuit #2 on 05/05/2006 and sent to recovery unit. A vacuum test on circuit #2 was completed and 105 lbs of new R-22 was added. The technician noted they will "trim" the unit on the following Monday. Trane service report #27561 shows circuit #2 was "trimmed" to 127 lbs of R-22 on 05/08/2006. Therefore, the combined records document that the amount of R-22 added on 05/08/2006 was 22 lbs.
- 13. With respect to the allegations identified as Count 9, Kodak maintains that there was no violation of 40 CFR Section 82.156(i)(3) or the Facility's Title V permit because there was a release from the pressure relief valve; not a leak. This was an accidental release due to an error in the system high-pressure setting rather than a leak.
- 14. With respect to the allegations identified as Count 10, it is Kodak's position that there was no violation of 6 NYCRR 201-6.5(e) or Condition 2-18 of the Facility's Title V permit because it was our interpretation that our records demonstrate compliance with 40 C.F.R. Part 82.

Kodak has requested and participated in a settlement conference with respect to this matter. If a negotiated settlement is not achieved Kodak requests a hearing: (1) to contest material allegations set forth in the complaint, (2) to contend that the amount of the penalty proposed in the complaint is inappropriate; or (3) to seek a judgment with respect to the law applicable to this matter. Copies of all other papers in this matter may be served on Kodak to the attention of:

Jo Ann E. Gould, Esq. 343 State Street Rochester, NY 14650-0208

Dated:

Jo Knn E. Gould

Aftorney for Eastman Kodak Company

CERTIFICATE OF SERVICE

This is to certify that I have this day caused to be mailed the original and a copy of the foregoing Answer, bearing the docket number CAA-02-2009-1212, by UPS overnight delivery, to:

Karen Maples Regional Hearing Clerk U.S. Environmental Protection Agency – Region 2 290 Broadway – 16th Floor New York, NY 10007-1866

and a copy to:

Kara E. Murphy Assistant Regional Counsel Office of Regional Counsel, Air Branch U.S. Environmental Protection Agency – Region 2 290 Broadway – 16th Floor New York, NY 10007-1866

Dated: [[W] [a] a

Mary 🗚. Grabowski