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

MAR 0 7 2008

REPLY TO THE ATTENTION OF:
AE-17J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clinton Herring
Vice President, Manufacturing
INEOS ABS (USA) Corporation
356 Three Rivers Parkway
Addyston, Ohio 45001

Mr. Randall S. Dearth
President and CEO
LANXESS Corporation
111 RIDC Park West Drive
Pittsburgh, Pennsylvania 15275-1112

Dear Mr. Herring and Mr. Dearth:

This is to advise you that the U.S. Environmental Protection Agency has determined that the facility currently owned and operated by INEOS ABS (USA) Corporation (INEOS) at 356 Three Rivers Parkway, Addyston, Ohio (Addyston Facility) has violated the Clean Air Act (CAA) and associated state pollution control requirements. A list of the requirements violated is provided below. We are today issuing to INEOS and the former owner and operator, LANXESS Corporation (LANXESS), a Notice of Violation and Finding of Violation (NOV/FOV) for these violations.

The CAA requires the development of Primary and Secondary National Ambient Air Quality Standards (NAAQS) to protect public health and welfare. To attain and maintain these standards, each state is required to develop an implementation plan. Ohio's State Implementation Plan (Ohio SIP) provides that the Ohio Environmental Protection Agency may issue air pollution permits that set limits on the quantity of Volatile Organic Compounds (VOC) which can be emitted from stacks. These limits restrict the mass of emission to the environment over time, or require that a certain percentage of the uncontrolled emissions stream be destroyed prior to being released to the atmosphere. These limits are incorporated into the Addyston Facility's Permits to Install and Title V Permit 14-31-01-0054. The purpose of these requirements is to reduce emissions that can compromise public health and welfare. Specifically, these requirements ensure that VOC and Hazardous Air Pollutants (HAP) are being controlled to reduce the potential harm to the human respiratory system and reduce the risk of cancer.

In addition to provisions addressing the NAAQS, the CAA requires EPA to develop National Emission Standards for Hazardous Air Pollutants (NESHAP) to protect the public from

emissions of HAPs. The Addyston Facility is subject to the requirements of the NESHAP for Group IV Polymer and Resins, found at 40 C.F.R. Part 63, Subpart JJJ (Subpart JJJ), and the Hazardous Organic NESHAP for Equipment Leaks, found at 40 C.F.R. Part 63, Subpart H (Subpart H). These requirements are incorporated into the Addyston Facility's Title V permit. The purpose of these requirements is to require facilities to implement a Leak Detection and Repair (LDAR) program to reduce fugitive HAP emissions.

EPA finds that the Addyston Facility has violated several VOC mass emission limits and destruction efficiency requirements under the Ohio SIP and the facility's Permits to Install and Title V Permit. The EPA also finds that the Addyston Facility has violated several LDAR requirements under Subpart H and incorporated in the facility's Title V permit. Since the Addyston Facility violated its Title V permit, it also has violated Title V of the CAA and its associated regulations which require compliance with the terms and conditions of Title V permits.

Section 113 of the CAA gives us several enforcement options to resolve these violations, including issuing an administrative compliance order, issuing an administrative penalty order, and bringing a civil or criminal judicial action.

We are offering you the opportunity to request a conference with us about the violations alleged in the NOV/FOV. A conference should be requested within 10 days following receipt of this notice. A conference should be held within 30 days following receipt of this notice. This conference will provide you an opportunity to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contacts in this matter are Brian Dickens with respect to the VOC mass emission limitation and destruction efficiency violations and Sheila Desai with respect to the LDAR violations. You may call Mr. Dickens at (312) 886-6073, or Ms. Desai at (312) 353-4150 if you wish to request a conference. EPA hopes that this NOV/FOV will encourage INEOS and LANXESS to comply with the requirements of the CAA.

Sincerely yours,

Mary P. Tyson

Cheryl L. Newton, Acting Director
Air and Radiation Division

Enclosure

cc: Robert Hodanbosi, Chief
Division of Air Pollution Control
Ohio Environmental Agency

IN THE MATTER OF: INEOS ABS (USA) Corporation Addyston, Ohio and LANXESS Corporation Pittsburgh, Pennsylvania Proceedings Pursuant to the Clean Air Act, 42 U.S.C. §§ 7401 et seq.	)	NOTICE OF VIOLATION FINDING OF VIOLATION EPA-5-08-OH-05

NOTICE OF VIOLATION AND FINDING OF VIOLATION

INEOS/ABS (USA) Corporation (INEOS) owns and operates a chemical manufacturing facility at 356 Three Rivers Parkway, Addyston, Ohio (Addyston Facility). This chemical manufacturing facility was previously owned and operated by LANXESS Corporation (LANXESS). This facility includes operations that manufacture plastics from acrylonitrile, butadiene, and styrene.

The U.S. Environmental Protection Agency is sending this Notice of Violation and Finding of Violation (NOV/FOV) to INEOS and LANXESS (you) for instances when the Addyston Facility did not control emissions from its process units in accordance with environmental regulations. The underlying statutory and regulatory requirements include provisions of the Clean Air Act (the Act or CAA), its implementing regulations, and the Ohio State Implementation Plan (SIP) and Title V Permit Program.

Explanation of Violations

1. The permits, permit conditions and regulatory provisions relevant to this NOV/FOV are as follows:

    a. Emission units P001, P010, P022, P036, and P048 are subject to Ohio Administrative Code (OAC) 3745-21-07(G)(2), which prohibits each unit from emitting over 8 pounds per hour and 40 pounds per day of organic material unless the emissions have been reduced by at least 85%. OAC 3745-21-07(G)(2) is incorporated in the Ohio SIP.

b. Ohio EPA issued to the Addyston Facility Permit to Install (PTI) 14-04577 on May 12, 1999 for unit P001, PTI 14-05462 on December 23, 2003 for unit P036, and PTI 14-02539 on May 15, 1996 for unit P048. These permits, among other things, set mass emission limits for units P001, P036 and P048. Unit P001 is limited to 23.6 pounds per day of organic compounds, P036 is limited to emit 3.65 pounds per hour of organic compounds, and P048 is limited to emit 31.66 pounds per day of organic compounds. The underlying regulation for these limits can be found at OAC 3745-31-05(A)(3), which is incorporated in the Ohio SIP.

c. Title V Permit 14-31-01-0054 (Title V Permit), issued to the Addyston Facility on August 30, 2004, incorporates the requirements specified in Paragraphs 1.a. and 1.b., above at Part III, ABS #1 POLY (P001), Condition A.I.1; Part III, ABS #1 Drying (P010), Condition A.I.1; Part III, SAN #1B POLY (P022); Part III, ABS #3 (P036), Condition A.I.1; and Part III, COPOLY PROCESS (P048), Condition A.I.1.

d. PTI 14-04577 for unit P001 additionally requires emissions from P001 to be vented to a flare having a control efficiency of at least 99%, or to a boiler for incineration with a control efficiency of 99.99%. The facility's Title V permit, at Part III (P001), states at Condition A.I.2.a that the flare must achieve 99% control efficiency, and under Condition A.II.2 that the flare must be operated at all times that emissions from P001 are vented to it.

e. On May 21, 2007, EPA issued to the Addyston Facility an administrative order pursuant to Section 113(a) of the CAA, 42 U.S.C. § 7413(a), which found the Addyston Facility in violation of the P001 flare 99% control efficiency requirement under the P001 PTI and the facility's Title V permit, and ordered the facility to, among other things, within three months from the effective date of the order, continuously comply with the conditions specified under the P001 PTI and the facility's Title V permit which require that the Addyston Facility's flare achieve 99% control efficiency at all times that emissions from P001 are vented to it.

f. The Addyston Facility is subject to the Group IV Polymers and Resins National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 C.F.R. Part 63, Subpart JJJ. Among the requirements of Subpart JJJ is 40 CF.R. § 63.1331(a), which requires the Addyston Facility to comply with the Hazardous Organic NESHAP for Equipment Leaks, found at 40 C.F.R. Part 63, Subpart H. Subpart H requirements are commonly referred to as Leak Detection and Repair (LDAR) requirements. The Addyston Facility's Title V permit, Part II at Condition A.2.c requires the Addyston Facility to comply with the applicable provisions of 40 C.F.R. § 63.1331 for equipment leaks.

g. Subpart H, at 40 C.F.R. § 63.160(a), applies to pumps, compressors, agitators, pressure relief devices, sampling connection systems, open-ended valves or lines, valves, connectors, instrumentation systems, control devices, and closed-vent systems that are intended to operate in organic Hazardous Air Pollutant (HAP) service 300 hours or more during the calendar year. Subpart H, at 40 C.F.R. § 63.161, defines equipment in organic HAP service as equipment that either contains or contacts a fluid that is at least 5% by weight of total organic HAPs.

h. Subpart H, at 40 C.F.R. § 63.172, sets forth standards for closed-vent systems and control devices. Section 63.172(f)(1)(ii), requires that a closed-vent system consisting of hard piping must be inspected annually for visible, audible or olfactory indications of leaks. This requirement applies to the Addyston Facility's closed-vent system known as the "Main Duct."

i. Subpart H, at 40 C.F.R. § 63.181(g)(3), requires the owner or operator to keep records of inspections of closed-vent systems conducted pursuant to Section 63.172(f)(1), and such documentation must include a date of inspection, and a statement that no leaks were found if that is the case. If a leak is detected, the source must keep records of the date the leak was discovered, the date of successful repair, operators names, and other items specified at Sections 63.181(d) and 63.181(g)(3)(ii). Owners and operators must report these leaks to EPA in periodic reports under Section 63.1335(e)(6), and repair the leaks in accordance with Section 63.172(h)(2)(i).

j. Subpart H, at 40 C.F.R. § 63.172(h), requires that when a leak of a closed-vent system is detected, the owner or operator must make a first attempt at repair no later than 5 days after detection of the leak, and complete the repair no later than 15 days after detection of the leak. Completion of repair, however, may take place later than 15 days after discovery if repairing the leak is technically infeasible without a process unit shutdown, or if the owner or operator determines that emission resulting from immediate repair would be greater than fugitive emissions likely to result from a delay of repair. In these circumstances, completion of a repair can be delayed, but no later than the end of the next process unit shutdown.

k. Subpart H, at 40 C.F.R § 63.168(b), requires the owner or operator to monitor all valves in gas/vapor and light liquid service by the method specified in Section 63.180(b) of Subpart H, at the intervals specified under Section 63.168(d). The Addyston Facility monitors valves pursuant to Subpart H on an annual basis.

l. Subpart H, at 40 C.F.R. § 63.174(a)(1), requires the owner or operator to monitor connectors in gas/vapor and light liquid service by the method specified in Section 63.180(b) of Subpart H. Subpart H, at 40 C.F.R. § 63.174(a), requires the

owner or operator to monitor all connectors in gas/vapor and light liquid service, at the intervals specified in Section 63.174(b). The Addyston Facility monitors connectors pursuant to Subpart H every four years, except P004 connectors, which are monitored every two years.

m. Subpart H, at 40 C.F.R. § 63.180(b)(1), requires each owner or operator of a source subject to Subpart H to comply with the monitoring procedures and requirements of Method 21 at 40 C.F.R. Part 60, Appendix A. Among its requirements, Method 21 at Section 8.3.1 requires the owner or operator of an affected source to slowly sample the interface of a component where leakage is indicated until the maximum meter reading is obtained.

n. Subpart H, at 40 C.F.R. § 63.162(c), requires each piece of equipment in a process unit applicable to Subpart H to be identified such that it can be distinguished readily from equipment that is not subject to this subpart.

o. Subpart H, at 40 C.F.R. § 63.181(b)(7), requires, among other things, the recording of the following information pertaining to all pumps, valves, agitators, and connectors subject to Subpart H: (i) identification of equipment designated as unsafe to monitor, difficult to monitor, or unsafe to inspect and the plan for monitoring or inspecting this equipment; and (ii) a list of identification numbers for the equipment that is designated as difficult to monitor, an explanation of why the equipment is difficult to monitor, and the planned schedule for monitoring this equipment.

p. Subpart H, at 40 C.F.R. § 63.163(b) (1), requires the owner or operator to monitor each pump in light liquid service monthly by the method specified in Section 63.180(b) of Subpart H.

q. Subpart H, at 40 C.F.R. § 63.173(a)(1), requires each agitator in gas/vapor service and in light liquid service to be monitored monthly to detect leaks by the methods specified in Section 63.180(b) of Subpart H.

r. Subpart H, at 40 C.F.R. § 63.168(f)(1), requires that when a leak is detected for valves in gas/vapor service and in light liquid service, it shall be repaired as soon as practicable, but no later than 15 calendar days after the leak is detected, except as provided in Section 63.171. Section 63.168(f)(2) requires that a first attempt at repair of a leak shall be made no later than 5 calendar days after each leak is detected.

s. Subpart H, at 40 C.F.R. § 63.174(d), requires that when a leak is detected for connectors in gas/vapor service and in light liquid service, it shall be repaired as soon as practicable, but no later than 15 calendar days after the leak is detected,

except as provided in Section 63.171. A first attempt at repair of a leak shall be made no later than 5 calendar days after each leak is detected.

t. Subpart H, at 40 C.F.R. § 63.182(d), requires the owner or operator of a source subject to Subpart H to submit semi-annual Periodic Reports to demonstrate compliance with Subpart H. As part of the information required to be submitted in a Periodic Report, Section 63.182(d)(2)(i) requires the number of valves for which leaks were detected as described in Section 63.168(f), the percent leakers, and the total number of valves monitored during the previous 6 month period. Section 63.182(d)(2)(ix) requires the Periodic Report to also contain the number of connectors for which leaks were detected as described in Section 63.174(a), the percent of connectors leaking, and the total number of connectors monitored.

u. For the purpose of compliance with Subpart H, 40 C.F.R. § 63.168(e)(1) requires that percent leaking valves at a process unit shall be determined by the following equation:

$$\%V_L=(V_L/(V_T+V_C))\times 100$$

where:

$\%V_L$= Percent leaking valves as determined through periodic monitoring required in Sections 63.168(b) through (d).

V_L= Number of valves found leaking excluding nonrepairables as provided in Section 63.168(e)(3)(i).

V_T= Total valves monitored, in a monitoring period excluding valves monitored as required by Section 63.168(f)(3).

V_C= Optional credit for removed valves=0.67 × net number (i.e., total removed--total added) of valves in organic HAP service removed from process unit after the date set forth in 40 C.F.R. § 63.100(k) for existing process units, and after the date of initial start-up for new sources. If credits are not taken, then V_C=0.

v. For the purpose of compliance with Subpart H, 40 C.F.R. § 63.174(i)(2) requires that percent leaking connectors at a process unit shall be determined using the following equation:

$$\%\ C_L = [(C_L\text{-- } C_{AN})/(C_t + C_C)] \times 100$$

where:

$\%\ C_L$= Percent leaking connectors as determined through periodic monitoring required in Sections 63.174(a) and (b).

C_L= Number of connectors, including nonrepairables, measured at 500 parts per million or greater, by the method specified in Section 63.180(b).

C_{AN}= Number of allowable nonrepairable connectors, as determined by monitoring required in Sections 63.174(b)(3) and (c), not to exceed 2 percent of the total connector population, C_t.

C_t= Total number of monitored connectors, including nonrepairables, in the process unit.

C_C= Optional credit for removed connectors = 0.67 × net number (i.e., total removed—total added) of connectors in organic hazardous air pollutants service removed from the process unit after the compliance date set forth in the applicable subpart for existing process units, and after the date of initial start-up for new process units. If credits are not taken, then C_C= 0.

Alleged Violations

2. Based on an evaluation of the Addyston Facility's emissions, malfunction reports and other information submitted to the Ohio EPA, EPA has determined that Units P001, P010, P022, P036 and P048 exceeded the emission limits identified in Paragraph 1.a. and/or 1.b. above, by emitting excess, uncontrolled organic compound emissions during upset events, indicated as follows:

Emission Unit	**Date**	**Organic Compound/Material Emission Limitations Violated**	**Magnitude of Excess, Uncontrolled Emissions (In lbs/hr and/or lbs/day)**
P036	10/2/04 - 10/4/04	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	31.49 lbs/hr; 514.33 lbs/day
P022	12/15/04	8 lbs/hr and 40 lbs/day rule	700 lbs/hr; 700 lbs/day
P036	1/24/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	93.86 lbs/hr; 217 lbs/day
P036	2/4/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	115.97 lbs/hr; 125.67 lbs/day
P036	2/5/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	150.47 lbs/hr; 238.2 lbs/day
P048	2/5/05	31.66 lbs/day (PTI 14-02539); 8 lbs/hr and 40 lbs/day rule	40.3 lbs/hr; 63.8 lbs/day
P001	2/23/05	23.6 lbs/day (PTI 14-04577); 8 lbs/hr and 40 lbs/day rule	333.3 lbs/hr; 750 lbs/day

P010	3/9/05	8 lbs/hr and 40 lbs/day rule	43.54 lbs/hr 243.8 lbs/day
P036	5/7/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	35.7 lbs/hr
P036	5/10/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	21.5 lbs/hr
P036	7/9/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	87 lbs/hr; 87 lbs/day
P036	9/16/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	69.3 lbs/hr; 69.3 lbs/day
P036	11/19/05	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	56.6 lbs/hr; 56.6 lbs/day
P036	2/23/06	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day	63.6 lbs/hr; 63.6 lbs/day
P036	3/17/06	3.65 lbs/hr (PTI 14-05462)	6.9 lbs/hr
P036	3/25/06	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	129.63 lbs/hr; 175 lbs/day
P036	3/31/06	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	86.53 lbs/hr; 257 lbs/day
P036	4/23/06	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	223 lbs/hr; 223 lbs/day
P036	4/25/06 (1st release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	128.25 lbs/hr
P036	4/25/06 (2nd release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	38 lbs/hr
P036	4/25/06 (total release)	8 lbs/hour and 40 lbs/day rule	243.2 lbs/day
P036	5/31/06 (1st release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	60.8 lbs/hr
P036	5/31/06 (2nd release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	128.7 lbs/hr
P036	5/31/06 (3rd release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	135.2 lbs/hr
P036	5/31/06 (total release)	8 lbs/hr and 40 lbs/day rule	426.10 lbs/day

P036	6/1/06	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	73.6 lbs/hr; 73.6 lbs/day
P036	9/9/06 (1st release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	63.2 lbs/hr
P036	9/9/06 (2nd release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	38.4 lbs/hr
P036	9/9/06 (3rd release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	83.5 lbs/hr
P036	9/9/06 (total release)	8 lbs/hr and 40 lbs/day rule	185.1 lbs/day
P036	9/11/06 (1st release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	41.2 lbs/hr
P036	9/11/06 (2nd release)	3.65 lbs/hr (PTI 14-05462); 8 lbs/hr and 40 lbs/day rule	100.8 lbs/hr
P036	9/11/06 (total release)	8 lbs/hr and 40 lbs/day rule	142 lbs/day

3. The Addyston Facility's excess emissions from operating units P001, P010, P022, P036, and P048, as listed above, are violations of the units' respective limitations in its Permit to Install, the Addyston Facility's Title V Permit, and applicable Ohio SIP requirements.

4. EPA sent to the Addyston Facility two Information Requests, dated May 4, 2007, and December 20, 2007, pursuant to Section 114 of the CAA, 42 U.S.C. § 7414, that require the facility to collect and report monitoring data concerning operation of the Addyston Facility's flare control device. Beginning September 10, 2007, through January 2008, the Addyston Facility submitted flare monitoring data pursuant to the Section 114 Information Requests. The monitoring data submitted by the Addyston Facility to date shows that at various times the flare operates at steam-to-vent gas ratios which cause the flare to operate at a control efficiency below 99% when emissions from P001 are vented to it.

5. The Addyston Facility is in violation of the conditions under the PTI 14-04577, Condition A.2, and the Lanxess Title V permit, Part III (P001), Condition A.I.2.a, requiring that all process emissions from P001 must be vented to a flare which achieves 99% control efficiency. Further, the Addyston Facility is in violation of May 21, 2007, administrative order issued pursuant to Section 113(a) of the CAA, which requires the facility to come into compliance with these requirements.

6. EPA sent the previous owner of the Addyston Facility, LANXESS, an Information Request under Section 114 of the CAA, dated February 6, 2006. LANXESS provided a response to this Information Request dated March 23, 2006.

7. Based upon records submitted in LANXESS' March 2006 response to the February 2006 Section 114 Information Request, the Addyston Facility failed to keep records documenting that the facility conducted annual inspections, pursuant to 40 C.F.R. § 63.171(f)(1), of the portions of the Main Duct outside the process areas for the years 2003 and 2005, in violation of 40 C.F.R. § 63.181(g)(3).

8. An internal Addyston Facility email dated December 7, 2004, provided as part of LANXESS' March 2006 response to the February 2006 Section 114 Information Request, indicates that facility personnel identified seven leaks during inspection of the Main Duct in 2004. The email further indicates that the Addyston Facility attempted to repair the leaks during shutdowns in August and November 2004, but three of the leaks had remained unrepaired after these shutdowns. Another internal Addyston Facility email dated January 31, 2005, included in the March 2006 Section 114 Information Request response, indicates that two of the three leaks were repaired on January 6, 2005.

9. Based upon information contained in the December 7, 2004, and January 31, 2005 emails described in Paragraph 8, above, the Addyston Facility failed to repair at least three leaks of the Main Duct within 15 days of discovery or by the end of a process unit shutdown, in violation of 40 C.F.R. § 63.172(h)(2).

10. As part of LANXESS' March 2006 response to the February 2006 Section 114 Information Request, LANXESS provided the Addyston Facility leak inspection records kept pursuant to 40 C.F.R. § 63.181(g)(3)(ii).

11. For the three leaks referred to in Paragraphs 8 and 9, above, that were not repaired within 15 days or by the end of the process unit shutdown, the Addyston Facility failed to record in its leak inspection records the information pertaining to these leaks as specified under 40 C.F.R. § 63.181(d), including the date the leak was detected, the date of the first attempt of repair, and other information pertaining to the leak. The Addyston Facility thus failed to keep records of leaks detected during inspection of the Main Duct in violation of 40 C.F.R. §§ 63.181(d) and 63.181(g)(3)(ii).

12. In its March 2006 response to EPA's February 2006 Section 114 Information Request, LANXESS provided two Periodic Reports dated February 24, 2005, and August 26, 2005, respectively. The February 24 report states that, for the second half of 2004, the Addyston Facility discovered two leaks of the Main Duct, and both were repaired without delay. The August 26 periodic report indicates that, for the first half of 2005, the Addyston Facility identified seven leaks of the Main Duct, and all were repaired without delay. These reports failed to report the three leaks not repaired within 15 days or by the end of the next process

shutdown, identified in the emails described in Paragraphs 8 and 9, above, in violation of 40 C.F.R. § 63.182(d).

13. On June 18 through 21, 2007, EPA conducted a Method 21 LDAR inspection at the Addyston Facility. EPA's LDAR monitoring during the inspection found the following leaks under Subpart H:

Process Area	Component	Number monitored	Number leakers	Percent leakers
9EMUL (P001)	Valves	102	5	4.9%
9EMUL (P001)	Connectors	98	3	3.06%
DN1 (P004)	Valves	112	7	6.25%
DN1 (P004)	Connectors	134	2	1.49%
DN3 (P015)	Valves	71	0	0%
DN3 (P015)	Connectors	64	1	1.56%
DIN1 (P042)	Valves	298	4	1.34%
DIN1 (P042)	Connectors	540	1	0.19%
DIN2 (P047)	Valves	207	7	3.38%
DIN2 (P047)	Connectors	381	1	0.26%

14. On August 16, 2007, EPA sent to INEOS an Information Request pursuant to Section 114 of the CAA. INEOS responded by providing a Compact Disk (CD) dated September 19, 2007. EPA found the data on the CD to be unreadable, and INEOS submitted a replacement CD upon request. INEOS then sent, dated November 20, 2007, an additional CD of information in response to the Section 114 Information Request.

15. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, and a comparison of the Addyston Facility's historic leak discovery rate with the EPA's leak discovery rate during its June 2007 inspection, the Addyston Facility has conducted deficient Method 21 leak monitoring of valves subject to Subpart H at the facility, in violation of 40 C.F.R §§ 63.168(b) and 63.180(b), and 40 C.F.R. Part 60, Appendix A, Method 21.

16. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, and a comparison of the Addyston Facility's historic leak discovery rate with the EPA's leak discovery rate during its June 2007 inspection, the Addyston Facility has conducted deficient Method 21 leak monitoring of connectors subject to Subpart H at the facility, in violation of 40 C.F.R §§ 63.174(a)(1) and 63.180(b), and 40 C.F.R. Part 60, Appendix A, Method 21.

17. Based on a November 2006 contractor report obtained through INEOS' response to the August 2007 Section 114 Information Request, the Addyston Facility failed to identify each piece of equipment in a process unit to which Subpart H applies such that it could be distinguished readily from equipment that is not subject to Subpart H, in violation of 40 C.F.R. § 63.162(c).

18. Based on a November 2006 contractor report obtained through INEOS' response to the August 2007 Section 114 Information Request, the Addyston Facility failed to identify all pumps, valves, agitators, and connectors that are designated as unsafe to monitor, difficult to monitor, or unsafe to inspect, and to record a plan for monitoring or inspecting this equipment, in violation of 40 C.F.R. § 63.162(c). Also during this time, the Addyston Facility failed to record a list of identification numbers for the equipment that is designated as difficult to monitor, an explanation of why the equipment is difficult to monitor, and the planned schedule for monitoring this equipment, in violation of 40 C.F.R. § 63.162(c).

19. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, between 2003 and 2007, the Addyston Facility failed to conduct monthly leak detection monitoring of all pumps in light liquid service by a method specified in 40 C.F.R. § 63.180(b), in violation of 40 C.F.R. § 63.163(b)(1), for the following processes:

    a. P001 for at least 18 separate monthly monitoring periods;
    b. P004 for at least 13 separate monthly monitoring periods;
    c. P015 for at least 13 separate monthly monitoring periods;
    d. P021 for at least 2 separate monthly monitoring periods;
    e. P042 for at least 46 separate monthly monitoring periods; and
    f. P047 for at least 23 separate monthly monitoring periods.

20. Based upon records obtained through INEOS' response to the August 2007 Section 114 information request, the Addyston Facility, during a time period that includes 2002 through 2006, failed to conduct annual leak detection monitoring of all valves in gas/vapor and light liquid service by a method specified in 40 C.F.R. § 63.180(b), in violation of 40 C.F.R. § 63.168(b), for the following processes:

    a. P001;
    b. P004;
    c. P015;
    d. P042; and
    e. P047.

21. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, the Addyston Facility detected a leak for valve 07254 on December 29, 2006, and repaired the leak on February 15, 2007. The Addyston Facility thus failed to

repair the leak for valve 07254 detected on December 29, 2006 within 15 calendar days after the leak was detected, in violation of 40 C.F.R. § 63.168(f)(1). The Addyston Facility also failed to make a first attempt at repair of the leak for valve 07254 detected on December 29, 2006 within 5 calendar days after the leak was detected, in violation of 40 C.F.R. § 63.168(f)(2).

22. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, between 2003 and 2007, the Addyston Facility failed to conduct monthly leak detection monitoring of all agitators in gas/vapor service and in light liquid service by a method specified in 40 C.F.R. § 63.180(b), in violation of 40 C.F.R. § 63.173(a)(1), for the following processes:

    a. P001 for at least 9 separate monitoring periods;
    b. P004 for at least 3 separate monitoring periods;
    c. P015 for at least 8 separate monthly monitoring periods;
    d. P021 for at least 2 separate monthly monitoring periods;
    e. P022 for at least 1 monthly monitoring period;
    f. P042 for at least 22 separate monthly monitoring periods; and
    g. P047 for at least 7 separate monthly monitoring periods.

23. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, during a time period that includes 2002 through 2006, the Addyston Facility failed to conduct leak detection monitoring of all connectors in gas/vapor and light liquid service at the facility by a method specified in 40 C.F.R. § 63.180(b), in violation of 40 C.F.R. § 63.174(a).

24. Based upon records obtained through INEOS' response to the August 2007 Section 114 Information Request, the Addyston Facility failed to make a first attempt at repair of leaks at connectors 767.2 and 7011.3, within 5 calendar days after the leaks were detected on November 7, 2006, in violation of 40 C.F.R. § 63.174(d).

25. In its Periodic Reports submitted pursuant to 40 C.F.R. § 63.182(d), the Addyston Facility reported values for percent leaking valves that were not calculated correctly in accordance with the equation provided under 40 C.F.R. § 63.168(e)(1), in violation of 40 C.F.R. § 63.182(d)(2)(iii).

26. In its Periodic Reports submitted pursuant to 40 C.F.R. § 63.182(d), the Addyston Facility reported values for percent leaking connectors that were not calculated correctly in accordance with the equation provided under 40 C.F.R. § 63.174 (i)(2), in violation of 40 C.F.R. § 63.182(d)(2)(ix).

Environmental Impact of Violations

27. These violations have caused or can cause excess emissions of VOCs and/or HAPs. VOCs cause ground level ozone, which can irritate the human respiratory system and reduce lung function. Violation of the NESHAP standards can result in excess HAP emissions that may cause serious health effects, such as birth defects and cancer, and harmful environmental and ecological effects.

3/07/08
Date

Mary P. Tyson
for Cheryl L. Newton, Acting Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-08-OH-05, by Certified Mail, Return Receipt Requested, to:

Mr. Clinton Herring
Vice President, Manufacturing
INEOS ABS (USA) Corporation
356 Three Rivers Parkway
Addyston, Ohio 45001

Mr. Randall S. Dearth
President and CEO
LANXESS Corporation
111 RIDC Park West Drive
Pittsburgh, Pennsylvania 15275-1112

I also certify that I sent copies of the Finding of Violation and Notice of Violation by first class mail to:

Robert Hodanbosi, Chief
Division of Air Pollution Control
Ohio Environmental Agency
Lazarus Government Center
P.O. Box 1049
Columbus, Ohio 43216-1049

on the 10th day of March, 2008.

Loretta Shaffer

Loretta Shaffer, Secretary
AECAS, MN-OH

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0006 0187 7086

LANXESS Corp – 7001 0320 0006 0187 7079