

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:** )  
 )  
Pollution Control Industries ) **NOTICE OF VIOLATION**  
East Chicago, Indiana )  
 ) **EPA-5-99-6**  
 )  
Proceedings Pursuant to )  
Section 113(a)(1) of the )  
Clean Air Act, 42 U.S.C. )  
§ 7413(a)(1) )

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**NOTICE OF VIOLATION**

Pursuant to Section 113(a)(1) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1), the Administrator of the United States Environmental Protection Agency (U.S. EPA), by authority duly delegated to the undersigned, hereby notifies the State of Indiana and Pollution Control Industries (PCI) that U.S. EPA finds PCI at 4343 Kennedy Avenue, East Chicago, Indiana, to be in violation of the Indiana State Implementation Plan (SIP), as follows:

**Statutory and Regulatory Background - New Source Review**

1. Section 107 of the Act, 42 U.S.C. § 7407, requires the Administrator to designate air quality control regions for the attainment and maintenance of National Ambient Air Quality Standards (NAAQS).
2. Section 110 of the Act, 42 U.S.C. § 7410, requires each State to submit a State Implementation Plan (SIP) that includes a permit program to provide for the regulation of the modification and construction of any stationary source within areas covered by the plan as necessary to assure the NAAQS are achieved.
3. Part D of the Act, 42 U.S.C. §§ 7501-7508, requires each SIP to require, among other things, permits for the construction and operation of new or modified major stationary sources anywhere in the nonattainment area.
4. On December 6, 1994, the Administrator of U.S. EPA approved Indiana SIP Rule 326 IAC 2-3 (New Source Review (NSR) rules), containing requirements for new or modified major stationary sources or major

modifications constructed in nonattainment areas, as part of the federally enforceable SIP for Indiana (59 Fed. Reg. 51108).

5. Indiana SIP Rule 326 IAC 2-3-2(a) specifies that new and modified major stationary sources or major modifications constructed in an area designated in 326 IAC 1-4 as nonattainment as of the date of submittal of a complete application, for a pollutant for which the stationary source or modification is major, are subject to Indiana SIP Rule 326 IAC 2-3.
6. Indiana SIP Rule 326 IAC 2-3-1(q) (2) specifies that for severe ozone nonattainment areas, "major stationary source" includes any stationary source or group of sources located within a contiguous area and under common control that emits or has the potential to emit volatile organic compounds (VOC) that would equal or exceed twenty-five (25) tons per year (tpy).
7. Indiana SIP Rule 326 IAC 2-3-3(a) (2) specifies that prior to the issuance of a construction permit the applicant will apply emission limitation devices or techniques to the proposed construction or modification such that the lowest achievable emission rate (LAER) for the applicable pollutant will be achieved.
8. Indiana SIP Rule 326 IAC 2-3-3(a) (6) specifies that the applicant shall obtain the necessary preconstruction approvals and shall meet all the permit requirements specified in 326 IAC 2-1.
9. Indiana SIP Rule 326 IAC 2-1 (326 IAC 2-1-1(a) (4) (A) and 326 IAC 2-1-1(b) (1)) specifies that any person proposing a modification in Lake County that would increase VOC by fifteen (15) pounds or more per day from any existing source that emits or has the potential to emit, as defined by 326 IAC 2-3-1(v), twenty-five (25) tons per year or more of VOC shall request and complete a permit application provided by the commissioner.
10. Indiana SIP Rule 326 IAC 2-1-3(a) specifies that no person shall commence construction or modification of any source or facility required by 326 IAC 2-1-1(b) (1) to comply with 326 IAC 2-1, without first applying for and obtaining a construction permit from the commissioner.
11. Indiana SIP Rule 326 IAC 2-1-4(a) specifies that no person

shall operate any source or facility subject to 326 IAC 2-1-1(b)(1) without first applying for and obtaining a permit to operate said source or facility from the commissioner.

12. Pursuant to section 107 of the Act, 42 U.S.C. § 7407, on November 6, 1991, U.S. EPA designated Lake County as nonattainment for ozone and classified it as severe nonattainment (56 Fed. Reg. 56753).

**Statutory and Regulatory Background - Non-CTG RACT Rules**

13. On August 4, 1995, the Administrator of U.S. EPA approved Indiana SIP Rule 326 IAC 8-7 (non-CTG RACT Rules), containing requirements for sources constructed in nonattainment areas, as part of the federally enforceable SIP for Indiana (60 Fed. Reg. 34859).
14. Indiana SIP Rule 326 IAC 8-7 (326 IAC 8-7-2(a)) applies to stationary sources located in Lake County that emit or have the potential to emit VOC at levels equal to or greater than twenty-five (25) tons per year (tpy).
15. Indiana SIP Rule 326 IAC 8-7-3 specifies that affected facilities must implement emissions reduction measures.
16. Indiana SIP Rule 326 IAC 8-7-9(4)(D) specifies that, for sources that choose to comply with a control device, a compliance test shall be performed within ninety (90) days of the startup of a new facility or upon written request by the department or the U.S. EPA.
17. Indiana SIP Rule 326 IAC 8-7-7 specifies that the owner or operator of any source subject to this rule shall be subject to the applicable test method requirements of 326 IAC 8-1-4 and in 40 C.F.R. 60, Appendix A.
18. Indiana SIP Rule 326 IAC 8-7-10(a)(3) specifies that sources that choose to meet the emission limit requirements of the rule with the use of a carbon adsorber control device or devices shall install, calibrate, maintain, and operate, according to the manufacturer's specification, a VOC monitoring device capable of continuously recording the concentration level of VOC at the outlet of the carbon bed. The monitoring device shall be based on a detection principle such as infrared, photoionization, or thermal conductivity.

19. Indiana SIP Rule 326 IAC 8-7-10(b) specifies that sources subject to the requirements of this section shall maintain the following records: (1) A log of the operating time of the facility and the facility's capture system, control device, and monitoring equipment. (2) A maintenance log for the capture system, the control device, and the monitoring equipment detailing all routine and nonroutine maintenance performed. The log shall include the dates and duration of any outages of the capture system, the control device, or the monitoring system. (5) The following additional records shall be maintained for facilities using carbon adsorbers: (A) Continuous records of the VOC concentration level or reading in the exhaust stream of the carbon adsorber. (B) Records of all three (3) hour periods of operation during which the average VOC concentration level or reading in the exhaust gas is more than twenty percent (20%) greater than the average exhaust gas concentration level or reading measured by the organic monitoring device during the most recent determination of the recovery efficiency of the carbon adsorber that demonstrated that the facility was in compliance.

#### **Factual Background**

20. PCI owns and operates a treatment, storage, disposal facility located at 4343 Kennedy Avenue, East Chicago, Indiana.
21. PCI's East Chicago, Indiana facility is located in Lake County; Lake County has been designated as severe nonattainment for ozone.
22. Emissions from PCI's Metal Wash Unit, Aerosol Unit, and Tower Unit are subject to the VOC regulations for new major stationary sources constructed in a nonattainment area as set forth in the Indiana SIP at 326 IAC 2-3.
23. Emissions from PCI's Metal Wash Unit, Aerosol Unit, and Tower Unit are subject to the VOC specific requirements for Lake County as set forth in the Indiana SIP at 326 IAC 8-7.

#### **Findings of Violation**

24. PCI constructed the Tower Unit in 1994. The construction of the Tower Unit has the potential to increase VOC emissions more than twenty-five (25) tons per year, which constitutes

a major stationary source. PCI constructed the Tower Unit without first applying for and obtaining a construction permit, in violation of the requirements of Indiana SIP Rules 326 IAC 2-3 and 326 IAC 2-1.

25. PCI constructed the Aerosol Unit and Metal Wash Unit in 1997. The construction of the Aerosol Unit and Metal Wash Unit has the potential to increase VOC emissions more than twenty-five (25) tons per year, which constitutes a major stationary source or major modification to an existing major source. PCI constructed these units without first applying for and obtaining a construction permit, in violation of the requirements of Indiana SIP Rules 326 IAC 2-3 and 326 IAC 2-1.
26. PCI operated its Tower Unit, Aerosol Unit and Metal Wash Unit without an operating permit, in violation of Indiana SIP Rule 326 IAC 2-1-4(a).
27. PCI failed to perform compliance tests on its Tower Unit, Aerosol Unit and Metal Wash Unit within ninety (90) days of startup, in violation of Indiana SIP Rule 326 IAC 8-7-9(4)(D).
28. PCI failed to install, calibrate, maintain, and operate a VOC monitoring device capable of continuously recording the concentration level of VOC at the outlet of the carbon adsorber control devices on its Tower Unit, Aerosol Unit and Metal Wash Unit, in violation of Indiana SIP Rule 326 IAC 8-7-10(a)(3).
29. PCI failed to maintain a log of the operating time of the Tower Unit, Aerosol Unit and Metal Wash Unit and the Tower Unit's, Aerosol Unit's and Metal Wash Unit's capture systems, control devices, and monitoring equipment, as well as, a maintenance log for the capture systems, the control devices, and the monitoring equipment detailing all routine and nonroutine maintenance performed, in violation of Indiana SIP Rule 326 IAC 8-7-10(b).

12/30/98  
Date



Stephen Rothblatt, Acting Director  
Air and Radiation Division