



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

REPLY TO THE ATTENTION OF

JUN 17 2004

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Mark Erler
President
Erler Industries, Inc.
P.O. Box 219
North Vernon, IN 47265

Re: Notice of Violation/
Finding of Violation
Erler Industries, Inc.

Dear Mr. Erler:

The United States Environmental Protection Agency (U.S. EPA) has determined that the Erler Industries, Inc. facility, which includes operations at 418 Stockwell Street, 71 Hayden Pike, and 125 West Hayden Pike, North Vernon, Indiana 47265, is in violation of the Clean Air Act and associated state or local air pollution control requirements. This letter is a Notice and Finding of Violation issued pursuant to 42 U.S.C. Section 7413(a)(1). As set forth in more detail below, the Clean Air Act ("CAA") requires sources of air emissions, such as the Erler Industries, Inc. (Erler Industries) facility identified in this Notice and Finding of Violation, to obtain a permit before commencing construction of a new, major source of pollution that significantly increases air emissions at the source. The CAA, specifically the Indiana State Implementation Plan and the Title V permit, places the burden on the owner or operator of the proposed new source to properly characterize the emissions that result from operation of each source. This requirement that the owner or operator properly characterize the air emissions includes requirements that the owner or operator accurately monitor the air emissions, keep records of the air emissions and report the air emissions data to the proper local, state and federal authorities.

Based on the information currently available, U.S. EPA has concluded that Erler Industries has not complied with these requirements. U.S. EPA contends that Erler Industries has failed to comply with the requirements that it monitor, record and

to comply with the requirements that it monitor, record and report air emissions over a period of fourteen years. It further contends that Erler Industries currently fails to comply with these requirements.

On the occasions set forth below, Erler Industries has either constructed new coating lines or added new process units to existing facilities without installing and operating pollution controls.

Summary of the Violations:

| PLANT/LINE /LOCATION | INSTALLATION DATE | TYPE OF VIOLATION | REGULATORY/ STATUTORY CITATIONS |
|---|----------------------|---|---|
| Plant 1/ Line 1/ 418 Stockwell Street | January 18, 1991 | Monitoring, Record keeping & Reporting | 326 IAC 2-7-5(3) 326 IAC 8-1-1 (c) Section D.1.8(a), C.17, C.18 and C.19 of September 23, 1998, Title V Permit (079-7572-00010) |
| Plant 1/ Line 1/ 418 Stockwell Street | January 18, 1991 | State BACT (25 ton per year Volatile Organic Compound threshold) | 326 IAC 8-1-6 Section D.1.1(a) of September 23, 1998, Title V Permit (079-7572-00010) |
| Plant 1/ Line 2/ 418 Stockwell Street | January 18, 1991 | Monitoring, Record keeping & Reporting | 326 IAC 2-7-5(3) 326 IAC 8-1-1 (c) Section D.1.8(a), C.17, C.18 and C.19 of September 23, 1998, Title V Permit (079-7572-00010) |
| Plant 1/ Line 2/ 418 Stockwell Street | January 18, 1991 | State BACT (25 ton per year Volatile Organic Compound threshold) | 326 IAC 8-1-6 Section D.1.1(a) of September 23, 1998, Title V Permit (079-7572-00010) |

| | | | |
|---|-----------------------|---|--|
| Plant 2/ Line A & B 71 Hayden Pike | March 29, 1996 | Monitoring, Record keeping & Reporting | 326 IAC 2-7-5(3) Section D.2.9(a), C.17, C.18 and C.19 of September 23, 1998, Title V Permit (079-7572-00010) |
| Plant 2/ Line A & B 71 Hayden Pike | March 29, 1996 | BACT Limit (180 tpy VOC) | 326 IAC 8-1-6 Section D.2.1 of September 23, 1998, Title V Permit (079-7572-00010) |
| Plant 3/ Line 3/ 125 West Hayden Pike | September 27, 1999 | Monitoring, Record keeping & Reporting | 326 IAC 2-7-5(3) 326 IAC 8-1-1(c) Section D.4.8(a) of September 27, 1999, Title V Permit (T079-7572-00010) |
| Plant 3/ Line 3/ 125 West Hayden Pike | September 27, 1999 | State BACT (25 ton per year Volatile Organic Compound threshold) | 326 IAC 8-1-6 Section D.4.1 of September 27, 1999, Title V Permit (T079-7572-00010) |
| Plant 4/ Line 4/ 125 West Hayden Pike | September 5, 2002 | Monitoring, Record keeping & Reporting | 326 IAC 2-7-5(3) 326 IAC 8-1-1(c) Section D.1.8(a) of September 5, 2002, Title V Permit (T079-7572-00010) |
| Plant 4/ Line 4/ 125 West Hayden Pike | September 5, 2002 | State BACT (25 ton per year Volatile Organic Compound threshold) | 326 IAC 8-1-6 Section D.1.1 of September 5, 2002, Title V Permit (T079-7572-00010) |
| Plant 5/ Line 5/ 125 West Hayden Pike | February 12, 2003 | Monitoring, Record keeping & Reporting | 326 IAC 2-7-5(3) 326 IAC 8-1-1(c) Section D.5.8(a) of February 12, 2003, Title V Permit (T079-7572-00010) |

| | | | |
|---|----------------------|---|--|
| Plant 5/ Line 5/ 125 West Hayden Pike | February 12, 2003 | State BACT (25 ton per year Volatile Organic Compound threshold) | 326 IAC 8-1-6 Section D.5.1 of February 12, 2003, Title V Permit (T079-7572-00010) |
|---|----------------------|---|--|

U.S. EPA has reviewed Erler Industries' Section 114 Information Request Response dated April 28, 2004. On the basis of the information provided by Erler Industries, U.S. EPA has concluded that Erler Industries' facility-wide VOC emissions between April 2003 and April 2004 totaled 325.45 tons per year. Erler Industries is allowed to emit on a facility-wide basis 305 tons per year. Apparently, Erler Industries has violated the terms of its permit by emitting more than 305 tons per year (tpy) of VOC emissions. The table below sets forth the VOC emission limits for each of Erler Industries' processing plants and lines.

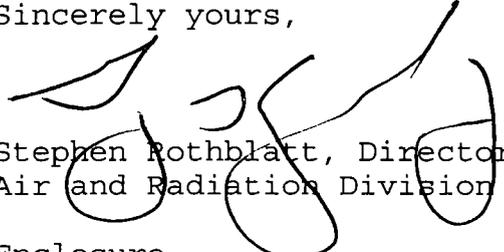
| Plant/Line | VOC Emission Limit (tpy) |
|---------------------------|--------------------------|
| Plant 1/ Line 1 | 25 |
| Plant 1/ Line 2 | 25 |
| Plant 2/ Lines A & B | 180 |
| Plant 3/ Line 3 | 25 |
| Plant 4/ Line 4 | 25 |
| Plant 5/ Line 5 | 25 |
| Total Facility Cap | 305 |

U.S. EPA has concluded that Erler Industries has exceeded one or more of the underlying limitations since it exceeded the facility-wide cap.

Section 113 of the CAA allows Erler Industries to request an opportunity to confer with U.S. EPA about the violations alleged in the Notice. Erler Industries may present information concerning the identified violations, efforts it has taken to comply with the applicable requirements, and the steps it is prepared to take to return to compliance and prevent future violations.

If Erler Industries would like to request a conference with U.S. EPA, it should contact U.S. EPA representative, Kushal Som. Mr. Som may be reached at (312) 353 -5792.

Sincerely yours,


Stephen Rothblatt, Director *ALTING*
Air and Radiation Division

Enclosure

cc: David McIver, Chief
Office of Enforcement Air Section
Indiana Department Environmental Management

CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent a Notice of Violation and Finding of Violation, No. EPA-5-04-25-IN, by Certified Mail, Return Receipt Requested, to:

Mr. Mark Erler, President
Erler Industries, Inc.
P.O. Box 219
North Vernon, IN 47265

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

David McIver, Chief
Office of Enforcement Air Section
Indiana Department Environmental Management
100 North Senate Avenue, Room 1001
Indianapolis, Indiana 46206-6015

on the 18th day of June, 2004.


Betty Williams, Secretary
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 70010320000602453307