

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

IN THE MATTER OF: )  
)  
Subaru-Isuzu Automotive, Inc. ) **NOTICE OF VIOLATION**  
Lafayette, IN )  
) **EPA-5-01-03-IN**  
Proceedings Pursuant to )  
Section 113(a) (1) of the )  
Clean Air Act, )  
42 U.S.C. § 7413(a) (1) )  
\_\_\_\_\_ )

**NOTICE OF VIOLATION**

The Administrator of the United States Environmental Protection Agency (U.S. EPA), is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act (Act). U.S. EPA finds that Subaru-Isuzu Automotive, Inc. (SIA) is violating the Indiana State Implementation Plan (SIP) rules at 40 C.F.R. § 52.21 which govern the prevention of significant deterioration (PSD) of air quality.

**Statutory and Regulatory Background**

**Prevention of Significant Deterioration**

1. On June 19, 1978, U.S. EPA promulgated the prevention of significant deterioration of air quality standards pursuant to Subtitle I, Part C of the Act. These regulations are codified at 40 C.F.R. § 52.21 (43 Fed. Reg. 26403).
2. On August 7, 1980, U.S. EPA incorporated the provisions of 40 C.F.R. § 52.21(b) through (w) into the Indiana SIP. 45 Fed. Reg. 52741, as amended at 53 Fed. Reg. 18985, codified at 40 C.F.R. § 52.793.
3. 40 C.F.R. § 52.21(b)(1)(i)(b) defines a "major stationary source" as any source which emits or has the potential to emit 250 tons per year or more of any pollutant subject to regulation under the Act.
4. 40 C.F.R. § 52.21(b)(2)(i) defines "major modification" as any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any

pollutant subject to regulation under the Act.

5. 40 C.F.R. § 52.21(b)(23)(i) defines "significant" net emissions increase for Volatile Organic Compounds (VOC) as a rate of emissions which would equal or exceed 40 tons per year of VOC.
6. 40 C.F.R. § 52.21(i)(1) prohibits the actual construction of a major stationary source or modification without a permit which states that the major stationary source or modification would meet the requirements of 40 C.F.R. § 52.21(j) through (r).
7. 40 C.F.R. § 52.21(j)(3) provides that for each pollutant subject to regulation under the Act for which a major modification would result in a significant net emissions increase at the source, the owner or operator of the major modification shall apply Best Available Control Technology (BACT) to each proposed emissions unit at which the increase would occur as the result of physical changes and changes in the methods of operation of the unit.
8. 40 C.F.R. § 52.21(r) states that any owner or operator of a source subject to PSD regulations who operates a source or modification without applying for and receiving approval under the PSD regulations is subject to enforcement action.

#### **Factual Background**

9. SIA's facility, located at 5500 State Road 38 East in Lafayette, Indiana, includes the following processes and areas: stamping, car body shop, Sport Utility Vehicle body shop, paint, and trim. Pursuant to 40 C.F.R. § 52.21(b)(5) and (6), all of these processes and activities constitute a single stationary source.
10. SIA is a major stationary source which emits or has the potential to emit 250 tons per year or more of any pollutant subject to regulation under the Act, including 40 tons per year or more of VOC.
11. In 1995, SIA applied to the Indiana Department of Environmental Management (IDEM) for a Construction Permit to modify its operations at the facility, increasing the maximum production from 200,000 vehicles per year to 240,000 vehicles per year. In its

application, SIA stated that the net allowable emissions increase due to this expansion would be only 30 tons of VOC per year. However, SIA incorrectly based its conclusion on past permitted emission data instead of past actual emission data. Therefore, the requirements of PSD were triggered.

12. In 1999, SIA applied to IDEM for a Construction Permit to modify its operations at the facility, increasing the maximum production from 240,000 vehicles per year to 262,000 vehicles per year. SIA stated that the net allowable emissions increase would be only 34 tons per year. However, SIA used an inaccurate weighted average in its calculations. If a correct weighted average calculation were used, the requirements of PSD would be triggered.

#### **Findings of Violation**

13. The 1995 modification caused an increase in the potential to emit VOC at the SIA facility of greater than 40 tons of VOC per year. Therefore, the 1995 Construction Permit was not issued in accordance with the PSD requirements, in violation of 40 C.F.R. § 52.21(i).
14. The 1999 modification caused an increase in the potential to emit VOC at the SIA facility of greater than 40 tons of VOC per year. Therefore, the 1999 Construction Permit was not issued in accordance with the PSD requirements, in violation of 40 C.F.R. § 52.21(i).
15. 40 C.F.R. § 52.21(r) states that any owner or operator who constructs a modification not in accordance with the application submitted or with the terms of any approval to construct shall be subject to appropriate enforcement action.
16. 40 C.F.R. § 52.23 states that failure to comply with any provision of this part, or with any approved regulatory provision of a State implementation plan, or with any permit condition or permit denial issued pursuant to approved or promulgated regulations for the review of new or modified stationary or indirect sources, or with any permit limitation or condition contained within an operating permit issued under an EPA-approved program that is incorporated into the

governmental entity so failing to comply in violation of a requirement of an applicable implementation plan and subject to enforcement action under section 113 of the Clean Air Act.

12/29/00  
Date

*Bharat Mathur*  
Bharat Mathur, Director  
Air and Radiation Division

CERTIFICATE OF MAILING

I, Betty Williams, do hereby certify that a Notice of Violation, No EPA-5-01-03-IL, was sent by Certified Mail, Return Receipt Requested, to:

Mr. David Abrams  
Environmental Group Leader  
Safety and Environmental Compliance  
Subaru-Isuzu Automotive, Inc.  
5500 State Road 38 East  
Lafayette, Indiana 47905

I also certify that a copy of the Notice of Violation was sent by first class mail to:

Mr. David McIver, Chief  
Air Section  
Office of Enforcement  
Indiana Department of Environmental Management  
100 North Senate, Room 1001  
Indianapolis, Indiana 46205-6015

on the 3rd day of January 2001.

  
Betty Williams, Secretary  
AECAS (IL/IN)

70993400 0000 9591 8587  
CERTIFIED MAIL RECEIPT NUMBER