



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

SEP 24 2014

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Thomas O'Keefe
President
Olin Corporation, Winchester Division
C/O Amy Wachs
Husch Blackwell
190 Carondelet Plaza
Suite 600
Saint Louis, IL 63105

Re: *In the Matter of: The Olin Corporation, Winchester Division, East Alton, Illinois*
Docket No. EPA EPA-5-14-113(a)-IL-23

Dear Mr. O'Keefe:

I have enclosed a signed Administrative Consent Order (ACO) with Olin Corporation, Winchester Division under the Clean Air Act. Pursuant to Paragraph 39, the ACO is effective on the date of signature by the Director of the Air and Radiation Division.

If you have any questions on this matter, please do not hesitate to call Ms. Jennifer Wilson, P.E. of my staff, at (312)353-3115, Mr. Kushal Som, at (312)353-5792 or, with legal questions, Cynthia Kawakami, Associate Regional Counsel, at (312)886-0564.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan A. Frank".

Nathan A. Frank, P.E.
Chief
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

cc: Regional Hearing Clerk, E-19J
Cynthia Kawakami, C-14J
Kush Som, AE-17J
Jennifer Wilson, AE-17J
Eric Jones, IEPA

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	EPA-5-14-113(a)-IL-23
)	
Olin Corporation)	
Winchester Division)	Proceeding Under Sections 113(a)(1) and
East Alton, Illinois,)	114(a)(1) of the Clean Air Act, 42 U.S.C.
)	§§ 7413(a)(1) and 7414(a)(1)
Respondent.)	
_____)	

Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5, is entering into this Administrative Consent Order (Order) with Olin Corporation, Winchester Division under Sections 113(a)(1) and 114(a)(1) of the Clean Air Act (Act), 42 U.S.C. §§ 7413(a)(1) and 7414(a)(1).

Statutory and Regulatory Background

2. On May 31, 1972, EPA promulgated approval of 35 IAC Part 201, "Permits and General Conditions," as part of the federally enforceable State Implementation Program (SIP) for the State of Illinois. See 37 Fed. Reg. 10862. Since then, EPA has approved several revisions of 35 IAC Part 201 into the federally enforceable SIP.

3. Under 40 C.F.R. § 52.23, any permit limitation or condition contained within a permit issued under an EPA-approved program that is incorporated in a SIP, is a requirement of the SIP, and is federally enforceable under Section 113, 42 U.S.C. § 7413.

4. Title V of the Act, 42 U.S.C. §§ 7661-7661f, established an operating permit program for major sources of air pollution. Section 502(d) of the Act, 42 U.S.C. § 7661a(d),

provides that each state must submit to EPA a permit program meeting the requirements of Title V.

5. In accordance with Section 502(b) of the Act, 42 U.S.C. § 7661a(b), EPA promulgated regulations establishing and implementing Title V of the Act. See 57 Fed. Reg. 32295 (July 21, 1992). Those regulations are codified at 40 C.F.R. Part 70.

6. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b) provide that, after the effective date of any permit program approved or promulgated under Title V of the CAA, no source subject to Title V may operate except in compliance with a Title V permit.

7. EPA approved Illinois' Title V program on December 4, 2001. See 66 Fed. Reg. 62946. The Illinois Title V program is commonly referred to as the Clean Air Act Permit Program (CAAPP).

8. Under Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), the Administrator of EPA may issue an order to any person who has violated or is violation of a SIP, requiring such person to comply. The Administrator has delegated this authority to the Director of the Air and Radiation Division, Region 5.

Findings

9. Olin Corporation, Winchester Division (Respondent) is a corporation that does business in Illinois.

10. Respondent is a "person" as that term is defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).

11. Respondent owns and operates an ammunition manufacturing facility located at 427 North Shamrock Street in East Alton, Illinois 62024 (the Facility), and utilizes lead as a component of the ammunition that it manufactures.

12. Respondent operates an emission unit called a Lower Billet Melt Kettle (LK-4) that emits lead air emissions through an emission stack.

13. The Facility constitutes an "emission source" within the meaning of Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1).

14. The Illinois Environmental Protection Agency (IEPA) issued Respondent a Title V (CAAPP) permit (Application No.: 96030015) on January 20, 2008.

15. Condition 7.1.6.a.ii of Respondent's CAAPP permit requires it to limit lead emissions from LK-4 during Mode 1 operation to no more than 0.04 pounds of lead per hour. Mode 1 operation is defined as operating only when melting refined lead pigs and internally produced scrap.

16. Condition 7.1.6.a.iv of Respondent's CAAPP permit states that the 0.04 pound per hour lead limit for LK-4 during Mode 1 operation was established in a construction permit (No. 97120071), pursuant to Title I of the CAA.

17. On June 12, 2013, EPA issued a Section 114 Information Request which, among other things, required Respondent to conduct lead stack testing at LK-4 during Mode 1 operation.

18. In response to EPA's Section 114 Information Request, Respondent performed two EPA Reference Method 12 lead stack tests at the LK-4 stack during Mode 1 operation on September 19, 2013 and October 22-23, 2013. Average lead emissions for the September 19, 2013 stack test averaged 0.092 pounds of lead per hour. Average lead emissions for the October 22-23, 2013 stack test averaged 0.049 pounds of lead per hour. Results from each of the stack tests showed lead emission levels exceeding the 0.04 pound per hour lead emission limit in Respondent's CAAPP permit at the LK-4 stack.

19. On April 21, 2014, EPA issued a Notice and Finding of Violation (NOV/FOV) to Respondent, alleging that it had violated the Illinois SIP at 35 Ill. Admin. Code Part 201, and, thus, Title V permit requirements under Section 502 of the Act, 42 U.S.C. §§ 7661-7661f, and 40 C.F.R. Part 70.

20. On May 27, 2014, Respondent and EPA discussed the April 21, 2014 NOV/FOV and, thereafter, engaged in additional discussions regarding Respondent's alleged violations outlined in the NOV/FOV.

21. On June 27, 2014, after Respondent applied for a construction permit as a result of discussions with EPA, IEPA issued a construction permit to Respondent that authorized it to construct and operate new pollution control equipment at its Facility in the form of a filter control system (baghouse) to control air emissions from the Lower Billet Melt Kettle, as well as other areas.

22. While not admitting to the Findings in this Order, Respondent agrees to the terms and requirements of this Order, but does not waive its rights and defenses with regard to persons other than EPA or the United States.

Compliance Program

23. Before January 1, 2015, Respondent shall install and commence operation of the baghouse as described in the June 27, 2014 Permit (Application No. 14010028), for the Lower Billet Melt Kettle at the Facility. Respondent shall operate and maintain the new baghouse required by this Paragraph 23 and in compliance with the Permit. Respondent shall operate and maintain the new pollution control equipment and Lower Billet Melt Kettle in accordance with good air pollution control practices to minimize emissions.

24. Within 180 days after initial startup of the new pollution control equipment required by Paragraph 23 of this Order, Respondent shall conduct one or more test runs at the common stack located after the control equipment that is designated as LBH-1 in Respondent's permit application, in accordance with a stack test protocol that must be approved by EPA. The stack test will be designed to measure lead emissions in accordance with EPA Methods 1-4 and Method 12 (or 29 as appropriate) at the common stack that is located after the pollution control device (LBH-1) under conditions which are representative of maximum operating conditions and maximum emissions. At least 60 days prior to the proposed first stack test run, Respondent shall submit a written stack test protocol to EPA. EPA agrees not to object to a provision in Respondent's test protocol which calls for an initial test run with a duration of 12 hours, as long as the Agency is satisfied that the stack test is done under maximum operating conditions and maximum emissions. EPA also agrees not to object to a provision in Respondent's test protocol which provides that Respondent may conduct two additional test runs with individual durations of greater than 12 hours (after completion of the initial 12-hour test run), as long as the Agency is satisfied that the additional test runs will be done under maximum operating conditions and maximum emissions and will be performed in a timely manner. Within 60 days of approval of the test protocol by EPA, Respondent shall perform the initial 12-hour test run. If the first test run is delayed, Respondent shall promptly notify EPA by electronic mail, at least five days prior to the scheduled date of testing or immediately, if the delay occurs within five days of the scheduled date. The test protocol shall describe in detail the proposed test methods and procedures, the operating parameters, the technical reasons and analysis for considering the operating parameters maximum operating conditions and maximum emission conditions, and include the name and qualifications of the person conducting the stack test.

25. If Respondent finds it necessary to conduct the two additional test runs after the initial 12-hour test run has been completed, Respondent shall notify EPA within 15 days of receiving the test results from the initial test run and shall conduct the first of the two additional test runs within 30 days of providing EPA with the notification mentioned in this paragraph. EPA will take the average of the results of Respondent's three stack test runs in determining compliance with the emission standard in Paragraph 27.

26. Within 45 days after the completion of the initial test run or the last of the additional test runs, whichever is later, Respondent shall submit a complete report of the stack test to EPA. The report shall describe all steps taken to comply with the test protocol, the conditions under which the stack test was carried out, and all stack test results. It shall also provide all calculations and documentation related to the design of the capture hoods and pollutant removal efficiency of the pollution control system.

27. The lead stack test result must be under 0.04 pounds lead per hour.

28. Respondent must send all reports required by this Order to:

Attention: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

General Provisions

29. This Order does not affect Respondent's responsibility to comply with other federal, state, and local laws.

30. This Order does not restrict EPA's authority to enforce the Illinois SIP or any other section of the Act.

31. Nothing in this Order limits EPA's authority to seek appropriate relief, including penalties, under Section 113 of the Act, 42 U.S.C. § 7413, for Respondent's violation of the Illinois SIP.

32. Failure to comply with this Order may subject Respondent to penalties of up to \$37,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.

33. The terms of this Order are binding on Respondent, its assignees and successors until the Order terminates as per Paragraph 39. Respondent must give notice of this Order to any successors in interest prior to transferring ownership and must simultaneously verify to EPA, at the address in Paragraph 27, that it has given the notice.

34. For purposes of this Order and enforcement of this Order, Respondent waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review with respect to any issue of fact or law set forth in this Order.

35. Respondent may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B, for any portion of the information it submits to EPA. Information subject to a business confidentiality claim is available to the public only to the extent allowed by 40 C.F.R. Part 2, Subpart B. If Respondent fails to assert a business confidentiality claim, EPA may make all submitted information available, without further notice, to any member of the public who requests it. Emission data provided under Section 114 of the Act, 42 U.S.C. § 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. "Emission data" is defined at 40 C.F.R. § 2.301.

36. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 *et seq.*, because it seeks collection of information by an agency from specific individuals or entities as

part of an administrative action or investigation. To aid in our electronic recordkeeping efforts, please furnish an electronic copy of submittals on physical media such as compact disk, flash drive or other similar item. If it is not possible to submit the information electronically, submit the response to this Order without staples; paper clips and binder clips, however, are acceptable.

37. EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.

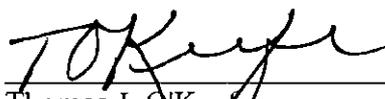
38. Respondent agrees to the terms of this Order.

39. This Order is effective on the date of signature by the Director of the Air and Radiation Division. This Order will terminate two years from the effective date, provided that Respondent has complied with all terms of the Order throughout its duration.

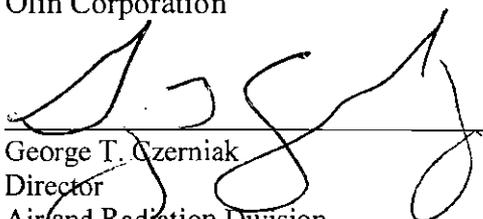
40. Compliance with the terms of this Order will resolve Respondent's liability for injunctive relief arising from the NOV/FOV identified in Paragraph 19.

9/22/14
Date

9/24/14
Date



Thomas J. O'Keefe
Vice President & President Winchester
Olin Corporation



George T. Czerniak
Director
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5

CERTIFICATE OF MAILING

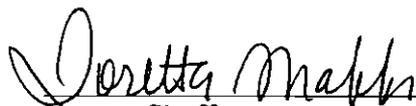
I, Loretta Shaffer, certify that I sent a final version of the Administrative Consent Order, EPA Order No. EPA-5-14-113(a)-IL-23, by certified mail, return receipt requested, to:

Thomas O'Keefe
President
Olin Corporation,
Winchester Division
C/O Amy Wachs
Husch Blackwell
190 Carondelet Plaza
Suite 600
Saint Louis, IL 63105

I also certify that I sent a copy of the Administrative Consent Order, EPA Order No. 5-14-113(a)-IL-23 by first-class mail to:

Eric Jones,
Manager, Compliance Unit
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62702

On the 26 day of September 2014.



Loretta Shaffer
Administrative Program Assistant
AECAB, IL/IN

CERTIFIED MAIL RECEIPT NUMBER:

70091680 0000 7672 9031