



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

FEB 9 2012

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dan Barr
Plant Manager
International Automotive Components Group North America, LLC
1905 Beard Street
Port Huron, Michigan 48060

Re: International Automotive Components Group North America, LLC
Port Huron, Michigan
Administrative Consent Order EPA-5-11-113(a)-MI-02

Dear Mr. Barr:

I have enclosed an Administrative Consent Order (ACO) relating to International Automotive Components Group North America, LLC (IAC) compliance with Section 112 of the Clean Air Act, 42 U.S.C. § 7412.

If you have any questions, please contact Molly DeSalle (312-353-8773) of my staff. Any legal questions should be directed to Padmavati Bending, Associate Regional Counsel, at 312-353-8917.

Sincerely,

A handwritten signature in cursive script that reads "Sara Breneman".

Sara Breneman
Chief
Air Enforcement and Compliance Assurance Section
(MI/WI)

Enclosure

cc: Christopher Ethridge, Michigan Department of Environmental Quality
Tom Hess, Michigan Department of Environmental Quality
Joseph A. Gregg, Eastman & Smith LTD

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	EPA-5-11-113(a)-MI-02
)	
International Automotive Components Group North America, LLC Port Huron, Michigan,)	Proceeding Under Sections 113(a)(1) and 114(a) (1) of the Clean Air Act 42 U.S.C. §§ 7413(a)(1) and and 7414(a)(1)
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Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency, Region 5, is issuing this Order to IAC Port Huron, LLC (IAC) 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). IAC consents to issuance of this Order without admission of any fault or liability.

Statutory and Regulatory Background

2. Sections 501 through 507 of the Act, 42 U.S.C. §§ 7661 through 7661f, establish an operating permit program for major stationary sources and other sources made subject to Section 502(a) of the Act, 42 U.S.C. § 7661a(a).

3. Section 502(a) of the Act provides that after the effective date of any permit program approved or promulgated under this subchapter, "it shall be unlawful for any person to violate any requirement of a permit issued under this subchapter. . ."

4. Pursuant to Section 502(b) of the Act, 42 U.S.C. § 7661a(b), on July 21, 1992, EPA promulgated regulations establishing the minimum elements of a permit program to be

administered by any air pollution control agency. 57 Fed. Reg. 32295 (July 21, 1992). These regulations are codified at 40 C.F.R. Part 70.

5. Section 502(d)(1) of the Act, 42 U.S.C. § 7661a(d)(1), requires that each State develop and submit for EPA's approval a permit program under State law.

6. On December 4, 2001, EPA granted Michigan full approval of its Clean Air Act Permit Program. 66 Fed. Reg. 62949 (December 4, 2001). The program became effective on November 30, 2001.

7. R 336.1201 of the Michigan State Implementation Plan (SIP) states, "a person shall not install, construct, reconstruct, relocate, or alter any process, fuel-burning, or refuse-burning equipment, or control equipment pertaining thereto, which may be a source of an air contaminant, until a permit is issued by the commission. This shall be known as a permit to install and shall cover construction, reconstruction, relocation, and alteration of equipment where such is involved." 45 Fed. Reg. 29790 (May 6, 1980).

8. R 336.1290 provides for certain exemptions from the permit to install requirements of R 336.1201.

9. R 336.1116(g), General Provisions Definitions is part of the federally enforceable SIP for Michigan. 57 Fed. Reg. 24752 (June 11, 1992).

10. Under Section 113(a)(1) of the Act, 42 U.S.C. § 7413 (a)(1), the Administrator of EPA may issue an order requiring compliance to any person to whom EPA has issued a Notice of Violation. The Administrator has delegated this authority to the Director of the Air and Radiation Division.

11. The Administrator of EPA may require any person who owns or operates an emission source to sample emissions and make reports under Section 114(a)(1) of the Act,

42 U.S.C. § 7414(a)(1). The Administrator has delegated this authority to the Director of the Air and Radiation Division.

Findings

12. IAC owns and operates a headliner manufacturing facility (top panel inside vehicles) at 1905 Beard Street, Port Huron, Michigan.

13. IAC acquired ownership of the headliner manufacturing facility in April 2007 from Lear Corporation. At the time, the facility did not have an air permit. At that time, IAC believed that the facility was exempt from the permitting requirements in accordance with R 336.1290.

14. IAC is a “person,” as that term is defined in R 336.1116(g), General Provisions Definitions.

15. IAC’s headliner manufacturing lines are “process equipment,” as that term is defined in R 336.1116(n), General Provisions Definitions.

16. The process equipment at IAC’s facility includes, but is not limited to: six UROCORE lines, three AzDel lines, multiple assembly lines, a lamination line, and a foam manufacturing line.

17. Emissions from IAC’s manufacturing process equipment are subject to R 336.1201 in the Michigan SIP.

18. IAC’s UROCORE process lines utilize adhesive #2U010, which is manufactured by Forbo Adhesives, LLC (Forbo).

19. IAC refers to the methylene bisphenyl isocyanate (MDI) containing adhesive as adhesive #2U010.

20. IAC performed stack testing at its Port Huron facility on June 22-23, 2011. That testing confirmed that MDI emissions from the facility are within permitted limits. That testing also detected toluene at concentrations of 0.017 lb/hour or 0.39 ppm from the UROCORE line. Toluene is not identified as a component of #2U010 in the Material Safety Data Sheets (MSDS) supplied to IAC by Forbo and no permit emission limit is currently established for toluene.

21. In a letter from IAC's consultant, Fishbeck, Thompson, Carr & Huber, Inc. (FTC&H), dated September 13, 2011, FTC&H states, "on August 16, 2011, IAC received a laboratory analytical result indicating that toluene was present (at 0.027%) in the methylene bisphenyl isocyanate (MDI) adhesive supplied by Forbo Adhesives, LLC."

22. As a part of the September 13, 2011 letter, FTC&H states that since the time IAC learned of the presence of toluene in the MDI adhesive "IAC has been in contact with Forbo and has determined that the toluene detected in the test results is most likely due to Forbo's practice of using toluene as a cleaning solvent for their mixing vessels between batches."

23. In an October 17, 2011 letter to EPA, FTC&H stated "Forbo has collected and analyzed a total of eight samples of batches of adhesive products, similar to the U0210 adhesive supplied to IAC, for toluene content. The results of these analyses have ranged from 16 to 521 parts per million, with the average being in the 250 ppm range."

24. Based on component testing completed by Forbo, adhesive #2U010 contains MDI and toluene.

25. On December 3, 2010, EPA issued to IAC a notice of violation (NOV) alleging that it violated the Michigan State Implementation beginning April 9, 2007. At the time of the NOV issuance, EPA alleged that IAC has been operating unpermitted process equipment at its

Port Huron, Michigan facility as required under R 336.1201 of the Michigan SIP. 45 Fed. Reg. 29790 (May 6, 1980).

26. IAC subsequently denied EPA's allegations and averred that it was operating pursuant to the exemption set out in R 336.1290 of Michigan law.

27. On January 19, 2011, representatives of IAC and EPA discussed the December 3, 2010 NOV.

28. On March 3, 2011 EPA sent IAC a Request for Information, pursuant to Section 114(a) of the Act, which IAC responded to on April 7, 2011, the date upon which it was due.

29. IAC submitted a full permit application to the Michigan Department of Environmental Quality (MDEQ) on October 18, 2010.

30. IAC was issued finalized Permit to Install #183-10 by MDEQ on March 3, 2011.

Compliance Program

31. IAC shall conduct EPA Reference Method 311 testing for toluene on eight different batches of Forbo supplied adhesive #2U010, which is used on the UROCORE headliner process lines at IAC's Port Huron facility. If, for any reason, prior to the receipt of eight batches of #2U010 by IAC, Forbo is no longer used by IAC or available as a supplier of adhesive, then IAC shall promptly inform EPA and the parties will discuss termination of this ACO.

32. IAC shall begin testing promptly upon the execution of the ACO and test eight consecutive adhesive batches received at the facility from Forbo.

33. IAC must complete all testing as soon as practicable upon the execution of the ACO.

34. IAC shall notify EPA, via email, after the execution of each test, so EPA may track the testing process.

35. IAC must send all completed testing reports required by this Order to the address listed below promptly upon receipt:

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

General Provisions

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

37. This Order does not restrict EPA's authority to enforce the Michigan SIP or any other section of the Act nor does it constitute an admission by IAC, of a violation of any statute, regulation, rule or permit term or condition.

38. Nothing in this Order limits the EPA's authority to seek appropriate relief, including penalties, under Section 113 of the Act, 42 U.S.C. § 7413, for IAC's alleged violation of the Michigan SIP nor does it restrict or impair IAC's reservations of any rights or defenses it has to any such allegations.

39. Failure to comply with this Order may subject IAC 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.

40. The terms of this Order are binding on EPA and IAC, its assignees and successors. IAC must give notice of this Order to any successors in interest prior to transferring ownership and must simultaneously verify to EPA, at the above address, that it has given the notice.

41. IAC 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 IAC 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.

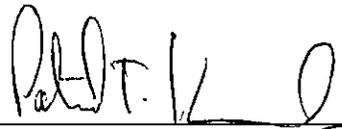
42. This order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 *et seq.*, because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation. To aid in our electronic recordkeeping efforts, please furnish an electronic copy on CD or thumb drive. If not possible, provide your response to this Order without staples; paper clips and binder clips, however, are acceptable.

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

44. IAC agrees to the terms of this Order. This Order is effective on the date of signature by the Director of the Air and Radiation Division. This Order will terminate one year from the effective date, provided that IAC has complied with all terms of the Order throughout its duration.

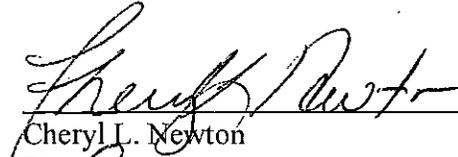
2/2/12

Date



Patrick Kresnak
Director, Environmental Health and Safety
International Automotive Components Group
North America, Inc.

Date 2/9/12


Cheryl L. Newton
Director
Air and Radiation Division