



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

JUN - 3 2014

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Michael Estadt, Plant Manager
KCBX Terminals Company
3529 East 100th Street
Chicago, Illinois 60617

Re: Notice of Violation
KCBX Terminals Company
Chicago, Illinois

Dear Mr. Estadt:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to KCBX Terminals Company (KCBX). The NOV is being issued under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you are in violation of the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*, and the Illinois State Implementation Plan, at your Chicago, Illinois facility.

EPA requested air monitors to be installed and operated by KCBX in a November 15, 2013 Section 114 Request for Information. The attached NOV is based on the air monitoring data submitted by KCBX for the monitoring period from February 18, 2014 through May 10, 2014, and dust wipe sampling taken from homes in the neighborhood adjacent to KCBX. EPA is issuing this NOV in coordination with IEPA and other Agencies that are working to regulate the petroleum coke piles at KCBX. EPA is confident that a coordinated enforcement effort will assist in the swift resolution of these matters.

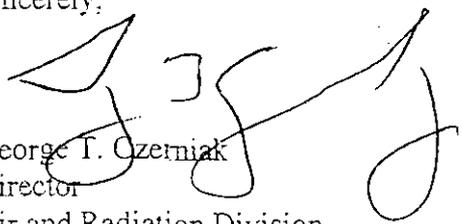
Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV. The conference will give you the opportunity to present information on the specific findings of violation, the efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The technical contact in this matter is Bonnie Bush. You may call her at (312) 353-6684 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely,


George T. Czerniak
Director
Air and Radiation Division

Enclosure

cc: Eric Jones, Manager
Compliance Unit
Bureau of Air
Illinois Environmental Protection Agency

**United States Environmental Protection Agency
Region 5**

IN THE MATTER OF:)	NOTICE OF VIOLATION
)	
KCBX Terminals Company)	EPA-5-14-IL-13
Chicago, Illinois)	
)	
)	
Proceedings Pursuant to Section 113(a)(1))	
of the Clean Air Act,)	
42 U.S.C. § 7413(a)(1))	

NOTICE OF VIOLATION

The U. S. Environmental Protection Agency (EPA) is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1). EPA finds that KCBX Terminals Company (KCBX) in Chicago, Illinois, is in violation of the CAA, 42 U.S.C. §§ 7401 *et seq.*, and the Illinois State Implementation Plan (SIP) as specified below.

Statutory and Regulatory Authority

1. The CAA, 42 U.S.C §§ 7401, *et seq.*, and the regulations promulgated thereunder, establish a statutory and regulatory scheme designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population.

National Ambient Air Quality Standards

2. Pursuant to Sections 108 and 109 of the CAA, 42 U.S.C. §§ 7408 and 7409, EPA reaffirmed the National Ambient Air Quality Standards (NAAQS) for particulate matter equal to or less than 10 microns in diameter (PM₁₀) on October 17, 2006. 71 Fed. Reg. 61224 (2006). The revised national primary and secondary ambient air quality standard for PM₁₀ is 150 micrograms per cubic meter (µg/m³), 24-hour average concentration. The standard is attained when the expected number of days per calendar year with a 24-hour average concentration above 150 µg/m³, as determined in accordance with Appendix K to 40 C.F.R. Part 50, is equal to or less than one. *See* 40 C.F.R. § 50.6.

3. Appendix K to Part 50 explains the computations necessary for analyzing particulate matter data to determine attainment of the 24-hour standards specified in 40 C.F.R. § 50.6.

Illinois SIP

4. On May 31, 1972, EPA approved Illinois Pollution Control Board (IPCB) Rules 101 and 102 as part of the federally enforceable SIP for the State of Illinois. 37 Fed. Reg. 10842. IPCB Rule 101 has been recodified at 35 Illinois Administrative Code (Ill. Admin. Code) § 201.102. IPCB Rule 102 has been recodified at 35 Ill. Admin. Code § 201.141.
5. The Illinois SIP at 35 Ill. Admin. Code § 201.141 provides, in pertinent part, that no person shall cause or threaten or allow the discharge or emission of any contaminant into the environment in any State so as, either alone or in combination with contaminants from other sources, to cause or tend to cause air pollution in Illinois or so as to prevent the attainment or maintenance of any applicable ambient air quality standard.
6. The Illinois SIP at 35 Ill. Admin. Code § 201.102 defines “Ambient Air Quality Standard” as those standards promulgated from time to time by the IPCB pursuant to authority contained in the Illinois Environmental Protection Act and found at 35 Ill. Adm. Code 243, or by the U.S. Environmental Protection Agency pursuant to authority contained in 42 U.S.C. 7401 *et seq.* as amended from time to time.
7. The Illinois SIP at 35 Ill. Admin. Code § 201.102 defines “Air Pollution” as the presence in the atmosphere of one or more air contaminants in sufficient quantities and of such characteristics and duration as to be injurious to human, plant, or animal life, to health, or to property, or to unreasonably interfere with the enjoyment of life or property.
8. The Illinois SIP incorporated the 24-hour NAAQS for PM₁₀ as 150 µg/m³, 24-hour average concentration. The primary and secondary NAAQS for PM₁₀ are attained when the expected number of days per calendar year with a 24-hour average concentration above 150 µg/m³ is equal to or less than one. 35 Ill. Admin. Code § 243.120.
9. The Illinois SIP defines “PM₁₀” as particulate matter that has an aerodynamic diameter less than or equal to a nominal 10 micrometers (µm). 35 Ill. Admin. Code § 243.102.
10. The Illinois SIP incorporates by reference Appendix K to 40 C.F.R. Part 50 (2013) (Interpretation of the Primary and Secondary National Ambient Air Quality Standards for Particulate Matter), referenced in 35 Ill. Admin. Code § 243.120.

Factual Background

11. KCBX owns and operates two bulk storage facilities (the Facilities) located at 3259 East 100th Street (the North Plant) and 10740 South Burley Avenue (the South Plant) in Chicago, Illinois. The Facilities unload, store, and load coal and petroleum coke, among other things.
12. To control air pollution emissions, the Facilities employ automated water cannon systems, truck wheel washing stations, a baghouse for rail car unloading, a surfactant and

encrusting product on storage piles, some covered conveyors, spray bars on conveyors and transfer points, water trucks on facility roads, and a street sweeper on neighborhood streets.

13. To evaluate the air impact of fugitive particulate matter from the Facilities, on November 15, 2013, EPA issued a Section 114 Request for Information requiring KCBX to install ambient continuous and filter-based PM₁₀ monitors and meteorological stations at the Facilities.

14. The request specified, among other things, that KCBX shall install, operate, and maintain three "ambient monitoring sites" at the North Plant and three "ambient monitoring sites" at the South Plant. In response to the request, on December 16, 2013, KCBX submitted, among other things, a document entitled "Particulate Matter Less Than Ten Microns Air Quality Monitoring Siting Study Report" which provided a monitor siting plan and states the objective of the Plan is to demonstrate that operations at both terminals are meeting the PM₁₀ NAAQS. KCBX certified the December 16, 2013 response to the Request.

15. In accordance with the request, on December 16, 2013, KCBX submitted proposed monitoring sites to EPA, which EPA approved on December 24, 2013.

16. On February 18, 2014, KCBX began operating all the PM₁₀ monitors and the meteorological stations at the Facilities.

17. On March 13, 2014, KCBX submitted a Quality Assurance Project Plan in response to the Request which states on the cover page: "This document details a quality assurance plan to guide the successful implementation of Ambient Air Monitoring by URS Corporation at the KCBX Terminals Company North and South Terminals in Chicago, IL."

18. KCBX submitted monitoring data to EPA for February 18, 2014, through May 10, 2014, which shows that on April 12, 2014, the northeast PM₁₀ continuous monitor at the North Plant recorded a 24 hour average of 155 µg/m³, and on May 8, 2014, the northeast PM₁₀ continuous monitor at the North Plant and the northeast PM₁₀ continuous monitor at the South Plant each recorded a 24 hour average of 156 µg/m³.

19. The data from the meteorological station at the North Plant shows that the wind on April 12, 2014 was from the south to south southwest at an average 5.5 mph and on May 8, 2014 was from the south southwest at an average 5.6 mph, blowing across the South Plant and the North Plant toward the North Plant northeast monitor, which recorded the two values exceeding 150 µg/m³. The data from the meteorological station at the South Plant shows that the wind on May 8, 2014 was from the south southwest at an average 6 mph, blowing across the South Plant toward the South Plant northeast monitor.

20. On April 17, 2014, EPA staff conducted a first round of wipe sampling from homes and public spaces in the residential neighborhoods adjacent to the North and South Plants. The wipes were given to the EPA Regional Laboratory for analysis for metals and polycyclic aromatic hydrocarbons.

21. On April 23, 2014, KCBX presented information to EPA about the ratio of vanadium to nickel (V:N) in the soil in the Chicago area and in petroleum coke. Specifically, KCBX informed EPA that the V:N in background soil is about 1 and in petroleum coke ranges from 4 to 12.

22. On May 20, 2014, EPA received results from the preliminary wipe sampling conducted on April 17, 2014. The wipe samples from five of the eleven locations sampled showed the presence of both vanadium and nickel, with V:N in excess of 1 in several instances.

23. The V:N at the sampling locations was highest at the location closest to KCBX and decreased as distance of the sampling location from KCBX increased.

Violations

24. KCBX caused the emission of PM₁₀ into the air, so as, either alone or in combination with contaminants from other sources, to cause or tend to cause, air pollution in Illinois and/or to prevent the maintenance of the revised NAAQS for PM₁₀ in violation of the Illinois SIP at 35 Ill. Admin. Code § 201.141.

Environmental Impact of Violations

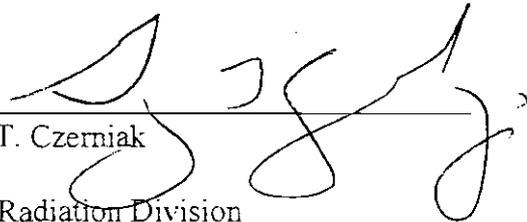
25. Excess emissions of particulate matter contain microscopic solids or liquid droplets, which may get deep into the lungs and cause serious health problems. Particulate matter exposure contributes to:

- irritation of the airways, coughing, and difficulty breathing;
- decreased lung function;
- aggravated asthma;
- chronic bronchitis;
- irregular heartbeat;
- nonfatal heart attacks; and
- premature death in people with heart or lung disease.

Date

6/3/14

George T. Czerniak
Director
Air and Radiation Division



CERTIFICATE OF MAILING

I, Loretta Shaffer, do hereby certify that a Notice of Violation of the Clean Air Act was sent by Certified Mail, Return Receipt Requested, to:

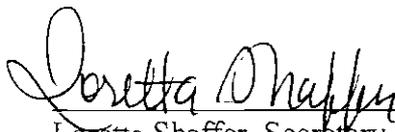
Michael Estadt, Plant Manager
KCBX Terminals Company
3529 East 100th Street
Chicago, Illinois 60617

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

Eric Jones, Manager
Compliance Unit
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62794-9276

Adam Kushner, Esq.
Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004

on the 3 day of JUNE, 2014.



Loretta Shaffer, Secretary
AECAB, Planning and Administration Section

CERTIFIED MAIL RECEIPT NUMBER: 70091680 0000 7676 3448