



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

**FEB 14 2011**

REPLY TO THE ATTENTION OF:

AE-17J

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Greg Hutchison  
Plant Manager Milan Plant  
Automotive Components Holdings, LLC  
800 County Street  
Milan, Michigan 48160

Re: Notice of Violation/Finding of Violation

Dear Mr. Hutchison:

This is to advise you that the U.S. Environmental Protection Agency has determined that the Automotive Components Holdings, LLC's facility at 800 County Street, Milan, Michigan (ACH or facility) is in violation of the Clean Air Act (CAA) and associated state requirements. We are today issuing to you a Notice of Violation and Finding of Violation (NOV/FOV) for these violations.

ACH disclosed some of the violations described in the NOV/FOV in letters to EPA dated March 10, May 17, August 3 and October 6, 2010. Under separate cover, EPA is sending you a Notice of Determination regarding penalties that have been reduced or eliminated due to ACH's self-disclosure. The violations at issue in the enclosed NOV/FOV are not covered under the terms of EPA's self-disclosure policy, entitled *Incentives for Self-Policing, Discovery, Disclosure, Correction, and Prevention of Violations* (65 Fed. Reg. 19618) (April 11, 2000).

The facility's Renewable Operating Permit (ROP) Number MI-ROP-B6113-2009, issued and effective on September 8, 2009, has a Stratospheric Ozone Protection Compliance Section. At its Milan facility, ACH services, maintains, or repairs appliances other than MVACs. Accordingly, under the terms of ROP MI-ROP-B6113-2009, ACH is required to comply with any applicable standards for recycling and emissions reduction contained in Subpart F of 40 C.F.R. Part 82, including the standards of 40 C.F.R. § 82.156.

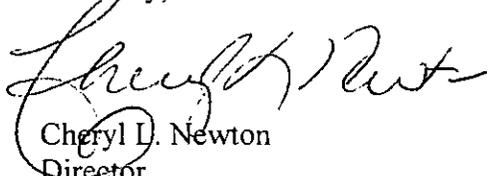
Section 113 of the CAA gives us several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action and bringing a judicial criminal action.

We are offering you the opportunity to request a conference with us about the violations alleged in the NOV/FOV. A conference should be requested within 10 days following receipt of

this notice. A conference should be held within 30 days following receipt of this notice. This conference will provide you a chance to present information on the identified violations, any 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 take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contact in this matter is Molly DeSalle. You may call her at (312) 353-8773 if you wish to request a conference. EPA hopes that this NOV/FOV will encourage ACH's compliance with the requirements of the CAA.

Sincerely,



Cheryl D. Newton  
Director

Air and Radiation Division

cc: Scott Miller, Michigan Department of Natural Resources and Environment  
Tom Hess, Michigan Department of Natural Resources and Environment

Enclosure

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

<b>IN THE MATTER OF:</b>	)	
	)	
Automotive Components Holdings, LLC	)	<b>NOTICE OF VIOLATION and</b>
800 County Street	)	<b>FINDING OF VIOLATION</b>
Milan, Michigan 48160	)	
	)	
	)	<b>EPA-5-11-MI-03</b>
Proceedings Pursuant to	)	
the Clean Air Act	)	
42 U.S.C. §§ 7401 <i>et seq.</i>	)	

**NOTICE AND FINDING OF VIOLATION**

Automotive Components Holdings, LLC (you or ACH) owns and operates at least seven pieces of refrigeration equipment at 800 County Street, Milan, Michigan (facility). Out of the seven units, two, identified as Chiller #5 and Dryer #1, show evidence of being in violation of the Clean Air Act (the Act or CAA).

The U.S. Environmental Protection Agency is sending this Notice of Violation and Finding of Violation (NOV/FOV) to notify you that we have evidence that ACH failed to repair leaking refrigeration equipment; failed to perform initial verification tests and follow-up verification tests; and failed to create and maintain records at your facility as specified in your Title V Permit (Renewable Operating Permit) No. MI-ROP-B6113-2009 and Part 82, Subpart F, of the Code of Federal Regulations (Part 82, Subpart F). These constitute violations of the Act. EPA also has evidence that ACH's required compliance certification contained inaccurate and incomplete information.

Section 113 of the Act provides you with the opportunity to request a conference with us to discuss the violations alleged in the NOV/FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for the facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

**Statutory and Regulatory Authority**

- 1) 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).

- 2) Section 502(a) of the Act, 42 U.S.C. § 7661a(a), 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. . . .”
- 3) 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.
- 4) 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.
- 5) Section 504(a) of the Act, 42 U.S.C. § 7661c(a), requires each operating permit (generally referred to as Title V permits) to contain all applicable emission limitations and standards of the Act for each major source.
- 6) 40 C.F.R. § 70.2 defines “major source,” in part, as any stationary source belonging to a single major industrial grouping and that directly emits or has the potential to emit greater than 100 tons per year (tpy) of any criteria air pollutant, 10 tpy of a single hazardous air pollutant, or 25 tpy of all hazardous air pollutants combined.
- 7) 40 C.F.R. § 70.3 provides that the requirements of Part 70 apply to any major source located in a State that has received whole or partial approval of its Title V program.
- 8) On December 4, 2001, EPA granted Michigan full approval of its Title V CAA Permit Program. *66 Fed. Reg.* 62949 (December 4, 2001). The program became effective on November 30, 2001.
- 9) 40 C.F.R. § 70.6(a)(1) requires the Title V permit to be issued with emission limitations and standards that assure compliance with all applicable requirements.
- 10) 40 C.F.R. § 70.6(b)(1) states that Title V permits are federally enforceable and “all terms and conditions in a part 70 permit, including any provisions designed to limit a source’s potential to emit, are enforceable by the Administrator and citizens under the Act.”
- 11) On September 8, 2009, the Michigan Department of Natural Resources and Environment issued Renewable Operating Permit (ROP) No. MI-ROP-B6113-2009 to ACH.
- 12) ROP No. MI-ROP-B6113-2009 requirement # 36 states, “If the permittee is subject to Title 40 of the CFR, Part 82 and services, maintains, or repairs appliances except for motor vehicle air conditioners (MVAC), or disposes of appliances containing refrigerant, including MVAC and small appliances, or if the permittee is a refrigerant reclaiming, appliance owner or a manufacturer of appliances or recycling and recovery equipment, the permittee shall comply with all applicable standards for recycling and emissions reduction pursuant to 40 CFR, Part 82, Subpart F.”

- 13) ROP No. MI-ROP-B6113-2009 requirement #19 states, “A responsible official shall certify to the appropriate [Air Quality Division (AQD)] District Office and to the EPA that the stationary source is and has been in compliance with all terms and conditions contained in the ROP except for deviations that have been or are being reported to the appropriate AQD District Office pursuant to Rule 213(3)(c). This certification shall include all the information specified in Rule 213(4)(c)(i) through (v) and shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the certification are true, accurate, and complete.”
- 14) EPA created a policy dated May 11, 2000 titled *Incentives for Self-Policing: Discovery, Disclosure, Correction, and Prevention of Violations* (referred to as the “Audit Policy”) that gave authority to enforcement programs to reduce or eliminate civil gravity-based penalties for facilities that voluntarily disclose violations of environmental laws and meet other specified criteria. 65 *Fed. Reg.* 19618 (April 11, 2000).
- 15) *Audit Policy: Frequently Asked Questions*, released in April 2007 from the Office of Civil Enforcement, Office of Enforcement and Compliance Assurance, EPA, Washington, D.C., states that CAA violations discovered during activities supporting Title V certification requirements are not eligible for penalty mitigation under the Policy.
- 16) Under Section 608(a) of the Act, 42 U.S.C. § 7671g(a), the Administrator of EPA promulgated regulations establishing standards and requirements regarding the use of class I and class II substances during the service, repair, or disposal of appliances and industrial process refrigeration at 40 C.F.R. Part 82, Subpart F.
- 17) Part 82, Subpart F applies to any person servicing, maintaining, repairing, or owning “appliances,” as that term is defined at 40 C.F.R. § 82.152.
- 18) Part 82, Subpart F, at 40 C.F.R. § 82.152, defines “industrial process refrigeration” as complex customized appliances used in the chemical, pharmaceutical, petrochemical and manufacturing industries. These appliances are directly linked to the industrial process.
- 19) Part 82, Subpart F, at 40 C.F.R. § 82.156(i)(2), requires that an owner or operator of industrial process refrigeration equipment normally containing more than 50 pounds of refrigerant must have leaks repaired if the appliance is leaking at a rate such that the loss of refrigerant will exceed 35 percent of the total charge during a 12- month period. Repairs must bring annual leak rates below 35 percent during a 12-month period.
- 20) Part 82, Subpart F, at 40 C.F.R. § 82.156(i)(9), requires that an owner or operator of industrial process refrigeration equipment must repair leaks pursuant to Section 82.156(i)(2) within 30 days after discovery of the leak.
- 21) Part 82, Subpart F, at 40 C.F.R. § 82.156(i)(3), requires that an owner or operator of leaking industrial process refrigeration equipment conduct an initial verification test at the conclusion of the repairs and a follow-up verification test within 30 days of the initial verification test.

- 22) Part 82, Subpart F, at 40 C.F.R. § 82.156(i)(6), requires that an owner or operator of leaking industrial process refrigeration equipment develop a one-year retrofit and retirement plan within 30 days of a failed follow-up verification test.
- 23) Part 82, Subpart F, at 40 C.F.R. § 82.156(i)(3)(iii), requires that an owner or operator of leaking industrial process refrigeration equipment that fails a follow-up verification test must notify EPA within 30 days of the failed follow-up verification test.

### **Finding of Fact**

- 24) ACH owns and operates a manufacturing facility for motor vehicle parts and accessories located at 800 County Street, Milan, Michigan.
- 25) ACH is a "person," as that term is defined at Section 302(e) of the Act, 42 U.S.C. §7602(e).
- 26) The facility owns and operates at least four pieces of industrial process refrigeration equipment, identified as Chiller #1, Chiller #5, Dryer #1, and Dryer #2, and two pieces of comfort cooling refrigeration equipment, identified as Mezzanine Chiller #2 and Mezzanine Chiller #3 with a normal charge greater than 50 pounds.
- 27) Pursuant to ROP No. MI-ROP-B6113-2009, ACH submitted an annual certification report signed and dated March 15, 2010.
- 28) Through letters dated March 10, May 17, August 3 and October 6, 2010, ACH self-disclosed violations of Part 82, Subpart F under the Audit Policy.
- 29) During the period covered in ACH's self-disclosure letters, the six pieces of refrigeration equipment referenced above used the class II refrigerant HCFC-22, or R-22.
- 30) Chiller #5 and Dryer #1 experienced leaks that resulted in an annual leak rate of each piece of equipment exceeding 35 percent, as shown in Table A below.
- 31) ACH failed to perform initial and follow-up verification tests to verify that the repairs performed on Chiller #5 and Dryer #1 had brought the leak rate of each piece of equipment below 35 percent, as shown in Table A below.
- 32) ACH did not develop retrofit or retirement plans for Chiller #5 and Dryer #1 when repairs performed were unable to bring the leak rate below 35 percent.
- 33) ACH did not retrofit or retire Dryer #1 when repairs performed were unable to bring the leak rate below 35 percent.
- 34) ACH did not notify EPA after repairs on Chiller #5 and Dryer #1 failed to bring the leak rates below 35 percent within 30 days of the failed follow-up verification test.

Table A

Unit	Service Date	Violations		
		Leak Rate (a)	Verification (b)	Record Keeping (c)
Chiller #5	1/27/2010	x	x	x
Dryer #1	10/16/2009	x	x	x
Dryer #1	11/18/2009			x
Dryer #1	12/9/2009	x		x
Dryer #1	12/16/2009	x		x
Dryer #1	1/11/2010	x	x	x
Dryer #1	2/13/2010	x		x

- a) 40 C.F.R. § 82.156, failure to repair equipment that is leaking refrigerant at a rate that exceeds 35% (or 15% in the case of comfort cooling equipment) of the total charges during a 12-month period within 30 days, or to develop a one-year retrofit or retirement plan for the leaking appliance within 30 days;
- b) 40 C.F.R. § 82.156, failure to perform an initial verification test and follow up verification test after making a repair; and
- c) 40 C.F.R. § 82.156, failure to create and maintain records.

**Violations**

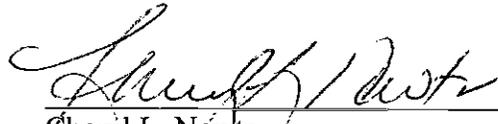
- 35) ACH's March 15, 2010 and July 22, 2010 ROP certification reports were inaccurate and incomplete because each failed to include the Part 82, Subpart F violations ACH self-disclosed in its March 10, May 17, August 3 and October 6, 2010 letters, in violation of ROP No. MI-ROP-B6113-2009.
- 36) ACH failed to repair Chiller #5 and Dryer #1 such that the annual leak rate of each was reduced below 35 percent, in violation of 40 C.F.R. § 82.156(i)(2).
- 37) ACH failed to conduct initial verification tests at the conclusion of the repair efforts on Chiller #5 and Dryer #1, in violation of 40 C.F.R. § 82.156(i)(3).
- 38) ACH failed to conduct follow-up verification tests on Chiller #5 and Dryer #1, in violation of 40 C.F.R. § 82.156(i)(3).

- 39) ACH failed to develop one-year retrofit or retirement plans for Chiller #5 and Dryer #1, in violation of 40 C.F.R. § 82.156(i)(6).
- 40) ACH failed to retrofit or retire Dryer #1, in violation of 40 C.F.R. § 82.156(i)(3)(ii).
- 41) ACH failed to notify EPA of failed follow-up verification tests on Chiller #5 and Dryer #1, in violation of 40 C.F.R. § 82.156(i)(3)(iii).

**Environmental Impact of Violations**

- 42) Violations of the standards for ozone-depleting substances lead to an increase in the depletion of stratospheric ozone (the "ozone layer"). The ozone layer protects humans as well as many plants and animals by filtering harmful ultraviolet radiation from the sun.

2/14/11  
Date

  
Cheryl L. Newton  
Director  
Air and Radiation Division

**CERTIFICATE OF MAILING**

I, Betty Williams, certify that I sent a Notice and Finding of Violation,

No. EPA-5-11-MI-03, by Certified Mail, Return Receipt Requested, to:

Greg Hutchison  
Plant Manager Milan Plant  
Automotive Components Holdings, LLC  
800 County Street  
Milan, Michigan 48160

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

Scott Miller  
Michigan Department of Natural Resources and Environment  
Jackson District Office  
301 East Louis B Glick Highway  
Jackson, Michigan 49201

Tom Hess  
Michigan Department of Environmental Quality  
Air Quality Division  
P.O. Box 30260  
Lansing, Michigan 48909

On the 14<sup>th</sup> day of February 2011.

  
Betty Williams  
Administrative Program Assistant  
Planning and Administration Section

CERTIFIED MAIL RECEIPT NUMBER: 70010320 0005 8915 9310