



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

MAY 07 2008

REPLY TO THE ATTENTION OF:

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Premix, Inc.
Route 20 & Harmon Rd.
P.O. Box 281
North Kingsville, Ohio 44068-0281
Attn: Walt McSherry, Environmental Manager

Re: Finding and Notice of Violation at Premix, Inc., North Kingsville, Ohio

Dear Mr. McSherry:

This is to advise you that the United States Environmental Protection Agency (U.S. EPA) has determined that Premix, Inc. (Premix) at Route 20 & Harmon Rd., North Kingsville, Ohio (facility) is in violation of the Clean Air Act (CAA) and associated State pollution control requirements. A list of the requirements violated is provided below. We are today issuing to you a Finding of Violation and Notice of Violation (FOV/NOV) for these violations.

The CAA requires the development of Primary and Secondary National Ambient Air Quality Standards to protect public health and welfare. To attain and maintain these standards, each State is required to develop an implementation plan. Ohio's State Implementation Plan (Ohio SIP) includes the requirement to limit the discharge of any photochemically reactive organic compound to less than 40 pounds per day and 8 pounds per hour, unless said discharge has been reduced by at least 85 percent. The purpose of the photochemically reactive organic compound limits is to help protect the public from unhealthy exposures to ground-level ozone. Ground-level ozone is formed by the reaction of photochemically reactive organic compounds with nitrogen oxides in the presence of sunlight. Ground-level ozone contributes to respiratory problems such as increased susceptibility to respiratory infection, pulmonary inflammation, painful deep breathing, aggravated asthma, and reduced lung capacity.

Based upon emission testing of the sheet molding compound ("SMC") machine (P030) conducted by Premix in December of 2007, U.S. EPA finds that Premix's facility violated the above-listed Ohio SIP requirement as incorporated into Premix's Title V Permit. Since the CAA rules and regulations listed above are listed as applicable requirements in Premix's Title V permit, violations of these emission limits also constitute violations of Premix's Title V Permit.

EPA also finds that Premix's facility has also violated provisions of its Title V permit which require that emissions of organic compounds from the SMC machine P030 are subject to an emission limitation of 60 lb/day, including emissions from cleanup materials.

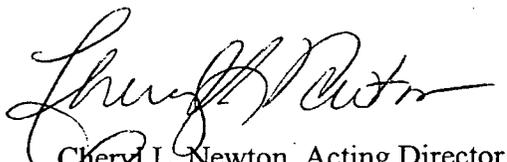
Finally, EPA finds that Premix's facility has violated provisions of its Title V permit which require that Premix collect and record the actual number of hours that the SMC Machine P030 and another machine -- SMC Machine P031 -- were operating.

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 and 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 contacts in this matter are Sheila Desai, Environmental Engineer, and Michael Berman, Associate Regional Counsel. You may call them at (312) 353-4150 and (312) 886-6837, respectively, if you wish to request a conference. EPA hopes that this FOV/NOV will encourage Premix's compliance with the requirements of the Clean Air Act.

Sincerely yours,



Cheryl L. Newton, Acting Director
Air and Radiation Division

Enclosure

cc: Robert Hodanbosi, Chief
Division of Air Pollution Control, Ohio Environmental Agency

Dennis Bush, APC Supervisor
Northeast District Office, Ohio Environmental Protection Agency

Michael S. McCauley, Quarles & Brady, LLP

**United States Environmental Protection Agency
Region 5**

IN THE MATTER OF:)	
)	
Premix, Inc.)	FINDING OF VIOLATION and
North Kingsville, Ohio)	NOTICE OF VIOLATION
)	
Proceedings Pursuant to)	EPA-5-08-OH-13
the Clean Air Act,)	
42 U.S.C. §§ 7401 et seq.)	
)	

FINDING AND NOTICE OF VIOLATION

Premix, Inc. ("you" or "Premix") owns and operates a fiberglass reinforced composite plastic manufacturing plant at Route 20 & Harmon Rd., North Kingsville, Ohio ("North Kingsville Plant").

U.S. Environmental Protection Agency is sending this Finding of Violation and Notice of Violation ("FOV/NOV or Notice") to you for violations of the Clean Air Act (the "Act" or "CAA"), the Ohio State Implementation Plan ("SIP"), and specific provisions of the operating permit issued to Premix on June 6, 2001 under Title V of the CAA.

Section 113 of the Act provides you with the opportunity to request a conference with us to discuss the violations alleged in the FOV/NOV. 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. If you elect to schedule a conference to discuss this FOV/NOV, 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.

Explanation of Violations

1. The following provisions of the CAA, its implementing regulations and the Ohio SIP are relevant to this FOV/NOV:

The "8/40 Rule" under Ohio SIP

- a. EPA approved the Ohio Environmental Protection Agency's (Ohio EPA) rules for carbon monoxide, photochemically reactive materials, hydrocarbons, and related materials at OAC 3745-21 as the federally enforceable Ohio SIP for Volatile Organic Compounds (VOCs) and Carbon Monoxide on October 31, 1980 (45 Fed. Reg. 72122).
- b. Among the rules approved in this action was OAC 3745-21-07(G)(2), which

prohibits the discharge of any photochemically reactive organic compound in excess of 40 pounds per day and 8 pounds per hour, unless said discharge has been reduced by at least 85 percent (“8/40 rule”).

- c. Under Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1), the EPA may initiate an enforcement action whenever the Administrator of EPA finds that any person has violated or is in violation of a requirement or prohibition of an applicable SIP.

The Best Available Technology Requirement under Premix’s Permit to Install

- d. EPA approved Ohio EPA’s permit to install (PTI) rules, OAC 3745-31, as part of the federally enforceable Ohio SIP on October 31, 1980 (45 Fed. Reg. 72119).
- e. Among the rules approved in this action was OAC 3745-31-05(A)(3), which provides that the director of the Ohio EPA shall issue a permit to install (PTI) if he determines, among other things, that the air contaminant source will employ Best Available Technology (BAT).
- f. BAT is defined by OAC 3745-31-01 to mean “any combination of work practices, raw material specifications, throughput limitations, source design characteristics, an evaluation of the annualized cost per ton of air pollutant removed, and air pollution control devices that have been previously demonstrated to the director of the Ohio EPA to operate satisfactorily in Ohio or other states with similar air quality on substantially similar air pollution sources.”
- g. In accordance with OAC 3745-31-05(A)(3), the director of the Ohio EPA issued PTI 02-11793 to Premix on May 26, 1999 (“Premix PTI”), which authorized Premix to install certain air contaminant sources at its plant in North Kingsfield, Ohio. One such source is a sheet mold compound (SMC) machine known as “Chain SMC Machine (Ohio EPA Source Number P030),” hereinafter referenced as the “Chain SMC Machine”.
- h. The Premix PTI lists multiple emission limits with respect to the Chain SMC Machine. Specifically, the Premix PTI prohibits Premix from emitting organic compounds from the Chain SMC machine in violation of the 8/40 rule required under OAC 3745-21-07(G)(2), as described in paragraph 1b above. Further, it prohibits Premix from emitting organic compounds in excess of 60 pounds per day and 10.95 tons per year from the combined production and cleanup operations of the Chain SMC Machine (“BAT Rule”).
- i. Under Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1), U.S. EPA may initiate an enforcement action whenever the Administrator of U.S. EPA finds that any person has violated or is in violation of a requirement or prohibition of an applicable permit issued under a SIP, such as the Premix PTI.

Emission Limits under Premix's Title V Operating Permit

- j. Under Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b), it is unlawful for any person to violate any requirement of a permit issued under Subchapter V of the CAA, 42 U.S.C. §§ 7661 – 7661f (“Title V”), after the effective date of any permit program approved under Title V.
- k. EPA fully approved the Ohio Title V program, effective October 1, 1995. 60 Fed. Reg. 42045 (August 15, 1995). Ohio’s Title V permit requirements are codified at OAC 3745-77.
- l. EPA issued Premix’s North Kingsville plant a Title V operating permit on June 6, 2001. One emission source regulated by the Title V permit is the Chain SMC Machine.
- m. Premix’s Title V Permit lists the same emission limits with respect to the Chain SMC Machine that are listed within the Premix PTI. Specifically, the Title V permit prohibits Premix from emitting organic compounds from the Chain SMC machine in violation of the 8/40 rule required under OAC 3745-21-07(G)(2), as described in paragraph 1b above. Further, it prohibits Premix from emitting organic compounds in violation of the BAT Rule required under the Premix PTI, as described in paragraph 1h.
- n. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), authorizes the Administrator to initiate an enforcement action whenever, among other things, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of Title V of the CAA, or any rule or permit promulgated, issued or approved under Title V of the CAA.

Factual Background

A. Violation of Emission Limits

- 2. Premix uses the Chain SMC Machine to manufacture sheets of fiberglass that Premix molds into parts for a broad range of industries. The Chain SMC Machine creates the fiberglass sheets from a raw material, known as “compound paste,” which is a mix of polyester resin and other materials.
- 3. Polyester resin contains styrene, which is a photochemically reactive organic compound. A portion of this styrene evaporates during the operation of the Chain SMC Machine and is emitted into the ambient air. Emissions of styrene from the Chain SMC Machine are subject to the emission limits set forth above in paragraph 1.
- 4. On October 17, 2006, EPA issued a request under Section 114(a) of the CAA, 42 U.S.C. § 7414(a), requiring Premix to test the Chain SMC Machine to determine the amount of

styrene emitted into the air. EPA directed Premix to conduct this in accordance with EPA methods 204 and either 204D or 204E in 40 C.F.R. Part 51, Appendix M. Further, EPA directed Premix to conduct this test by February 15, 2007 and report the results to EPA within 30 days after the emission test was completed.

5. On December 11 to 13, 2007 – 299 days after it was required to complete emission testing – Premix conducted an emissions test on the Chain SMC Machine using EPA Reference Test Methods 1, 2, 18 and 25A at 40 C.F.R. Part 60 Appendix A and Test Methods 204 and 204D at 40 C.F.R. Part 51 Appendix M.
6. By letter dated January 7, 2008, Premix reported to EPA that the emission testing demonstrated, among other things, a monomer weight styrene emission factor of 0.314% with respect to the Chain SMC Machine. This emission factor is the ratio between the amount of styrene emissions generated by the Chain SMC Machine and the amount of styrene in the compound paste processed by the Chain SMC Machine.
7. The daily Styrene emissions from the Chain SMC Machine are calculated by multiplying the daily styrene throughput for the Chain SMC Machine (i.e., the total pounds of styrene used in the operation of the Chain SMC Machine on a daily basis) by the styrene emission factor of 0.314%.
8. In response to an information request under Section 114 of the CAA, Premix submitted its daily production information from August 1, 2003 through September 28, 2006, showing the total pounds of compound paste used by the Chain SMC Machine on a daily basis. Based upon this data and the styrene emission factor reported by Premix, EPA has determined that Premix routinely emitted styrene from the Chain SMC Machine in violation of the CAA between August 1, 2003 and September 28, 2006. Specifically, EPA determined that frequently during this period:
 - a. Premix emitted more than 40 pounds per day of styrene in violation of the 8/40 rule under OAC 3745-21-07(G)(2), the Premix PTI and Premix's Title V Permit.
 - b. Premix emitted more than 60 pounds per day of styrene in violation of the BAT rule in the Premix PTI and Premix's Title V Permit.

B. Violation of Reporting Requirements

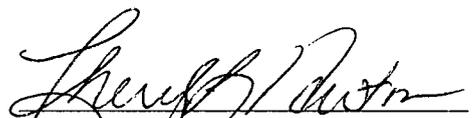
9. Part III, Emission Units, Chain Machine (P030), Section A.III.1.g. of Premix's Title V permit states that Premix must collect and record the actual number of hours that the emissions unit was operating.
10. Based on Premix's response to the October 17, 2006 CAA Section 114 information request, Premix did not collect and record the actual number of hours that emissions unit

10. Based on Premix's response to the October 17, 2006 CAA Section 114 information request, Premix did not collect and record the actual number of hours that emissions unit P030 was operating; therefore, U.S. EPA has determined that Premix has violated Part III, Emission Unit P030, Section A.III.1.g. of Premix's Title V permit.
11. Premix operates a second SMC machine at the North Kingsville Plant. The SMC machine is designated as emission unit, Premi SMC Machine (P031), in Premix's Title V permit.
12. Part III, Emission Units, Premi SMC machine (P031), Section A.III.1.g. of Premix's Title V permit states that Premix must collect and record the actual number of hours that the emissions unit was operating.
13. Based on Premix's response to the October 17, 2006 CAA Section 114 information request, Premix did not collect and record the actual number of hours that emissions unit P031 was operating; therefore, U.S. EPA has determined that Premix has violated Part III, Emission Unit P031, Section A.III.1.g. of Premix's Title V permit.

Environmental Impact of Violations

14. Violation of the SIP Standards increases public exposure to unhealthy levels of air pollutants including ground-level ozone which contributes to respiratory problems such as increased susceptibility to respiratory infection, pulmonary inflammation, painful deep breathing, aggravated asthma, and reduced lung capacity.

5/7/08
Date


Cheryl L. Newton, Acting Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-08-OH-13, by Certified Mail, Return Receipt Requested, to:

Walt McSherry, Environmental Manager
Premix, Inc.
Route 20 & Harmon Rd.
P.O. Box 281
North Kingsville, Ohio 44068-0281

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

Robert Hodanbosi, Chief
Division of Air Pollution Control
Ohio Environmental Protection Agency
Lazarus Government Center
P.O. 1049
Columbus, Ohio 43216-1049

Dennis Bush, APC Supervisor
Northeast District Office
Ohio Environmental Protection Agency
2110 E. Aurora Rd.
Twinsburg, Ohio 44087

and

Michael S. McCauley
Quarles & Brady, LLP
411 East Wisconsin Avenue, Suite 2040
Milwaukee, Wisconsin 53202-4497

on the 8 day of May, 2008.



Loretta Shaffer, Secretary
AECAS, (MN/OH)

CERTIFIED MAIL RECEIPT NUMBER: 70010320000589191693