



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

DEC 20 2010

REPLY TO THE ATTENTION OF:
AE-173

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Arie Shaked
Chief Operations Officer
Advanced Magnesium Alloys Corporation
1820 E 32nd Street
Anderson, IN 46013

Re: Finding of Violation
Advanced Magnesium Alloys Corporation
Anderson, Indiana

Dear Mr. Shaked:

The U.S. Environmental Protection Agency is issuing the enclosed Finding of Violation (FOV) to Advanced Magnesium Alloys Corporation (AMACOR or you). We find that you are violating Section 112 of the Clean Air Act (CAA), 42 U.S.C. § 7412, at your Anderson, Indiana facility.

We have several enforcement options under Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3). These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

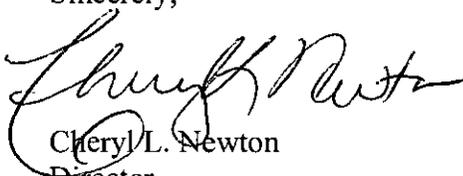
We are offering you an opportunity to confer with us about the violations alleged in the FOV. The conference will give you the opportunity to present information on the specific findings of violation, the efforts you have taken to comply, and the steps you will take to prevent future violations.

We have enclosed an information sheet titled U.S. EPA Small Business Resources, which may be helpful if AMACOR qualifies as a small business.

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 EPA contact in this matter is Ms. Shilpa Patel, Environmental Engineer. You may call her at (312) 886-0120 if you wish to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



Cheryl L. Newton
Director

Air and Radiation Division

Enclosure: SBREFA fact sheet

cc: Phil Perry
Office of Environmental Air Section
Indiana Department of Environmental Management
100 North Senate Avenue, Room 1001
Indianapolis, Indiana 46206-6015

5. The NESHAP, at 40 C.F.R. § 63.11465, requires the owner and/or operator of an existing furnace melting operation² to route emission through a fabric filter or baghouse that achieves a particulate matter (PM) control efficiency of at least 99.0 percent or an outlet concentration limit of 0.034 grams per dry standard cubic meter (g/dscm)(0.015 grains per dry standard cubic feet (gr/dscf)).
6. The NESHAP, at 40 C.F.R § 63.11466, requires the owner and/or operator of an existing or new furnace melting operation to conduct a performance test if a prior performance test was conducted within the past five years of the compliance date that did not demonstrate compliance. Such a performance test must be conducted within 180 days of the applicable compliance date.
7. The NESHAP, at 40 C.F.R § 63.11467, requires the owner and/or operator of an existing or new furnace melting operation to demonstrate initial compliance with the applicable standards in §63.11465 by submitting a Notification of Compliance Status, conduct initial inspection of each baghouse, and report the results in the Notice of Compliance Status report.
8. The NESHAP, at 40 C.F.R § 63.11468, requires the owner and/or operator of an existing furnace melting operation to demonstrate compliance by conducting periodic inspections and maintenance of each baghouse or by conducting a daily 30-minute initial visible emissions test using EPA Method 22.
9. The NESHAP, at 40 C.F.R § 63.11469, requires the owner and/or operator of an existing or new furnace melting operation to submit the Initial Notification required by 40 C.F.R. § 63.9(b)(2)³ no later than 120 days after December 26, 2007.

Factual Background

10. AMACOR owns and/or operates a secondary nonferrous metals processing facility at 1820 E. 32nd Street, Anderson, Indiana (Anderson, Indiana facility).
11. AMACOR commenced construction or reconstruction of the Anderson, Indiana facility on or before September 20, 2007.
12. The Anderson, Indiana facility contains, among other things, furnace melting operations.
13. The Indiana Department of Environment Management (IDEM) issued a Federally Enforceable State Operating Permit (FESOP) to AMACOR for its Anderson, Indiana facility on July 23, 2007.
14. Under the July 23, 2007 FESOP, IDEM limited AMACOR's potential to emit of any individual hazardous air pollutant (HAP) to less than ten tons per twelve consecutive

² *Furnace melting operation* means the collection of processes used to charge post-consumer nonferrous scrap material to a furnace, melt the material, and transfer the molten material to a forming medium. § 63.1472

³ 40 C.F.R. § 63.9 contains notification requirements applicable to all NESHAP sources.

month period; and the potential to emit of any combination of HAPs to less than 25 tons per twelve consecutive month period.

15. At its Anderson, Indiana facility, AMACOR operates two furnace lines constructed in 2001, each line consisting of one electric melting furnace, one electric continuous refining furnace and one continuous ingot pouring operation.
16. According to the July 23, 2007 FESOP, the two furnace lines at the Anderson, Indiana facility are affected sources for purposes of Subpart TTTTTT.
17. During a March 13, 2004 performance test, the outlet concentration of PM emissions at AMACOR's furnace lines was 0.0155 gr/dscf.
18. AMACOR did not install and operate a baghouse or fabric filter to control emissions that achieves a PM control efficiency of at least 99.0 percent or an outlet concentration limit of 0.034 g/dscm (0.015 gr/dscf) from its existing furnaces by December 26, 2007.
19. AMACOR did not conduct a performance test on its furnace lines within 180 days of December 26, 2007.
20. AMACOR did not demonstrate initial compliance with the applicable standards by submitting a Notice of Compliance Status report to EPA by the 60th day following the completion of the performance test.
21. AMACOR did not demonstrate compliance by conducting weekly and yearly monitoring activities of its system ductwork and particulate control equipment or conduct daily visible emissions testing using EPA Method 22.
22. AMACOR did not install, operate, and maintain a bag leak detection system by December 26, 2007.
23. AMACOR did not submit the Initial Notification to EPA no later than 120 days after September 20, 2007.

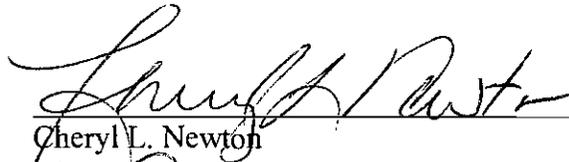
Violations

24. AMACOR's failure to install and operate a baghouse or fabric filter to control emissions that achieves a PM control efficiency of at least 99.0 percent or an outlet PM concentration limit of 0.034 g/dscm (0.015 gr/dscf) by December 26, 2007 constitutes a violation of 40 C.F.R. § 63.11465.
25. AMACOR's failure to conduct a performance test on its furnace lines within 180 days of December 26, 2007 constitutes a violation of 40 C.F.R. § 63.11466.

26. AMACOR's failure to demonstrate initial compliance with the applicable standards by submitting a Notice of Compliance Status report to EPA by the 60th day following the completion of the performance test constitutes a violation of 40 C.F.R § 63.11467.
27. AMACOR's failure to demonstrate compliance by conducting weekly and yearly monitoring activities of its system ductwork and particulate control equipment or conduct daily visible emissions testing using EPA Method 22 constitutes a violation of 40 C.F.R. § 63.11468.
28. AMACOR's failure to install, operate, and maintain a bag leak detection system by December 26, 2007 constitutes a violation of 40 C.F.R. § 63.11468.
29. AMACOR's failure to submit the Initial Notification to EPA no later than 120 days after December 26, 2007 constitutes a violation of 40 C.F.R. § 63.11469.

Date

12/20/10



Cheryl L. Newton

Director

Air and Radiation Division

CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent a Finding of Violation, No. EPA-5-11-IN-02, by

Certified Mail, Return Receipt Requested, to:

Arie Shaked
Chief Operations Officer
Advanced Magnesium Alloys Corporation
1820 E 32nd Street
Anderson, IN 46013

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

Phil Perry
Office of Environmental Air Section
Indiana Department of Environmental Management
100 North Senate Avenue, Room 1001
Indianapolis, Indiana 46206-6015

on the 27th day of December, 2010.



Betty Williams
Administrative Program Assistant
Planning and Administration Section

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7666 5346