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

SEP 30 2016

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Michael Pellin, President
United Transportation Group, Inc.
1150 East 145th Street
East Chicago, Indiana 46312

Re: Administrative Order EPA-5-16-113(a)-IN-05

Dear Mr. Pellin:

Enclosed is an executed original of the Administrative Consent Order regarding the above captioned case. If you have any questions about the Order, please contact me at (312) 886-6073.

Sincerely,

Brian Dickens
Chief
Air Enforcement and Compliance Assurance Section (MN/OH)

Enclosure

cc: Kathleen Schnieders (C-14J)
Phil Perry, Chief, Air Enforcement Branch

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:	)	**EPA-5-16-113(a)-IN-05**
	)	
United Transportation Group, Inc.	)	**Proceeding Under Sections 113(a)(1) and (3); and**
East Chicago, Indiana	)	**114(a)(1) of the Clean Air Act,**
	)	**42 U.S.C. §§ 7413(a)(1) and (3);**
	)	**and 7414(a)(1)**
	)	

Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5, is issuing this Order to United Transportation Group, Inc. (UTG) under Sections 113(a)(1) and (3); and 114(a)(1) of the Clean Air Act (CAA), 42 U.S.C. §§ 7413(a)(1) and (a)(3); and 7414(a)(1).

Statutory and Regulatory Background

2. Section 109 of the CAA, 42 U.S.C. § 7409, requires the Administrator to promulgate national primary and secondary ambient air quality standards (NAAQS) necessary to protect public health and welfare.

3. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to the Administrator for approval a state implementation plan (SIP) that provides for the attainment and maintenance of the NAAQS.

4. The Administrator approved Indiana's federally enforceable state operating permit (FESOP) program as part of the Indiana SIP on August 18, 1995, with an effective date of October 17, 1995. 60 Federal Register (Fed. Reg.) 43008.

5. The Administrator granted final approval of Indiana's Title V permit program on December 4, 2001, with an effective date of November 30, 2001. 66 Fed. Reg. 62969.

6. The Indiana SIP requirements relevant to this Order are as follows:

   a. Any person responsible for operating a facility specified in 326 IAC § 1-6-1 shall prepare and maintain a preventative maintenance plan (PMP). 326 IAC § 1-6-3, effective May 3, 1990. 55 Fed. Reg. 18604.

   b. No person shall operate any source or facility subject to 326 IAC § 2-1-1(b)(1) without first applying for and obtaining a permit to operate said source or facility from the commissioner. 326 IAC § 2-1-4(a), effective December 6, 1994. 59 Fed. Reg. 51108.

   c. Emission limitations may be established as conditions of construction and operating permits for any source or facility for the purpose of ensuring that the ambient air quality standards, and the prevention of significant deterioration standards, are attained and maintained, and for insuring that the public health is protected. 326 IAC § 2-1-5(a), effective December 6, 1994. 59 Fed. Reg. 51108.

   d. A source may be required to test and/or monitor emissions to prove that a source or facility is in compliance or will be in compliance with all applicable regulations. 326 IAC § 2-1-4, effective December 6, 1994. 59 Fed. Reg. 51108.

   e. A source required to have a Part 70 permit, as described in 326 IAC § 2-7-2(a), may apply to the commissioner for a federally enforceable state operating permit (FESOP). 326 IAC § 2-8-2, effective October 17, 1995. 60 Fed. Reg. 43008.

   f. Each FESOP must include emission limitations and standards, including those operational requirements and limitations that limit the source's capacity to emit any air pollutants, such that it does not fall within any of the categories listed in 326 IAC § 2-7-2(a), and that assure compliance with all applicable requirements at the time of FESOP issuance. 326 IAC § 2-8-4(1), effective November 5, 2009. 74 Fed. Reg. 51240.

   g. Each FESOP must also include monitoring and related record keeping and reporting requirements that assure all reasonable information is provided to evaluate continuous compliance with the applicable requirements. 326 IAC § 2-8-4(3), effective November 5, 2009. 74 Fed. Reg. 51240.

   h. Each FESOP shall contain compliance certification, testing, monitoring, reporting, and record keeping requirements sufficient to assure compliance with the terms and conditions of the FESOP. 326 IAC § 2-8-5(1), effective October 17, 1995. 60 Fed. Reg. 43008.

i. In Lake County, Indiana, fugitive particulate matter (PM) rules apply to facilities and operations at a source having the potential to emit five (5) tons per year [or more] of fugitive PM into the atmosphere. 326 IAC § 6.8-10-1(a), effective May 30, 2008. 73 Fed. Reg. 23356.

j. A control plan, upon submittal to the department, shall become a part of a source's operating permit or registration conditions. 326 IAC § 6.8-10-4(2), effective May 30, 2008. 73 Fed. Reg. 23356.

k. A facility must keep documentation to show compliance with each of its control measures and control practices, including a log recording incidents when control measures were not used and a statement of explanation, as well as a quarterly report submitted to the Department. 326 IAC § 6.8-10-4(4), effective May 30, 2008. 73 Fed. Reg. 23356.

l. Affected facilities in Lake County must install an add-on control system that achieves an overall control efficiency of ninety-eight percent reduction in VOC emissions 326 IAC § 8-7-3(1 and 2). 60 Fed. Reg. 34856, effective September 5, 1995.

7. The Federal regulations for State Operating Permit Programs at 40 C.F.R. § 70.1 state all sources subject to the Part 70 regulations shall have a permit to operate that assures compliance by the source with all applicable requirements.

8. The Federal regulations for State Operating Permit Programs at 40 C.F.R. § 70.6 state that 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 CAA.

9. Section 502 of the CAA, 42 U.S.C. § 7661a(a), states that after the effective date of any permit program approved or promulgated under Title V, it is unlawful for any person to violate any requirement of a permit issued under Title V, or to operate an affected source, a major source, or any other source subject to standards or regulations under Section 111 or 112, 42 U.S.C. §§ 7411 or 7412, except in compliance with a permit issued by a permitting authority under Title V.

10. The Administrator promulgated 40 C.F.R. § 52.23 on September 18, 1974, as amended June 28, 1989. 39 Fed. Reg. 33512, as amended, 54 Fed. Reg. 27274, 27285.

11. Pursuant to 40 C.F.R. § 52.23, any person failing to comply with an approved regulatory provision of a SIP is subject to an enforcement action under Section 113 of the Act, 42 U.S.C. § 7413.

12. Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1), states that whenever, on the basis of any information available to the Administrator, the Administrator finds any person has violated or is in violation of any requirement or prohibition of an applicable implementation plan or permit, the Administrator shall notify the person and the State in which the plan applies of such finding. At any time after 30 days following the date on which such notice is issued, the Administrator may, (A) issue an order requiring such person to comply with the requirements or prohibitions on such plan or permit, (B) issue an administrative penalty order, or (C) bring a civil action in accordance with Section 113(b) of the CAA.

13. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), states whenever, on the basis of any information available to the Administrator, the Administrator finds any person has violated, or is in violation of, any other requirement or prohibition of this subchapter, section 7603 of this title, subchapter IV-A, Subchapter V, or subchapter VI of this chapter, including, but not limited to, a requirement or prohibition of any rule, plan, order, waiver, or permit promulgated, issued or approved under those provisions or subchapters … the Administrator may (A) issue an administrative penalty order, (B) issue an order requiring such person to comply with such requirement or prohibition, (C) bring a civil action, or (D) request the Attorney General to commence a criminal action.

14. Section 114(a)(1) of the CAA, 42 U.S.C. § 7414(a)(1), states, The Administrator of EPA may require any person who owns or operates an emission source to, among other things, install, use, and maintain monitoring equipment, and use audit procedures, or methods; sample

emissions (in accordance with procedures or methods, at such locations, at such intervals, during such periods and in such manner as the Administrator prescribes); establish and maintain records; keep records on control equipment parameters, production variables, or other indirect data when direct monitoring of emissions is impracticable; make reports, submit compliance certifications in accordance with Section 114(a)(3); and provide such other information as the Administrator may reasonably require.

15. The authority provided for in both Section 113(a)(1) and (a)(3) to issue an order requiring a person to comply has been delegated to the Director of the Air and Radiation Division. EPA Delegation 7-6-A, 8/9/94, Region 5 Delegation 7-6-A, 2/4/00.

16. The authority provided for in both Sections 114(a)(1) and (a)(3) of the CAA has been delegated to the Director of the Air and Radiation Division. EPA Delegation 7-6-A, 8/9/94, Region 5 Delegation 7-6-A, 2/4/00.

Findings

17. UTG owns and operates a truck trailer and railcar cleaning operation at 1150 East 145th Street, East Chicago, Indiana 46312 (the facility).

18. The facility is located in Lake County, Indiana which is non-attainment for ozone.

19. UTG's activities at the facility include cleaning non-pressurized truck trailers and pressurized and non-pressurized railcars which can be a source of volatile organic compounds (VOC) and hazardous air pollutants (HAP).

20. UTG's activities at the facility include moving and transporting truck trailers and railcars and other activities which can be a source of particulate matter (PM) and fugitive PM.

21. The facility is a stationary source as defined in the IN SIP and the CAA.

22. The facility is a major stationary source with the potential to emit VOC in quantities equal to or greater than 100 tons per year (TPY).

23. The facility is a major stationary source with the potential to emit at least 10 TPY of a single hazardous air pollutant (HAP) and the potential to emit at least 25 tons per year of combined HAP.

24. UTG is the owner or operator of a facility required to obtain a permit under 326 IAC 2-1-2 or 326 IAC 2-1-4.

25. The facility is a source required to have a Part 70 permit. 326 IAC 2-7-2(a).

26. UTG applied to the Commissioner of the Indiana Department of Environmental Management (IDEM) for a FESOP for the facility on September 26, 2001.

27. IDEM issued a FESOP to the facility on October 21, 2004 (2004 FESOP) with an expiration date of October 21, 2009.

28. UTG applied to the Commissioner of IDEM for modifications to the 2004 FESOP on January 17, 2008. The modifications increased VOC emissions by 15 pounds or more per day from an existing source that emits or has the potential to emit 25 TPY or more of VOC.

29. IDEM issued a FESOP incorporating the modifications for the facility on April 29, 2008 (2008 FESOP), with an expiration date of October 21, 2009.

30. IDEM issued a renewal FESOP for the facility on July 21, 2009, with an expiration date of July 21, 2019 (2009 FESOP).

31. The 2009 FESOP includes emission limitations and standards that are designed to limit the facility's capacity to emit any pollutant.

32. The 2009 FESOP includes monitoring, record-keeping, and reporting requirements designed to create, maintain, and summarize information needed to evaluate

continuous compliance with applicable requirements including the limitations on the facility's capacity to emit any pollutant.

33. The 2009 FESOP includes the following emission limitations, standards, and requirements.

a. Condition B.3: Any condition established in a permit issued pursuant to a permitting program approved in the SIP remains in effect until: (a) the condition is modified in a subsequent permit action pursuant to Title 1 of the CAA, or (b) the emission unit to which the condition pertains permanently ceases operation. 326 IAC § 2-1.1-9.5

b. Condition B.11: Requires UTG to develop a preventative maintenance plan (PMP) for the facility and its control device. 326 IAC §§ 1-6-3; 2-8-4(9); and 2-8-5(a)(1).

c. Condition C.17: UTG is required to keep records of all required monitoring data, reports, and support information required by its permit for a period of at least five years. 326 IAC §§ 2-8-4(3) and 2-8-5.

d. Condition D.1.1.(b): UTG cannot clean any tank trucks or non-pressurized railcars that contain VOC with a vapor pressure greater than 30 millimeters of mercury at 25 degrees Celsius (mmHg at 25° C). 326 IAC § 2-8-4(1).

e. Condition D.1.2.(b): UTG cannot clean any tank trucks or non-pressurized railcars that contain HAP with a vapor pressure of greater than 30 mmHg at 25° C. 326 IAC § 2-8-4(1).

f. Condition D.2.1.(a): Restricts the combined VOC and HAP emissions from the pressurized railcar purging and degassing operation to no more than 4.88 tons per twelve consecutive month period. 326 IAC § 2-8-4(1).

g. Condition D.2.1.(b): UTG cannot clean any pressurized railcars that contain VOC or HAP with a vapor pressure greater than 95 mmHg at 25° C. 326 IAC § 2-8-4(1).

h. Condition D.2.4.(a)(1): Requires UTG use a flare to control VOC and HAP emissions exhausting to stack S-1 (the stack associated with the railcar purging and degassing operation). The flare must be installed, calibrated, and maintained according to the manufacturer's specifications and operated at all times when emissions may be vented to it. 326 IAC § 2-8-4

i. Condition D.2.4.(b)(1): Requires UTG to, in conjunction with the flare, install, calibrate, maintain, and operate a heat sensing device, such as an ultraviolet beam sensor or thermocouple , at the pilot light or the flame itself, to indicate the continuous presence of a flame. 326 IAC § 2-8-4

j. Condition D.2.5: Requires UTG demonstrate compliance with the combined VOC and HAP emission limitation on a monthly basis, within 30-days following the end of each month. 326 IAC § 2-8-4.

k. Condition D.2.9.(a)(1-3): Requires UTG maintain records of the (1) gas flow rate during all purging and degassing operations; (2) total elapsed time at each gas flow rate during all purging and degassing operations; and (3) total VOC and HAP emissions from each railcar processed in the purging and degassing operation. 326 IAC § 2-8-4(3)

l. Condition D.2.9.(b)(1-2): Requires UTG maintain records of the contents of all railcars cleaned and the vapor pressure of the contents of all railcars (if the contents are VOCs). 326 IAC § 2-8-4(3)

m. Condition D.3.2.: Requires UTG to control fugitive PM according to the Fugitive Dust Control Plan submitted on March 11, 2002 and incorporated into the 2004, 2008, and 2009 FESOPs. 326 IAC § 6.8-10

n. The Fugitive Dust Control Plan attached as Appendix A to UTG's 2009 FESOP states UTG will spray the paved and unpaved areas traveled by vehicular traffic with water to limit or eliminate dust emissions from travel.

o. The Fugitive Dust Control Plan attached as Appendix A to UTG's 2009 FESOP states the following schedule will be adhered to and documented in the table below (or its equivalent) to indicate the days of use and/or non-use as a result of inclement weather. Any area that may need to be water sprayed should be conducted along the following schedule. Monday-Friday no later than 0900 or anytime deemed necessary. (by noting dust in the air or traveling fugitive dust as a result of vehicular traffic). Saturday no later than 0900 or anytime deemed necessary. (By noting dust in the air or traveling fugitive dust as a result of vehicular traffic).

34. UTG conducted performance testing at the pressurized railcar purging and degassing operation flare stack exhaust (S-1) on October 25, 2007.

35. The railcars vented to the flare during the October 25, 2007 testing had been carrying propane.

36. The October 25, 2007, performance test showed an average VOC emission rate of 1.25 pounds of VOC per hour (lbs-VOC/hr).

37. UTG used the average VOC emission rate determined during the October 25, 2007, performance test in addition to a twenty-five percent increase to account for possible VOC

destruction inefficiencies at higher flow rates, to establish an emission factor of 0.985 lbs-VOC/1,000 standard cubic feet (scf) of gas burned.

38. UTG used the emission factor of 0.985 lbs-VOC/1,000 scf of gas burned in conjunction with gas flows to the flare to establish the long term VOC and HAP emission limit of 4.88 tons per twelve consecutive month period.

39. This limit was incorporated into the 2008 FESOP and carried over into the 2009 FESOP.

40. UTG conducted performance testing at the pressurized railcar purging and degassing operation flare stack exhaust (S-1) on October 26, 2012.

41. The railcars vented to the flare during the October 26, 2012 performance testing were carrying propylene.

42. The October 26, 2012 performance test showed average VOC emissions of 0.012 lbs-VOC/1,000 scf of gas burned.

43. Following the October 26, 2012 performance test, UTG began using the 0.012 lbs-VOC/1,000 scf of gas burned as the emission factor for the calculation methodology in the 2009 FESOP rather than using the 0.985 lbs-VOC/1,000 scf of gas burned emission factor specified in the permit.

44. UTG did not submit an application to modify its 2009 FESOP to incorporate the emission factor determined from the October 26, 2012 performance test.

45. EPA conducted an announced inspection at UTG on January 29, 2013.

46. UTG was unable to provide records of the vapor pressure of the material in tanker trucks or railcars previously processed at the facility when asked for such records during the January 29, 2013 inspection.

47. EPA issued to UTG a Notice of Violation and Finding of Violation (NOV/FOV) on June 30, 2015. The NOV/FOV alleges, among other things:

a. UTG failed to have a PMP as required by its 2009 FESOP in violation of Condition B.11 of the 2009 FESOP, 326 IAC §§ 1-6-3; 2-8-4(9); and 2-8-5(a)(1) of the IN SIP, and Section 110 of the CAA.

b. UTG failed to maintain records of the vapor pressure of the contents in tanker trucks and railcars as required by its 2009 FESOP in violation of Condition D.2.9.(b)(1-2) of the 2009 FESOP, 326 IAC §§ 2-8-4(3) and 2-8-5 of the IN SIP, and Section 110 of the CAA.

c. UTG exceeded the VOC and HAP emission limit of 4.88 tons per twelve consecutive month period established in the 2009 FESOP in violation of Condition D.2.1.(a) of the 2009 FESOP, 326 IAC 2-8-4(1) of the IN SIP, and Section 110 of the CAA.

d. UTG failed to implement a fugitive dust control plan as required by its 2009 FESOP in violation of Condition D.3.2 of the 2009 FESOP, 326 IAC § 6.8-10-4 (1-4) of the IN SIP, and Section 110 of the CAA.

e. UTG failed to maintain adequate combustion of gases with appropriate heating values at the flare such that it achieves a ninety-eight percent destruction efficiency for VOC and HAP in violation of 326 IAC § 8-7-3(1-2) of the IN SIP and Section 110 of the CAA.

48. Representatives from UTG and EPA met to discuss the NOV/FOV on August 19, 2015.

49. UTG provided the following information to EPA during the meeting.

a. A copy of the PMP UTG says it has been using since 2012.

b. Flare stack preventative maintenance and procedures for the ignition coil and the equipment control panel.

Compliance Program

50. UTG must achieve and maintain continuous compliance with the Indiana SIP provisions contained in its 2009 FESOP, or in any revised and issued final permit superseding UTG's 2009 FESOP, no later than one year after the effective date of this Order, unless otherwise stated in this Order.

Preventative Maintenance Plan

51. UTG must develop and implement a revised PMP for the flare no later than 120 days after the effective date of this Order. The revised PMP must, at a minimum, include the following: 326 IAC § 1-6-3 and UTG's 2009 FESOP

a. Identification of the individual(s) responsible for inspecting, maintaining, and repairing the flare and monitoring devices at the flare when problems occur.

b. A description of weekly, monthly, and quarterly preventative maintenance activities and procedures for flare operation, existing monitoring devices at the flare [gas flow, until such time as a revised and issued final permit superseding UTG's 2009 FESOP removes the requirement to monitor gas flow, and flame detector], and monitoring devices to be installed in accordance with this Order [Net heating value monitor] as well as the schedule for these activities and procedures.

c. Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement for the flare and monitoring equipment.

d. Record keeping and reporting practices which document when preventative maintenance activities are performed on the flare and the outcome of such activities.

Fugitive Dust Control Plan

52. UTG must develop and implement a revised fugitive dust control plan, as required by UTG's 2009 FESOP, no later than 120 days after the effective date of this Order unless UTG applies for and obtains revisions to its 2009 FESOP that establish emission limitations or other requirements that render the need for a fugitive dust control plan no longer applicable under the Indiana SIP. The fugitive dust control plan must be designed to prevent fugitive particulate matter emissions from crossing the property boundaries as well as minimizing fugitive dust emissions from facility-wide activities (including, but not limited to, paved and unpaved roads, material transfer, material transportation on and off site, and building/equipment vents). 326 IAC § 6.8-10-4 and UTG's 2009 FESOP.

53. The fugitive dust control plan must include, at a minimum, the following:

a. All items required by 326 IAC § 6.8-10-4(1-3) and UTG's 2009 FESOP.

b. A description of the procedures, methods, and a schedule to be used to demonstrate compliance with the applicable limits required at 326 IAC § 6.8-10-3 and in UTG's 2009 FESOP (Condition C.6.).

c. Record keeping and reporting practices which meet the requirements of 326 IAC § 6.8-10-4(4).

Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs)

54. UTG must achieve, maintain, and demonstrate compliance with the emission limit of 4.88 tons of VOC (and HAP) per twelve consecutive month period from the pressurized railcar purging/degassing operation as required by its 2009 FESOP no later than 30 days after the effective date of this Order unless UTG applies for and obtains a permit modification to incorporate any revised emission limitation. Any revised emission limitation must ensure UTG's

total VOC and HAP emissions from all VOC and HAP emission sources (including non-pressurized railcar cleaning operations, truck tanker cleaning operations, pressurized railcar purging/degassing operation, and all transloading operations) combined does not exceed 24.5 tons per year of VOC, 24.5 tons per year of combined HAP, and 9.5 tons per year of any single HAP.

55. For purposes of the pressurized railcar purging/degassing operation, UTG must no later than 330 days after the effective date of this Order:

a. Apply for a permit modification to its 2009 FESOP in which UTG requests the calculation methodology to be used to determine total VOC and HAP per twelve consecutive month period emission limit from the pressurized railcar purging/degassing operation is solely demonstrated by summing the total VOC and HAP emissions from each pressurized railcar processed at the pressurized railcar purging/degassing operation for each calendar month and then summing the most recent calendar month and the previous 11 calendar months together to determine the twelve consecutive month emissions of VOC and HAP. A new total VOC and HAP emission value per twelve consecutive month period for the pressurized railcar purging/degassing operation must be determined no later than 30-days following the end of each calendar month as required by UTG's 2009 FESOP. The total VOC and HAP emissions for each railcar processed at the pressurized railcar purging/degassing operation must be determined as follows:

$$VOC/HAP_{car} = [ER_p \times Time_i]/2000$$

Where:

VOC/HAP_{car} is the total VOC and HAP emitted from each railcar processed (tons)

ER_p is the highest emission rate (pounds of VOC per hour (lbs-VOC/hr)) determined by performance testing, unless UTG has a pollutant specific (commodity specific) emission rate for the material in the car being processed.

$Time_i$ is the total length of time the railcar is processed at the pressurized railcar purging/degassing operation (hours). For purposes of this calculation, if the railcar is processed for a partial hour, then the total time is rounded to the nearest quarter of an hour. So if the cars is processed for 1 hour and 45 minutes, then the total time processed will be 1.75 hours.

2000 is the conversion factor from pounds to tons

b. Use only the highest emission rate (lbs-VOC/hr) determined through performance testing to calculate total VOC and HAP emissions from each railcar processed at the pressurized railcar purging/degassing operation for all railcars processed until UTG applies for and obtains a permit modification to incorporate any revised pollutant specific (commodity specific) emission rates as provided for in the following paragraphs. Currently, the highest emission rate determined through performance testing is 1.25 lbs-VOC/hr. Any revised emission rates UTG elects to develop must be pollutant specific (commodity specific) and developed through performance testing conducted during representative operating conditions and provide the highest expected emissions under such operating conditions for the specific pollutant (commodity). Any revised emission rates, if approved, must be incorporated into

UTG's permit as federally enforceable permit terms and conditions and must, upon incorporation, be used to demonstrate compliance with all applicable emission limits within 30 days of the end of each month as required by UTG's 2009 FESOP.

c. Currently, UTG has two emission rates which have been determined through performance testing. The current highest emission rate is 1.25 lbs-VOC/hr (for propane). The second emission rate is a pollutant specific (commodity specific) emission rate of 0.51 lbs-VOC/hr (for propylene).

d. For purposes of determining compliance under this paragraph, UTG must use the 1.25 lbs-VOC/hr as the emission rate for each railcar processed in the railcar purging/degassing operation, except railcars which contain only propylene. UTG may use the 0.51 lbs-VOC/hr as the emission rate for each railcar processed in the railcar purging/degassing operation that contained only propylene. If UTG elects not to use the 0.51 lbs-VOC/hr for each railcar processed in the railcar purging/degassing operation that contained only propylene, UTG must use the highest emission rate for each railcar processed in the railcar purging/degassing operation that contained only propylene (currently 1.25 lbs-VOC/hr). If, at a future date, performance testing to determine the pollutant specific (commodity specific) emission rate of VOC and HAP emissions from the railcar purging/degassing operation is higher than the current highest emission rate (1.25 lbs-VOC-/hr), then the newly determined emission rate for that pollutant (commodity) becomes the highest emission rate which must then be used for all railcars processed in the railcar purging/degassing operation unless a pollutant specific (commodity specific) emission limit is developed.

e. UTG may, at its discretion, conduct additional performance testing to establish other pollutant specific (commodity specific) emission rates which it may then use to calculate VOC and HAP emissions from railcars containing such pollutant specific (commodity specific) material.

f. UTG may, at its discretion, conduct performance testing to establish pollutant specific emission rates for railcars that may contain more than one material (or where cleaning may result in more than one pollutant being emitted). Such testing must include initial identification of the top five pollutants arising from such "mixed material" and then establish an emission rate for each of the top five pollutants. The pollutant specific emission rates may then be used to calculate VOC and HAP emissions from railcars containing such "mixed material" that are processed at the pressurized railcar purging/degassing operation. In lieu of establishing separate pollutant specific emission rates for each of the top five pollutants (and chemical make-up of the gas) UTG may, at its discretion, elect to use only the highest of the five pollutant specific emission rates to calculate VOC and HAP emissions from railcars containing such "mixed material".

Flare Operation and Maintenance

56. No later than the effective date of this Order, UTG must operate and maintain the flare such that it continuously achieves no less than 98 percent control efficiency of VOC and HAP at all times emissions from the pressurized railcar purging/degassing operation are vented to it. 326 IAC § 8-7-3 and UTG's 2009 FESOP.

57. No later than the effective date of this Order, the flare must be designed for, and operated with, no visible emission as determined using U.S. EPA Reference Method 22 at all times the flare is operating.

58. No later than 270 days after the effective date of this Order, the flare must be operated such that the net heating value of the vent gas to the flare is no less than 200 British thermal units per standard cubic foot of vent gas (Btu/scf of vent gas) as a one-hour rolling average if the flare remains an un-assisted flare. If the flare is converted to an air or steam assisted flare, then the flare must be operated such that the net heating value of the vent gas to the flare is no less than 300 Btu/scf of vent gas as a one-hour rolling average. For purposes of this Order, a one-hour rolling average must be determined as the arithmetic average of at least twelve consecutive five minute readings. A new one-hour rolling average must be calculated at least once every five minutes for the entire period of time when emissions are vented to the flare.

59. No later than the effective date of this Order, UTG must measure the presence of a flame within the flare tip using a thermocouple or other monitoring device capable of detecting the presence of a flame at all times emissions are vented to the flare.

60. No later than 180 days after the effective date of this Order, UTG must begin monitoring the net heating value of the vent gas to the flare. The net heating value must be measured, in Btu/scf, using a calorimeter or other monitoring device capable of continuously measuring the net heating value of the vent gas to the flare at all times emissions are vented to the flare.

61. For purposes of the flare monitoring requirements of this Order, if UTG currently does not have a monitoring device capable of achieving the required monitoring, UTG must

install, calibrate, maintain, and continuously operate such a monitoring device no later than 180 days following the effective date of this Order.

62. No later than the effective date of this Order, unless otherwise specified, UTG must record the following information for purposes of evaluating and demonstrating compliance with this section and UTG's 2009 FESOP:

a. Anytime a flame was not present when material was vented to the flare.

b. Anytime the net heating value of the vent gas to the flare fell below 200 Btu/scf of vent gas as a one-hour rolling average (or 300 Btu/scf if the flare is converted to an air or steam assisted flare). UTG must begin recording this information no later than 270 days after the effective date of this Order in accordance with the methods and procedures prescribed in Paragraph 58 of this Order.

c. Anytime visible emissions were observed from the flare tip.

d. Anytime one or more of the monitors required by this paragraph was not operating for any reason.

e. Each record under this paragraph must include the date and time of each event, the length of each event, the cause of each event, the corrective action taken to address each event, and the preventative measures taken to prohibit such an event from recurring.

f. The contents of all railcars cleaned at the pressurized railcar purging/degassing operation.

g. Vapor pressures of the contents of all railcars cleaned at the pressurized railcar purging/degassing operation (if the contents are volatile organic compounds or could contain volatile organic compounds) unless UTG applies for and obtains a revision to

its 2009 FESOP and that revision removes or no longer requires monitoring of the vapor pressures of the contents of railcars processed at the purging/degassing operation. The vapor pressures must be determined by either information provided in the safety data sheet for the material contained in a processed railcar, if provided, or vapor pressure testing of each railcar prior to processing.

h. Vapor pressure of the contents of all trucks and railcars cleaned at the non-pressurized railcar cleaning operation and tank truck cleaning operation, respectively (if the contents are volatile organic compounds or could contain volatile organic compounds) unless UTG applies for and obtains a revision to its 2009 FESOP and that revision removes or no longer requires monitoring of the vapor pressures of the contents of railcars processed at the non-pressurized railcar and tank truck cleaning operation. The vapor pressures must be determined by either information provided in the safety data sheet for the material contained in a processed railcar, if provided, or vapor pressure testing of each railcar prior to processing.

Reporting

63. UTG must submit quarterly reports to EPA no later than 30 days after the end of each calendar quarter (January 30, 2017, April 30, 2017, July 30, 2017, and September 30, 2017) for no less than one year after the effective date of this Order. If UTG took actions regarding compliance prior to the effective date of this Order, then those actions must be described in the first quarterly report.

64. Each quarterly report submitted in accordance with this Order must include, at a minimum, the following information:

a. A summary of actions taken in the preceding quarter to meet the requirements of this Order.

b. The status of compliance measures (both implemented and outstanding).

c. Completion dates for any milestones.

d. Problems encountered or anticipated, together with implemented or proposed solutions.

e. Any permit applications submitted by UTG to incorporate or revise emission factors or other requirements of this Order into UTG's 2009 FESOP or in any revised and issued final permit superseding UTG's 2009 FESOP.

f. A description of any noncompliance with the requirements of this Order or underlying permit terms or conditions that occurred.

g. An explanation of the cause of any noncompliance and corrective actions taken to address the cause of noncompliance.

h. Quarterly excess emissions and monitoring system performance. For purposes of this Order, an excess emission is: any period of time when a monitored parameter falls outside the range established in this Order; any period when a requirement of the fugitive dust control plan, if required, is not implemented, and any period of time when the calculated VOC or HAP emissions exceeds 4.88 tons per twelve consecutive month average. If UTG applies for and obtains a modification to its permit that incorporates a new applicable emission limit or emission rate, then, for purposes of the new applicable emission limit or emission rate and upon incorporation into and issuance of a final permit superseding UTG's 2009 FESOP, an excess emission is: any period of time when the measured or calculated emission limit or emission rate exceeds the applicable emission limit or emission rate incorporated into UTG's revised and issued final permit superseding UTG's 2009

FESOP. The quarterly excess emissions and monitoring system performance information must include, at a minimum, the following:

i. The process operating time during the reporting period.

ii. The date and time of commencement and completion of each time period of excess emissions.

iii. The magnitude of excess emissions.

iv. Specific identification of each period of excess emission that occurs during startups, shutdowns, and malfunctions.

v. The nature and cause of any period of excess emissions.

vi. Specific identification of the corrective action(s) taken and time of corrective action(s) taken to minimize or eliminate the excess emission.

vii. Specific identification of the preventative measures adopted to minimize or prohibit an excess emission cause or event from recurring.

viii. Where no excess emission occurred during a given reporting period, such information must be stated.

ix. Each period during which any continuous monitoring system or monitoring device was inoperative.

x. Identification of the continuous monitoring system or monitoring device that was inoperative.

xi. The cause of the non-operation of any continuous monitoring system or monitoring device.

xii. The corrective action(s) taken to address the non-operation of any continuous monitoring system or monitoring device.

xiii. Where there is no period of time during a reporting quarter when a continuous monitoring system or monitoring device was inoperative, such information must be stated.

65. UTG must maintain copies of all records and reports required by this Order in a readily reviewable format for no less than one year after the effective date of this Order. This paragraph does not affect general reporting and record-keeping requirements established in UTG's 2009 FESOP, any revised and issued final permit superseding UTG's 2009 FESOP, or other applicable regulations which may require all records and reports be maintained in a readily accessible and reviewable format for a minimum of five years.

66. The time frame covered by the quarterly reports is January - March, April - June, July - September, and October - December of the respective calendar year. The first quarterly report will be for October-December, 2016 and due no later than January 30, 2017.

67. UTG must apply to IDEM for any additional revisions to its 2009 FESOP, not already incorporated into a revised and issued final permit superseding UTG's 2009 FESOP, to incorporate applicable requirements of this Order no later than 330 days after the effective date of this Order. The requirements must be incorporated into UTG's FESOP as federally enforceable permit terms and conditions. The following requirements must be applied for and incorporated into a revised and issued final modified permit in accordance with this Paragraph such that they become and remain "applicable requirements" as that term is defined at 40 C.F.R. § 70.2.

a. The requirement to develop and implement a PMP for the flare as prescribed in Paragraph 51 of this Order.

b. The calculation methodology described in Paragraph 55(a) of this Order.

c. The requirements to use emission rates and pollutant specific (commodity specific) emission rates as prescribed in Paragraphs 55(b-d) of this Order.

d. The flare operation and maintenance requirements as prescribed in Paragraphs 56-61 of this Order.

e. Applicable recordkeeping and reporting requirements, as prescribed in Paragraph 64 and necessary to demonstrate and ensure ongoing compliance with all applicable permit terms and conditions, the Indiana SIP, and the CAA.

68. UTG must send all reports, plans, or other deliverable required by this Order to EPA at the following address:

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

UTG may, upon notification to EPA, submit each report, plan, or other deliverable to EPA electronically at R5airenforcement@epa.gov. Any electronic submissions should also include a carbon copy to Vuilleumier.kevin@epa.gov.

General Provisions

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

70. This Order does not restrict EPA's authority to enforce the CAA and its implementing regulations.

71. Failure to comply with this Order may subject UTG to penalties of up to $37,500 per day for each violation under Section 113 of the CAA, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.

72. The terms of this Order are binding on UTG, its assignees and successors. UTG 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.

73. UTG may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B, for any portion of the information UTG 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 UTG 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 CAA, 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.

74. 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 physical media such as compact disk, flash drive or other similar item. If it is not possible to submit the information electronically, submit the response to this Order without staples; paper clips and binder clips, however, are acceptable.

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

76. UTG agrees to the terms of this Order. UTG waives any remedies, claims for relief, and otherwise available rights to judicial or administrative review that it may have with respect to any issue of fact or law set forth in this Order, including any right of judicial review under Section 307(b) of the CAA, 42 U.S.C. § 7607(b).

77. 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 UTG has complied with all terms of the Order throughout its duration.

9-29-16
Date

Michael Pellin, President
United Transportation Group, Inc.

9-30-16
Date

Sara Breneman
for Edward Nam
Acting Director
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5

CERTIFICATE OF MAILING

I, Kathy Jones, certify that I sent the Administrative Consent Order, EPA-5-16-113(a)-IN-05, by certified mail, return receipt requested, to:

Michael Pellin, President
United Transportation, Inc.
Group
1150 East 145th Street
East Chicago, Indiana
46312

I also certify that I sent a copy of the Administrative Consent Order, EPA-5-16-113(a)-IN-05, by first-class mail to:

Phil Perry, Chief
IDEM

On the 30 day of September 2016.

Kathy Jones
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7646 9647