OHIO E.P.A.

DEC 29 2006

ENTERED DIRECTOR'S JOURNAL

BEFORE THE

OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Textileather Corporation	:	Director's Final Findings
3729 Twining Street	:	and Orders
Toledo, Ohio 43697	:	

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: _____ Date: 12/29/06

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Textileather Corporation ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or of the facility as hereafter defined shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent owns and operates a facility, located at 3729 Twining Street, Toledo, Lucas County, Ohio, at which vinyl coated fabrics and films are manufactured, primarily for the automotive industry.

2. At the above-referenced facility, Respondent owns and operates emissions units K001, K004-K011 and P014, which are "air contaminant sources" as defined in Ohio Administrative Code ("OAC") Rules 3745-15-01(C) and (W) and ORC § 3704.01(C).

3. Respondent's facility operations are permitted under a Title V permit issued December 24, 2002. Pursuant to this permit, on September 17, 2003, Respondent conducted an emissions stack test on emissions unit P014, a plastisol textile coating line with an electrostatic precipitator. Using the test methods specified in the Title V permit, the stack test results demonstrated that the average amount of organic compound ("OC") emissions discharged from emissions unit P014 was 8.9 pounds per hour and that the average OC emission destruction efficiency was -2.2%.

4. OAC Rule 3745-21-07(G)(1), an applicable requirement of Respondent's Title V permit, requires that emissions unit P014 not exceed 3 pounds per hour and 15 pounds per day of OC emissions unless reduced by at least 85% by weight. Therefore, based on the test results of September 17, 2003 stack test, emissions unit P014 has been operated by Respondent in violation of OAC Rule 3745-21-07(G)(1) and ORC § 3704.05 (A), (C), (G) and (J)(2).

5. On January 20, 2004, the City of Toledo Division of Environmental Services ("TDOES"), Ohio EPA's contractual representative in Lucas County, issued a Notice of Violation ("NOV") to Respondent, stating the violations of OAC Rule 3745-21-07(G)(1) and requesting abatement of the violations or an acceptable remedy of the violations.

6. On February 4, 2004, Respondent replied to the NOV, stating that Respondent believed that the testing done in September 2003 did not result in measuring representative process emissions. In addition, Respondent indicated that it had started to investigate alternative control technologies to limit volatile organic compounds ("VOCs") emissions from the process.

7. On May 13, 2004, Respondent wrote to TDOES to specifically detail the reasons Respondent felt the stack test results were not representative. Respondent stated that the testing location for the inlet of this ESP did not meet USEPA Method 1 criteria; test ports at the inlet of the ESP are located after the heat exchangers, which allow the gases to rapidly cool, condense and collect in the ductwork; and there is no way to test gases prior to the heat exchanger. The flow data was suspicious because the outlet flow rates were approximately 25% higher than the inlet flow rates. Because Respondent believed the prior test results were not representative, Respondent prepared emissions calculations using a mass balance approach.

8. In June 2004, Respondent failed to show compliance with the 85% OC emission control efficiency limitation for the ESP while testing using Method 5 and Method 25 or 25A per the Title V permit.

9. On October 18, 2004, Respondent's representatives met with TDOES staff to discuss compliance testing issues. Respondent again requested a change in the

compliance demonstration procedure to a material balance approach based on predicted product weight loss for the plastisol line. Respondent maintained that the measured amount of weight loss can be used to estimate inlet OC emissions rates. At that time, Respondent submitted data based on a Method 24 and a modified Method 24 test (higher temperature and shorter exposure to approximate actual oven conditions). Respondent measured the weight loss of the raw liquid material, plastisol, and under the modified Method 24 determined a 91.7% OC control efficiency by weight.

10. TDOES and Ohio EPA found that the OC control efficiency testing on September 17, 2003 for emissions unit P014 was not a valid test; however, the outlet OC emission rate test was valid. Also, TDOES and Ohio EPA found the Respondent's material balance approach to predict the inlet OC emission rate, as described in Finding 9, is not acceptable to determine the OC emission control efficiency.

11. Respondent's Title V permit requires that the VOC emissions from emissions units K001 and K004-K011 be monitored by a continuous emission monitor. The continuous emissions monitor for these sources failed to record and yield emissions data for the period from September 29, 2004 to January 31, 2005, a violation of ORC § 3704.05(J)(2).

12. On February 8, 2005, TDOES issued an NOV to Respondent stating the violations of the Respondent's Title V permit detailed in Finding 11.

13. On February 22, 2005, Respondent replied to the NOV, stating that the analyzer, which continuously monitored the exhaust gases of the Print Finish machines, emissions units K001 and K004-K011, broke down on September 29, 2004. Although the analyzer was repaired on the same day, during the repair the wiring was re-installed incorrectly. This error led to the Data Acquisition System ("DAS") not receiving any data to calculate Respondent's 4th Quarter Report. Respondent discovered the problem at the end of January 2005 and corrected it immediately.

14. Respondent's Title V permit also requires that Respondent monthly inspect the operational condition and integrity of the ventilation fans and the hooding, ductwork and bypass dampers, all of which comprise the capture system for emissions units K001 and K004-K011, and that Respondent measure during each calendar quarter the average hood slot air velocity for each ventilator hood serving the emissions units. This measurement is required to be done using an anemometer or other Ohio EPA approved measurement method. From January 1, 2004 to December 31, 2004, Respondent failed to perform these inspections and measurements, in violation of ORC § 3704.05(C) and (J)(2).

15. On May 24, 2005, TDOES issued an NOV to Respondent stating the violation of Respondent's Title V permit detailed in Finding 14.

16. On June 7, 2005, Respondent replied to the May 24, 2005, NOV by detailing a plan of training and maintenance designed to assure future compliance with the terms

of the Title V permit. Subsequent inspections by TDOES staff have verified that Respondent is now in compliance with its Title V permit with regard to the inspections and measurements required for emissions units K001 and K004-K011.

17. On April 25, 2006, Ohio EPA issued Director's proposed Findings and Orders to Respondent for the violations identified above.

18. On June 14, 2006, Respondent met with Ohio EPA to discuss the Director's proposed Findings and Orders.

19. Based on subsequent information provided by Respondent and concluded by a meeting between Respondent and Ohio EPA on November 30, 2006, Ohio EPA determined that the requirements of OAC Rule 3745-21-07(G)(1) do not apply to emissions unit P014 pursuant to provisions for exemption identified in OAC Rule 3745-21-07(G)(9)(d).

20. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent may continue to operate emissions unit P014 under its existing Title V permit until an amended or a renewal Title V permit is issued to remove all requirements concerning the applicability of OAC Rule 3745-21-07(G)(1) for this emissions unit.

2. Respondent shall pay the amount of thirty-eight thousand dollars ($38,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for thirty thousand and four hundred dollars ($30,400) of the total amount. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

3. In lieu of paying the remaining seven thousand and six hundred dollars ($7,600) of civil penalty, Respondent shall, within thirty (30) days of the effective date of these Orders, fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of $7,600 to the Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD). Respondent shall tender an official check made payable to "Treasurer, State of Ohio" for $7,600. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent and Fund 5CD, to the above-stated address.

4. A copy of each of the above checks shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

5. Should Respondent fail to fund the SEP within the required timeframe set forth in Order 3, Respondent shall immediately pay to Ohio EPA $7,600 of the civil penalty in accordance with the procedures in Order 2.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

The certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is the person authorized to sign in OAC Rule 3745-35-02(B)(1) for a corporation or a duly authorized representative of Respondent as that term is defined in the above-referenced rule.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

Except as otherwise specified in these Orders, all documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

City of Toledo
Division of Environmental Services
348 South Erie Street
Toledo, Ohio 43602-1633
Attn: Joslyn R. Summers

and to:

Ohio Environmental Protection Agency
Division of Air Pollution Control
Lazarus Government Center
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Thomas Kalman

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specially waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated, or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

Joseph P. Koncelik
Director

12/28/06
Date

IT IS SO AGREED:

Textileather Corporation

Signature

12/22/06
Date

John Cubberly
Printed or Typed Name

Environmental Health & Safety Manager
Title