

BEFORE THE

OHIO E.P.A.

OHIO ENVIRONMENTAL PROTECTION AGENCY DEC 28 2007

ENTERED DIRECTOR'S JOURNAL

In the Matter of:

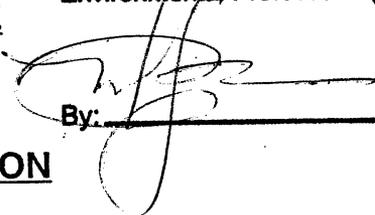
Hol Holdings, LLC
c/o Richard Ruebe
GTL Resources USA Inc.
10 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606

Director's Final Findings
and Orders

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.

PREAMBLE

It is agreed by the parties hereto as follows:

By: 

Date: 12/28/07

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Hol Holdings, LLC ("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 the Respondent or of the facility (as hereinafter identified) 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 regulations promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent does business as Hollinee Glass Fibers ("Hollinee"). Until September 1, 2006, Hollinee owned and operated a facility located at 9702 Ironpoint Road, Shawnee, Perry County, Ohio ("the Facility"). At the above-referenced facility, Hollinee manufactured woven fiberglass mats. The finished mats were intermediate products used for various end products by the reinforced plastic products industry. Hollinee sold its facility to Superior Shawnee Composites, LLC on September 1, 2006.

2. The mats were manufactured in a two-part process. First, condensed mats were formed during the forming operations as glass cullet was melted, spun onto a rotating

drum, and held in place by a sprayed application of styrenated or alcohol-based resin binder. There were two identical glass fiber forming operations at this facility that performed the first part of the process and they were designated by Ohio EPA as Emissions Units ("EUs") P002 and P007. The condensed mats were cut from the forming machine and processed through a curing oven to expand the mat and cure the binder. This process was designated by Ohio EPA as EU P001.

3. OAC Rule 3745-77-02(A) prohibits the operation of a Title V source, except in compliance with the terms and conditions that are specified in its Title V permit.

4. ORC § 3704.05(A) prohibits any person from allowing any emission from any source in excess of that permitted in any rule adopted by the Director of Ohio EPA. ORC § 3704.05(G) prohibits any person from violating any rule adopted by the Director of Ohio EPA. ORC § 3704.05(J)(2) prohibits the violation of any term and condition of a Title V permit.

5. On May 29, 2002, a Title V permit was issued to Hollinee relating to operations at the Facility. The Title V permit established emission limitations, monitoring, record-keeping and reporting requirements for EUs P001, P002, and P007.

6. On March 18, 2004, a representative from Ohio EPA, Southeast District Office ("SEDO") performed an inspection of Hollinee's Facility. The inspection was performed to determine Hollinee's compliance with State and federal air pollution control laws and regulations and the terms and conditions of the Facility's Title V permit. Based on the inspection, file reviews, and reports submitted by Hollinee since the issuance of the company's Title V permit, a Notice of Violation ("NOV") letter was issued on March 29, 2004 and the following violations, in part, were detailed. The Director of Ohio EPA finds that these violations occurred.

7. Section A.III.3 of Part III of the Facility's Title V permit required the permittee to maintain daily records of the daily and average hourly organic compound ("OC") emission rates for EUs P001, P002 and P007. Hollinee failed to maintain daily records of its OC emission rates for EUs P001, P002 and P007 since the issuance of the Facility's Title V permit and until January 1, 2006, in violation of the terms and conditions of that permit and ORC § 3704.05(J)(2). Hollinee did maintain monthly records but they were inadequate for purposes of fully demonstrating the compliance status with these limitations. Hollinee submitted a compliance plan on May 3, 2004 that detailed the steps that would be taken to establish daily record-keeping at the facility. Proper records began to be maintained as of January 1, 2006.

8. Sections A.IV.1.f and g of Part III of the Facility's Title V permit require the permittee to identify exceedances of the OC emission limitations in quarterly deviation reports for EU P001. Review of quarterly deviation reports submitted by Hollinee since the issuance of the Title V permit showed that deviations from the OC emission limitations for EU P001 were not addressed in reports submitted for the following quarters: 2nd quarter of 2002, 3rd quarter of 2002, 4th quarter of 2002, 1st quarter of 2003 and 3rd quarter of 2003. The violations occurred from July 31, 2002 until February 2, 2004, by which time quarterly

deviation reports began to be submitted that fully reported all violations. Hollinee's failure to identify exceedances of OC emission limitations is a violation of the Facility's Title V permit and ORC § 3704.05(J)(2).

9. Section A.I.1 of Part III of the Facility's Title V permit and OAC Rule 3745-21-07(G)(1) provides, in part, that a person shall not discharge more than 15 pounds of organic materials into the atmosphere in any one day, nor more than 3 pounds in any one hour, from any article, machine, equipment, or other contrivance, in which any liquid organic material or substance containing liquid organic material comes into contact with flame, or is baked, heat-cured, or heat-polymerized, in the presence of oxygen, unless said discharge has been reduced by at least 85 percent. Review of monthly records maintained by Hollinee revealed that there were 851 days since the issuance of the Title V permit and until April 7, 2006, when the average OC emission rates for EU P001 exceeded the 3 pounds per hour and 15 pounds per day emission limitations. As a result, Hollinee's operations at the Facility have resulted in violations of the Facility's Title V permit, OAC Rule 3745-21-07(G)(1) and ORC § 3704.05(A), (G) and (J)(2).

10. Section A.III.1 of Part III of the Facility's Title V permit requires Hollinee to maintain automated hourly records of the Anderson wet scrubber operational parameters associated with the operation of EU P001. Hollinee is required to operate and maintain automated monitors that record values for operating parameters on an hourly basis. Since the issuance of the Facility's Title V permit and until April 16, 2004, Hollinee operated and maintained monitors for the required parameters; however, Hollinee only performed the record-keeping manually with an average frequency of two readings per shift. Therefore, Hollinee failed to maintain automated hourly records of the Anderson wet scrubber operational parameters, in violation of the Facility's Title V permit and ORC § 3704.05(J)(2).

11. Section A.1.c.iii of Part I of the Facility's Title V permit requires Hollinee to identify deviations from monitoring, record-keeping, and reporting requirements associated with EUs P001, P002 and P007 in semiannual reports, which are due by July 31 and January 31 for the preceding semiannual period. Hollinee failed to timely submit semiannual reports addressing deviations for the time periods of May 29 (date of issuance of the Title V permit) to June 2002, July to December 2002, and January to June 2003 until February 2, 2004, in violation of the Facility's Title V permit and ORC § 3704.05(J)(2).

12. Section A.III.3 of Part III of the Facility's Title V permit requires Hollinee to perform weekly monitoring and record-keeping for visible particulate emissions from EUs P002 and P007. Review of facility records by Ohio EPA and records submitted by Hollinee revealed that weekly monitoring and record-keeping of visible particulate emissions were not performed for EUs P002 and P007 from the effective date of the Title V permit through June 17, 2003, in violation of the Facility's Title V permit and ORC § 3704.05(J)(2).

13. Section A.IV.2 of Part III of the Facility's Title V permit requires Hollinee to submit semiannual reports, which are due by July 31 and January 31 for the preceding semiannual period, identifying all visible particulate emissions observations, or a negative

declaration, for EUs P002 and P007. Hollinee failed to provide Ohio EPA with semiannual reports identifying all visible particulate emission observations for EUs P002 and P007 for the time periods of May 29 through June 2002 and July to December 2002, in violation of the Facility's Title V permit and ORC § 3704.05(J)(2).

14. OAC Rule 3745-31-02 provides, in part, that no person shall cause, permit, or allow the installation of a new source of air pollutants or cause, permit, or allow the modification of an air contaminant source without first obtaining a permit to install ("PTI") from the Director. In or about 1985, substantial increases in the production capacity of EUs P002 and P007 (initial installation of these units was in 1972 and 1980, respectively) indicate that these units have been modified, as defined in OAC Rule 3745-31-01(AAA), and are therefore subject to OAC Rule 3745-31-02(A)(1). Based on the information that became available to SEDO beginning in April 2002, Hollinee had made changes to equipment including increasing burner sizes and increasing the number of holes on the bushing plates which resulted in an increase in the glass-pull rates for EUs P002 and P007. By failing to apply for and obtain PTIs for EUs P002 and P007 prior to their modification, Hollinee was in violation of OAC Rule 3745-31-02(A)(1) and ORC § 3704.05(G).

15. Section A.III.1 of Part III of the Facility's Title V permit requires the particulate emissions from EU P001 at Hollinee's Facility not exceed 1.5 pounds per hour. Compliance testing at the Facility on May 26, 2004 revealed that EU P001 had a particulate emission rate of 1.80 pounds per hour, thus exceeding the 1.5 pounds per hour limitation, in violation of the Facility's Title V permit and ORC § 3704.05(J)(2).

16. On August 2, 2004, SEDO issued an NOV letter to Hollinee for failing to meet the hourly emission limitations for particulate and OC based on the results of the May 26, 2004 stack test and records maintained by Hollinee. SEDO requested Hollinee to submit a compliance plan and schedule for achieving compliance within 30 days of receipt of the NOV letter.

17. On August 31, 2004, Hollinee submitted to SEDO a compliance plan and schedule to bring EU P001 into compliance with the hourly emission limitations for particulate and OC. Hollinee proposed to achieve final compliance by March 31, 2005.

18. On December 12, 2005, Hollinee performed a retest of the hourly emission rates for particulate and OC for EU P001. The results of these tests indicated that the actual hourly emission rates for particulate and OC were 0.83 pound per hour and 4.3 pounds per hour, respectively. Based on these results, Hollinee was in compliance with the hourly limit for particulate emissions; however, the hourly limit for OC was still not met. Failure to comply with the hourly limit for OC is a violation of the Facility's Title V permit and ORC § 3704.05(A) and (J)(2).

19. March 10, 2006, SEDO issued an NOV letter to Hollinee for failing to meet the hourly OC emission limitations based on the results of the December 12, 2005 stack test. SEDO requested Hollinee to submit a compliance plan and schedule for achieving compliance within 30 days of receipt of the NOV letter.

20. On April 5, 2006, Hollinee submitted to SEDO a compliance plan and schedule to bring EU P001 into compliance with the hourly OC emission limitation. Hollinee raised the issue of applicability of OAC Rule 3745-21-07(G)(1) regarding EU P001. Hollinee proposed to achieve final compliance with the hourly OC emission limit for EU P001 primarily through reducing production and to submit a Title V permit renewal application by July 10, 2006.

21. On April 14, 2006, SEDO sent Hollinee a letter confirming the receipt of Hollinee's April 5, 2006 compliance plan and schedule. In this letter, SEDO also reconfirmed the applicability of OAC Rule 3745-21-07(G)(1) to EU P001.

22. 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 shall pay the amount of sixty-two thousand dollars (\$62,000) in settlement of Ohio EPA's claim for civil penalties, which may be assessed pursuant to ORC § 3704.06. Within fourteen (14) 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 forty-nine thousand and six hundred dollars (\$49,600) 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
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049

2. In lieu of paying the remaining twelve thousand and four hundred dollars (\$12,400) of civil penalty to Ohio EPA, Respondent shall fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of \$12,400 to the Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD0). Respondent shall make payment on or within thirty (30) days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for \$12,400. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent and Fund 5CD0, to the above-stated address.

3. 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
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049

4. Should Respondent fail to fund the SEP within the required timeframe in Order 2, Respondent shall immediately pay to Ohio EPA \$12,400 of the civil penalty in accordance with the procedures in Order 1.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's receipt of the official checks required by Section V of these Orders.

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

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio EPA, Southeast District Office
2195 Front Street
Logan, Ohio 43138
Attention: Sarah Harter

and to:

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

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 specifically 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 the 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 the 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 said Orders are stayed, vacated, or modified.

XIII. EFFECTIVE DATE

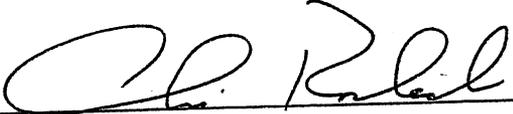
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

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


Chris Korleski
Director

12/27/07
Date

IT IS SO AGREED:

Hol Holdings, LLC


Signature

12-3-07
Date

RICHARD RUEBE
Printed or Typed Name

CEO
Title