

OHIO E.P.A.

APR 29 2011

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

ENTERED DIRECTOR'S JOURNAL

In the Matter of:

International Converter, LLC : Director's Final Findings
17153 CR 57 : and Orders
Caldwell, Ohio 43724 :

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to International Converter, 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 Respondent's facility (as hereinafter 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

All of the findings necessary for the issuance of these Orders pursuant to ORC §§ 3704.03 and 3745.01 have been made and are outlined below. Nothing in the findings shall be considered to be an admission by Respondent of any matter of law or fact. The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates coating/laminator lines, which coat material such as wrappers used in the fast food industry at a facility located at 17153 CR 57 in Caldwell (Noble County), Ohio. The facility is identified by Ohio EPA facility identification number 0661000027, and classified as a major source as defined in Ohio Administrative Code ("OAC") Rule 3745-77-01(W).

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: 4-29-2011

2. As part of the coating/laminating process at the facility, Respondent operates ten coating/laminator lines, as identified in the following by Ohio EPA emissions unit IDs:

- K001 - Laminator #1 (shut down since April 2008)
- K002 - Laminator #2
- K003 - Laminator #3
- K004 - Laminator #4
- K005 - Laminator #5
- K006 - Flexograph Press #1
- K007 - Flexograph Press #2 (shut down since December 2008)
- K008 - a waterborne flexographic coating/printing station (shut down since December 2008)
- K009 - Laminator #6
- K010 - Laminator #7

Except for emissions units K008 and K010, all of the above emissions units are required to be vented to a catalytic incinerator whenever any coating or ink is employed that contains more than 1.14 pounds of VOC per gallon, excluding water and exempt solvents. No coatings and inks with a VOC content of more than 1.14 pounds of VOC per gallon, excluding water and exempt solvents, were employed in emissions units K006 and K007, and therefore these units have never been vented to the catalytic incinerator. With respect to the emissions unit K010, PTI #06-07864 did not include a flow control provision governing when inks and coatings containing low levels of VOCs were to be vented to the atmosphere rather than the catalytic incinerator. Respondent has replaced the catalytic incinerator with a regenerative thermal oxidizer ("RTO"). On and after October 5, 2010, Respondent indicates that VOC emissions, which were required to be vented to the catalytic incinerator, were vented to the RTO.

3. ORC § 3704.05(C) prohibits any person from violating the terms and conditions of any permit issued by the Director of Ohio EPA.

4. PTI #06-07864 was issued by Ohio EPA to Respondent on November 22, 2005, for the installation of emissions unit K010 and contained the following requirements:

- a. vent VOC emissions from emissions unit K010 through a catalytic incinerator which has a capture efficiency of at least 90% by weight and a control efficiency of at least 90% by weight; and
- b. limit VOC emissions from emissions unit K010 to 11.74 lbs of VOC per hour, and 51.42 tons of VOC per year.

5. On May 13, 2008, Respondent submitted to Ohio EPA, Southeast District Office ("SEDO"), an intent-to-test form for emissions unit K010 to be conducted on June 4 through June 6, 2008. The test was to determine if the hourly VOC emission limit, the VOC emission capture efficiency, and the control efficiency were violated because Respondent operated the laminator with the bay and side doors open.

6. On June 5, 2008, stack tests were performed for emissions unit K010 with the bay and side doors open. The tests indicated that emissions unit K010 was out of compliance with the VOC emission limit and the minimum control efficiency limitation of PTI #06-07864 as follows:

Tested:	emission rate	14.23 lbs of VOC/hr
	control efficiency	75.29%
	capture efficiency	91.92%
	overall control efficiency	69.2%
Allowable:	emission rate	11.74 lbs of VOC/hr
	control efficiency	90%
	capture efficiency	90%

7. Respondent's failure to comply with the VOC emission limit and the minimum VOC emission control efficiency requirement constituted violations of PTI #06-07864 and ORC § 3704.05(C).

8. In a letter dated August 7, 2008, Respondent stated that a possible cause for noncompliance was damage to the catalyst on May 12, 2008. Respondent replaced the catalyst on July 26, 2008.

9. On September 23, 2008, Respondent conducted additional stack tests for emissions unit K010 with the bay and side doors open. The tests indicated that emissions unit K010 was in compliance with the VOC emission limitation and control efficiency requirements of the terms and conditions of PTI #06-07864. These tests were not observed by SEDO.

10. On October 3, 2008, SEDO sent a Notice of Violation ("NOV") letter to Respondent citing it for the aforementioned violations and acknowledged the receipt of the compliance plan and schedule date of August 23, 2008 for bringing the facility into compliance. The NOV further requested that Respondent submit the results of the stack test on emissions unit K010 conducted on September 23, 2008.

11. In its letter dated November 19, 2008, SEDO acknowledged receipt of the test results on November 3, 2008 from Respondent and, based on the test results, confirmed that Respondent was in compliance with the requirements of PTI # 06-07864.

12. On October 29, 2009, SEDO sent a NOV letter to Respondent, identifying additional violations of PTI #06-07864 at the facility.

13. Respondent failed to keep average 3-hour inlet incinerator temperatures at or above 688 °F for all or a portion of 225 days during 2009; and failed to keep average 3-hour temperature rises across the bed of the catalytic incinerator equal to or above 83 °F for all or a portion of 203 days during 2009. Respondent's failure to keep average 3-hour inlet incinerator temperatures and average 3-hour temperature rises at or above prescribed levels constituted violations of PTI #06-07864 and ORC § 3704.05(C). Respondent has advised Ohio EPA that due to the variable nature of the VOC and Btu loadings to the catalytic incinerator, the parameter requirements of the permit (i) could not be met and (ii) were not an accurate reflection of the proper functioning of the catalytic incinerator. Generally, Respondent was not able to keep average 3-hour inlet incinerator temperatures equal to or above 688 °F, and average 3-hour temperature rises across the catalytic incinerator equal to or above 83 °F, for all periods up to October 5, 2010, when Respondent claims the RTO commenced operation.

14. Between January 4, 2009 and March 27, 2009, Respondent exceeded its emission limit of 11.74 pounds of VOC/hour for emissions unit K010 on eight days, in violation of PTI #06-07864 and ORC § 3704.05(C).

15. During the first and second quarters of 2009 and for emissions units K003, K004, K005 and K010, Respondent employed coatings with a VOC content greater than 1.14 pounds of VOC/gallon (total and excluding water and exempt solvents) for all or a portion of 151 days and did not vent the VOC emissions to the catalytic incinerator, in violation of PTI #06-07864, Title V permit number P0090209, and ORC § 3704.05(C) and (J)(2). Respondent alleges that because PTI #06-07864 did not include a flow control provision and due to capacity limitations of the catalytic incinerator, Respondent directed air flows from said emissions units to the catalytic incinerator, for all periods prior to October 5, 2010, based on coating or ink VOC content being above 1.14 pounds/gallon (total); as a result, during certain production runs prior to October 5, 2010, coatings or inks with a VOC content below 1.14 pounds/gallon (total), but above 1.14 pounds/gallon, excluding water and exempt solvents, were not vented to the catalytic incinerator.

16. On March 4, 2010, Respondent submitted to SEDO a revised PTI application for emissions unit K010 and an application to install the new RTO. On April 13, 2011, PTI #P0106098 was issued for the emissions units at the facility to reflect the installation and operation of an RTO in lieu of the catalytic incinerator. PTI #P0106098 contains temperature restrictions for the new RTO that reflect requirements for a thermal incinerator rather than a catalytic incinerator.

17. 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 benefits to the people of the State derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent shall pay the amount of fifty thousand and five hundred dollars (\$50,500) 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 forty thousand and four hundred dollars (\$40,400) 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

2. In lieu of paying the remaining ten thousand and one hundred dollars (\$10,100) of the 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 \$10,100 to the Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD0). Respondent shall tender an official check made payable to "Treasurer, State of Ohio" for \$10,100. 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 Thomas Kalman, Acting 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

4. Should Respondent fail to fund the SEP within the required time frame set forth in Order 2, Respondent shall immediately pay to Ohio EPA, \$10,100 for the civil penalty in accordance with the procedures in Order 1.

5. Until a renewal Title V permit that incorporates the new requirements specified in PTI #P0106098 is issued by Ohio EPA for Respondent's facility, Respondent

shall comply with the terms and conditions of the Title V permit of May 16, 2001 pursuant to OAC Rule 3745-77-08(E)(1) except for those terms and conditions therein which have been superseded by the requirements in PTI #P0106098 issued on April 13, 2011. Respondent shall not provide the certification required pursuant to Section VI of these Orders until after a renewal Title V permit has been issued.

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."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a principal executive officer of Respondent of at least the level of vice-president or his duly authorized representative, if such representative is responsible for the overall operation of the facility.

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 Environmental Protection Agency
Southeast District Office
Division of Air Pollution Control
2195 Front Street
Logan, Ohio 43138
Attn: Erika Jackson

and to:

Ohio Environmental Protection Agency
Division of Air Pollution Control
50 West Town Street
Suite 700
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.

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

Lee Sneed
Operations Manager
International Converter, LLC
17153 CR 57
Caldwell, Ohio 43724

and to:

Rick Starling
Director EHS
Packaging Dynamics/Converting Operations
2700 Apple Valley Road
Atlanta, Georgia 30319

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 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

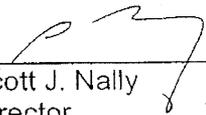
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

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.

ORDERED AND AGREED:

Ohio Environmental Protection Agency



Scott J. Nally
Director

4/27/11

Date

AGREED:

International Converter, LLC



Signature

4/20/2011

Date

Patrick T. Chambliss

Printed or Typed Name

VP & CFO

Title