



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

December 30, 2013

CERTIFIED MAIL

Mr. Michael J. Neumann
Network Polymers
1353 Exeter Road
Akron, Ohio 44306

Re: Final Findings and Orders for:
violations of Ohio EPA's air pollution
control laws and regulations at the facility
located at 1353 Exeter Road in Akron,
Ohio.

Dear Mr. Neumann:

Transmitted herewith are the Final Findings and Orders ("Orders") of the Director of Ohio EPA concerning the above-referenced matter.

Please note that the effective date of the Orders is the date that the Orders were entered into the Ohio EPA Director's journal, which is the date that is stamped on the first page of the Orders.

Sincerely,

Bruce D. Weinberg, Manager
Compliance/Enforcement Section
Division of Air Pollution Control

BDW/lg

xc: Carol Hester, PIC
Leanne Greenlee, DAPC
Carol Butler, Fiscal Office
Donald Vanterpool, Legal Office
Patty Porter, DAPC
Duane LaClair, ARAQMD

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.

OHIO E.P.A.

DEC 30 2013

ENTERED DIRECTOR'S JOURNAL

By: Amel Lassler Date: 12-30-13

BEFORE THE

OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Network Polymers, Inc.
1353 Exeter Road
Akron, Ohio 44306

:
:
:

Director's Final Findings
and Orders

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

This Expedited Settlement Agreement and Director's Order ("ESA") is issued to Network Polymers, Inc. ("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. FINDINGS

1. Respondent owns and operates a thermoplastic resin and alloy plant ("facility") located at 1353 Exeter Road, Akron, Ohio (Ohio EPA facility ID number 1677011002). Respondent currently operates four main extruder lines and two small research and development ("R&D") extruder lines at the facility.

2. Each of the emissions units (i.e., extruder lines) identified in Finding 1 are "air contaminant sources" as defined in Ohio Administrative Code ("OAC") Rules 3745-31-01(I), 3745-15-01(C), and 3745-15-01(X).

3. Unless otherwise required by law or regulation, OAC Rule 3745-15-05(B) and ORC § 3704.011 exempt air contaminant sources whose potential emissions are less than or equal to ten pounds per day of an air pollutant or air contaminant from the requirements of ORC Chapter 3704 and the rules adopted thereunder. OAC Rule 3745-15-05(D) states that the exemption contained in ORC § 3704.011 does not apply if the air contaminant source's potential emissions (e.g., potential-to-emit ["PTE"]) are greater than ten pounds per day (or one ton per year of one or more hazardous air pollutants ["HAPs"]) unless the owner or operator of the source maintains records to adequately demonstrate that the actual emissions did not exceed ten pounds per day

(or one ton per year of one or more HAPs) and unless the source is not otherwise prohibited from the exemption by law or regulation. Emissions units qualifying for these exemptions are referred to as "de minimis." OAC Rule 3745-15-05(H) states that nothing in OAC Rule 3745-15-05 shall be construed to exempt a source from the requirements of the Clean Air Act, including being considered for purposes of determining whether a facility constitutes a major source or is otherwise regulated under OAC Chapter 3745-77 (i.e., Title V program) or any requirement to identify insignificant activities and emissions levels in a Title V permit application.

4. OAC Rule 3745-31-02(A) prohibits any person from installing and operating an air contaminant source unless a permit-to-install and operate ("PTIO") or a permit-to-install ("PTI") has been applied for and obtained, except provided by rule or law. OAC Rule 3745-31-05(F) (formerly OAC Rule 3745-31-02(A)(2)) allows, in part, the owner or operator of any air contaminant source to voluntarily request a PTI or PTIO from Ohio EPA that would lower the allowable emissions from the air contaminant source. This type of permit is referred to as a "synthetic minor permit." OAC Rule 3745-31-01(K) defines "allowable emissions," in part, as the emission rate of an air contaminant source calculated using the maximum rated capacity to emit, unless federally enforceable limitations restrict the operation rate or hours of operation.

5. OAC Rule 3745-77-02 prohibits a Title V source from operating the source after the date that a timely and complete Title V permit application is required to be submitted, except in compliance with a permit issued under OAC Chapter 3745-77. A facility is subject to the Title V program if it emits or has the PTE 100 tons per year ("TPY") or more of any air pollutant, ten TPY or more of any HAPs, or 25 TPY or more of any combination of HAPs (i.e., Title V applicability thresholds). OAC Rule 3745-77-04(D) provides that a timely Title V permit application for a Title V sources applying for a Title V permit for the first time, other than an existing source (sources that commenced operation prior to December 1, 1994), is one that is submitted within 12 months after the source becomes subject to the Title V permit program.

6. OAC Rule 3745-77-02(C)(4) states, in part, that synthetic minor sources are exempt from the requirements of the Title V rules. OAC Rule 3745-77-01(MM) defines a "synthetic minor source" as a stationary source that would be classified as a major source in the absence of federally enforceable restrictions on the PTE of the source.

7. OAC Rule 3745-78-02(F) requires, the owners and operators of a synthetic minor source to submit fee emission reports ("FERs") on the facility's actual emissions of certain air pollutants by June 15, 2000, and each year thereafter (except the fee emission report for the calendar year 2008 is required to be submitted by June 6, 2008). ORC § 3745.11(D)(3) requires each person who owns or operates a synthetic

minor facility to pay an annual fee based on the sum of the actual annual emissions from the facility of particulate matter, sulfur dioxide, nitrogen dioxide, organic compounds, and lead in accordance the schedule specified therein.

8. ORC § 3704.05(G) prohibits any person from violating any rule adopted by the Director of Ohio EPA pursuant to ORC Chapter 3704. All rules identified in these Orders were adopted by the Director pursuant to ORC Chapter 3704.

9. ORC § 3704.05(J)(1) prohibits any person from failing to pay any fee assessed under section ORC § 3745.11. ORC § 3704.05(J)(2) prohibits any person from violating any applicable requirement of a Title V permit or any permit condition, except for an emergency as defined in 40 CFR 70.6(g). It also prohibits any person from violating any filing requirement of the Title V permit program, any duty to allow or carry out inspection, entry, or monitoring activities, or any rule adopted or order issued by the Director pursuant to the Title V permit program.

10. ORC § 3704.05(K) states, in part, that no person shall operate any source required to obtain a Title V permit unless a Title V permit has been issued authorizing the operation of the source or a complete and timely Title V permit application for the source has been submitted to the Director.

11. In or around 1995, the facility was permitted as Diamond Polymer, Inc. In 2002, Diamond Polymer became the wholly owned subsidiary of Respondent. Shortly thereafter, the Diamond Polymer, Inc. permits were terminated and the facility stopped filing emission fee reports because the facility was determined to qualify for de minimis status, as described in OAC Rule 3745-15-05.

12. In 2004, Respondent installed a central vacuum system which increased the amount of the volatile organic compounds ("VOCs") and HAPs generated during the processing of raw materials on the main extrusion lines. Prior to this installation, the major portion of the VOCs and HAPs emissions associated with the raw material processing remained in the finished product and allowed the facility to be classified as de minimis. Respondent did not inform Ohio EPA of the change in the method of operations associated with the installation of the central vacuum system.

13. On June 27, 2013, Respondent along with their consultants, Bureau Veritas, met with the Akron Regional Air Quality Management District ("ARAQMD"), a contractual representative of Ohio EPA in Summit County. During the meeting, Respondent informed ARAQMD that an environmental self-assessment of the facility operations discovered the permit violations associated with the installation of the central vacuum system.

14. On July 8, 2013, ARAQMD sent a letter to the Respondent requesting information needed to determine compliance with the applicable regulatory requirements associated with the facility, including a timeline of the installation of the facility's emissions units and their corresponding actual and PTE emission rates. The letter requested the information to be submitted within 14 days of the receipt of the letter and to include a plan and schedule to bring the facility into compliance.

15. On July 22, 2013, Bureau Veritas, on behalf of Respondent, submitted a response to ARAQMD's July 8, 2013 letter requesting information. The response included a timeline and a plan to return the facility to compliance which included the submission of a PTIO application. The response also included emission calculations that indicated that the facility's operations were exempt from Ohio air permitting requirements for the years 2002 and 2003 because the actual emissions of organic compounds and combined HAPs were less than ten pounds per day and one ton per year, respectively. However, after the installation of the central vacuum system in 2004, the facility's actual emission calculations disclosed that it exceeded the de minimis exemption limitation rates. Additionally, the PTE calculations showed that the facility was required to apply for and obtain a Title V permit or synthetic minor permit to limit the PTE of styrene, a HAP, to below the ten ton per year individual HAP Title V applicability threshold. However, the actual emission of the styrene was below the applicability threshold. The response also indicated that from 2002 until around June of 2013 certain emissions units were installed and/or removed. Specifically, in or around the end of 2002, Respondent shutdown the CM-57 and ZE-90 extruders and installed a 58 mm extruder in May of 2011. Respondent also installed two R&D extruders; a 34 mm extruder in 2003, and a 25 mm extruder in 2005.

16. On August 6, 2013, ARAQMD sent a Notice of Violation to the Respondent for operating without permits. The NOV requested the Respondent to submit complete permit applications and a written synthetic minor strategy as soon as possible, but not later than 30 days from receipt of the notice.

17. On August 15, 2013, Respondent submitted a synthetic minor permit application to lower the PTE of styrene.

18. Respondent's PTE of styrene exceeded the Title V major source applicability threshold of ten tons per year for an individual HAP; therefore, Respondent was required to submit a timely and complete Title V permit application within one year of becoming subject to the Title V permit requirements. Respondent failed to submit a timely and complete application from July 2005 (one year from the estimated 2004 installation of the central vacuum system) until August 10, 2013, in violation of OAC Rule 3745-77-04(D) and ORC §§ 3704.05(G), (J)(2), and (K). Additionally, Respondent

failed to apply for and obtain a PTI prior to modifying the facility in 2004 when it installed the central vacuum system and when it installed the 58 mm extruder in May of 2011, in a violation of OAC Rule 3745-31-02 and ORC § 3704.05(G). Respondent also failed to submit FERs and to pay fees for the years 2004 through 2012, in violation of OAC Rule 3745-78-02 and ORC §§ 3704.05(G), (J), and 3745.11(D)(3).

19. In consideration of the benefits of Respondent's prompt compliance to the public, efficiency in Ohio EPA resources, other factors as justice may require, and upon consideration of the entire record, this ESA is an appropriate mechanism to resolve the noncompliance detailed in these Findings.

III. ORDER

The Director hereby issues the following Order:

1. Respondent shall pay the amount of seven thousand seven hundred and fifty dollars (\$7,750) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. 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 six thousand two hundred dollars (\$6,200) [split to Funds 6960 and 6A10]. The official check shall be submitted to Carol Butler, or her successor, together with a letter identifying 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 one thousand five hundred and fifty dollars (\$1,550) of the civil penalty, Respondent shall, within fourteen (14) days of the effective date of these Orders, fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of \$1,550 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 \$1,550. The official check shall be submitted to Carol Butler, or her successor, together with a letter identifying the Respondent and Fund 5CD0, to the above-stated address.

3. A copy of the above check shall be sent to Bruce Weinberg, Manager, Compliance/Enforcement Section, 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 time frame set forth in Order 2, Respondent shall immediately pay to Ohio EPA \$1,550 of the civil penalty in accordance with the procedures in Order 1.

5. If not completed upon the effective date of the Orders, Respondent shall submit fee reports for the years 2004 through 2012 within thirty (30) days after the effective date of these Orders and in accordance with ORC § 3745.11 Respondent shall pay applicable fees based on the sum of actual annual emissions emitted during these years within the timeframe and manner as directed in the invoice sent by Ohio EPA.

IV. TERMINATION

Respondent's obligations under this ESA shall terminate upon Ohio EPA's entry of this ESA in the Ohio EPA Director's journal and Ohio EPA's receipt of the civil penalty payments required by this ESA, the receipt of the FERs, and payment of the associated fees for the years 2004 to 2012.

V. RESERVATION OF RIGHTS AND WAIVER

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived herein.

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 this ESA, Respondent consents to the issuance of this ESA and agrees to comply with this ESA. Compliance with this ESA shall be a full accord and satisfaction of Respondent's liability for the violations specifically cited herein.

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

Notwithstanding the preceding, Ohio EPA and Respondent agree that if this ESA is 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 comply with this ESA notwithstanding such appeal and intervention unless this ESA is stayed, vacated, or modified.

VI. EFFECTIVE DATE


The effective date of this ESA is the date this ESA is entered into the Ohio EPA Director's journal.

VII. SIGNATORY AUTHORITY

Each undersigned representative or party to this ESA certifies that he or she is fully authorized to enter into this ESA and to legally bind such party to this ESA.

ORDERED AND AGREED:

Ohio Environmental Protection Agency



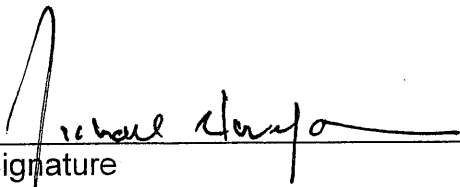
Scott J. Nally
Director

12/23/13

Date

AGREED:

Network Polymers, Inc.



Signature
MICHAEL NEUMANN

Printed or Typed Name
COO/CFO

Title

11.27.13

Date