



State of Ohio Environmental Protection Agency

STREET ADDRESS:

Lazarus Government Center
50 W. Town St., Suite 700
Columbus, Ohio 43215

TELE: (614) 644-3020 FAX: (614) 644-3184
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049
Columbus, OH 43216-1049

February 11, 2010

Martha Connell
Parker Hannifin Corporation
6035 Parkland Boulevard
Cleveland, Ohio 44140-4141

Re: Parker-Hannifin Corporation
Waverly, Ohio
USEPA ID#: OHD046426409
Financial Record Review

050/055

Dear Ms. Connell:

On February 9, 2010, I completed a review of the financial assurance documentation on file for your facility. I evaluated your facility for compliance with closure/post-closure/corrective action cost estimates, financial assurance for closure/post-closure/corrective action and liability coverage requirements. These requirements are set forth in the Ohio Administrative Code (OAC) rules 3745-55-42 through 3745-55-47, as well as rules 3745-54-100 and 3745-54-101. In addition, if applicable, I evaluated your facility for compliance with your Ohio Hazardous Waste Part B Permit Conditions.

On September 30, 2009, Parker-Hannifin submitted an alternative II financial test for closure and/or post-closure and liability coverage which included an independent auditor's report and a post-closure cost estimate for the Waverly facility of \$860,083. Parker-Hannifin has a current Moody's bond rating of A2.

Upon review of the financial assurance documentation the following violations were noted:

OAC 3745-55-44(A)(2): From 2008 to 2009, the post-closure cost estimate decreased the number of years remaining in "source area remediation" from 5 to 3 and in "Plume Management Remediation" from 14 to 12. These should have been reduced to 4 and 13 respectively.

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

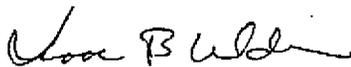
OAC 3745-55-44(B): The inflation adjustment used to determine the 2009 costs resulted in costs that were less than those for 2008. Please use the inflation factor as published on our website or in the February issue of The Survey of Current Business rather than the BLS CPI inflation calculator. The inflation factor for 2008 used in the 2009 submittal should be 2.1% ⁴⁵

OAC 3745-44(F)(9): The post-closure cost estimate was reduced from \$1,166,662 in your September 30, 2008 submittal to \$860,083 in your September 30, 2009 submittal. This requires prior approval of the director.

Area of Concern: Previous financial tests for closure and/or post-closure and liability coverage submitted by your company had an \$8,000,000 amount for aggregate liability. The financial test submitted on September 30, 2009 had a \$0 amount for aggregate liability. Your Waverly facility does not require liability coverage but at least one of your other facilities covered by the financial test is in closure and presumably would require liability coverage. If none of your facilities require liability coverage, please use the financial test for closure and/or post-closure.

If you have any questions regarding this letter or financial assurance regulations, please feel free to call me at (614) 644-3067.

Sincerely,



Isaac B. Wilder
Compliance Assurance Section
Division of Hazardous Waste Management

cc: Donna Goodman, DHWM, SEDO
Kristina Durnell, RISS, DHWM, CO

Notice:

Ohio EPA's failure to list specific deficiencies or violations in this letter does not relieve your company from having to comply with applicable regulations.