



State of Ohio Environmental Protection Agency
Southwest District

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Ted Strickland, Governor
Lee Fisher, Lt. Governor
Chris Korleski, Director

October 17, 2007

Mr. Ken Perica
INEOS ABS (USA) Corporation
365 Three Rivers Parkway
Addyston, Ohio 45001

Re: INEOS ABS (USA) Corp. – OH0009946;11F00001*ID – CEI/Pre-Permit Inspection

Dear Mr. Perica:

On September 19, 2007, Marianne Piekutowski of this office met with Jessica Reece and yourself, and conducted a NPDES Prepermit Inspection/ Compliance Evaluation Inspection (CEI) at INEOS ABS (USA) Corporation (LANXESS). The purpose of this inspection was to evaluate compliance with the terms of the NPDES permit, and to update the information in the facility's NPDES permit renewal application. Please note that the report, by its format, tends to highlight negative areas.

As indicated in the attached CEI report, some areas received a Satisfactory rating. Two areas received a rating of Marginal. These reasons are included in the attached write up.

Thank you for the time extended during your inspection. If you would have any questions, please contact Ms Piekutowski at this office at 937.285.6108.

Sincerely,

Martyn Burt
Environmental Supervisor
Division of Surface Water

Enclosures

Cc: Jessica Reece, INEOS ABS (USA) Corp.
Don Ramsey, INEOS ABS (USA) Corp.







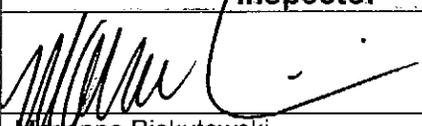
State of Ohio Environmental Protection Agency
Southwest District Office

NPDES Compliance Inspection Report

Section A: National Data System Coding					
Permit #	NPDES#	Month/Day/Year	Inspection Type	Inspector	Facility Type
OH0009946	11F00001*ID	9/19/2007	C	S	2

Section B: Facility Data		
Name and Location of Facility Inspected	Entry Time	Permit Effective Date
LANXESS Corporation 356 Three Rivers Parkway Addyston, Ohio 45001	10:00	8/1/2004
	Exit Time	Permit Expiration Date
	2:00	1/31/2008
Name(s) and Title(s) of On-Site Representatives	Phone Number(s)	
Jessica Reece/WWTP Engineer	513.467.2321	
Name, Address and Title of Responsible Official	Phone Number	
Rebecca Libourel, Treasurer INEOS ABS (USA) Corporation 356 Three Rivers Parkway Addyston, Ohio 45501	513.467.2400	

Section C: Areas Evaluated During Inspection					
(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)					
S	Permit	NA	Flow Measurement	NA	Pretreatment
S	Records/Reports	NA	Laboratory	NA	Compliance Schedule
M	Operations & Maintenance	M	Effluent/Receiving Waters	S	Self-Monitoring Program
S	Facility Site Review	NA	Sludge Storage/Disposal	NA	Other
NA	Collection System				

Section D: Summary of Findings (Attach additional sheets if necessary)	
See attached report.	
Inspector	Reviewer
 Marianne Piekutowski Division of Surface Water Southwest District Office	Martyn Burt Compliance & Enforcement Supervisor Division of Surface Water Southwest District Office
Date 10/17/07	Date



Permit # : OH0009946
NPDES #: 11F00001*ID

Sections E thru K: Complete on all inspections as appropriate
Y – Yes, N – No, N/A – Not Applicable, N/E – Not Evaluated

Section E: Permit Verification

Inspection observations verify the permit

- (a) Correct name and mailing address of permittee N
- (b) Correct name and location of receiving waters..... Y
- (c) Product(s) and production rates conform with permit application (Industries)..... NA
- (d) Flows and loadings conform with NPDES permit..... Y
- (e) Treatment processes are as described in permit application... Y
- (f) New treatment process(es) added since last inspection..... N
- (g) Notification given to State of new, different or increased discharges..... N
- (h) All discharges are permitted..... Y
- (i) Number and location of discharge points are as described in permit..... Y

Comments/Status:

a) Ownership will be changing as of October 1, 2007. Permit transfer form has been submitted.
f) Working on the biofilter, but it is not yet installed. Maybe getting rid of clarifer #2 since it is not being used and has been replaced.

Section E: Permit Verification

- (a) Any significant violations since the last inspection..... Y
- (b) Permittee is taking actions to resolve violations..... Y
- (c) Permittee has a compliance schedule..... N
- (d) Compliance schedule contained in
- (e) Permittee is meeting compliance schedule..... NA

Comments/Status:

(a) There were TSS violations of both the daily maximum and average concentration and loading limitations in June 2007. This has been resolved. Whole effluent toxicity is an issue. USEPA is investigating sources for toxicity. This will be addressed in the renewal of the permit by Ohio EPA. Will either be some type of toxicity limit or ammonia limit.

Section G: Operation & Maintenance

Treatment Works:

Treatment facility properly operated and maintained

- (a) Standby power available.....generator **X** or dual feed Y
- (b) Adequate alarm system available for power or equipment failures.. Y
- (c) All treatment units in service other than backup units..... Y
- (d) Operator holds unexpired license of class required by permit..... NA
Class: 2 shifts/7 days per week
- (f) Routine and preventative maintenance schedule/performed on time..... Y
- (g) Any major equipment breakdown since last inspection..... N
- (h) Operation and maintenance manual provided and maintained..... Y
- (i) Any plant bypasses since last inspection..... N
- (j) Regulatory agency notified of bypasses..... NA
On MORs and/or Spill Hotline (1-800-282-9378)
- (k) Any hydraulic and/or organic overloads since last inspection..... Y

Collection System:

- (a) Percent combined system: %
- (b) Any collection system overflows since last inspection..... NA
(CSO and/or SSO)
- (c) Regulatory agency notified of overflows (SSOs)..... NA
- (d) CSO O&M plan provided and implemented..... NA
- (e) CSOs monitored and reported in accordance with permit..... NA
- (f) Portable pumps used to relieve system..... NA
- (g) Lift station alarms provided and maintained..... NA
- (h) Are lift stations equipped with permanent standby power or equivalent..... NA
- (i) Is there an inflow/infiltration problem (separate sewer system), or were there any major repairs to collection system since last inspection..... NA
- (j) Any complaints received since last inspection of basement flooding NA
- (k) Are any portions of the sewer system at or near capacity..... NA

Comments/Status:

Treatment Works: [c] Spare clarifier that is not using for treatment.
(d) The facility is in the process of cross training new operators from boilers. There will then be a rotation of operators.
(f) Preventative maintenance done by waste treat operators as well as in plant system.
(k) There were TSS violations in June 2007. Ohio EPA was notified.

Section H: Sludge Management

- (a) Sludge management plan (SMP)
Submitted date: 1992 Approval #: Not submitted N/A
- (b) Sludge management plan current..... Y
(c) Sludge adequately disposed..... Y
(Method: Landfill to Rumpke)
(d) If sludge is incinerated, where is ash disposed of NA
(e) Is sludge disposal contracted..... Y
(Name: Rumpke- Hughes Road)
(f) Has amount of sludge generated changed significantly since
last inspection..... N
(g) Adequate sludge storage provided at plant..... Y
(h) Land application sites monitored and inspected per SMP..... NA
(i) Records kept in accordance with State and Federal law..... Y
(j) Any complaints received in last year regarding sludge..... N
(k) Is sludge adequately processed (digestion, pathogen control)..... NA

Comments/Status:

c) Updated sludge profile for Rumpke.
f) The amount of sludge generated has gone down slightly.

Section I: Self-Monitoring Program

Flow Measurement:

- (a) Primary flow measuring device operated and maintained..... Y
Type of device: Ultrasonic & Parshall flume Ultrasonic & Weir Weir X
Calculated from influent Other X (Specify: **Magmeter 001**) **002**
- (b) Calibration frequency adequate Y
(Date of last calibration: 9/13/07)
(c) Secondary instruments operated and maintained..... NA
(d) Flow measurement equipment adequate to handle full range
of flows..... Y
(e) Actual flow discharged is measured..... Y
(f) Flow measuring equipment inspection frequency
X Daily Weekly monthly other

Comments/Status:

b) The temperature probe on 002 as calibrated on March 13, 2007.

Section I: Self-Monitoring Program (con't)

Sampling:

- (a) Sampling location(s) are as specified by permit..... Y
- (b) Parameters and sampling frequency agree with permit..... Y
- (c) Permittee uses required sampling method..... Y
- (d) Sample collection procedures are adequate..... Y
 - (i) Samples refrigerated during compositing..... Y
 - (ii) Proper preservation techniques used..... Y
 - (iii) Containers and sample holding times prior to analysis conform with 40 CFR 136.3..... Y
- (e) Monitoring records (i.e., flow, pH, DO) maintained for a minimum of three years including all original strip chart recordings (i.e, continuous monitoring instrumentation, calibration and maintenance records)..... Y
- (f) Adequate records maintained of sampling date, time, location, etc.. Y

Laboratory:

General

- (a) EPA approved analytical testing procedures used (40 CFR 136.3).. Y
- (b) If alternate analytical procedures are used, proper approval has been obtained..... N
- (c) Analyses being performed more frequently than required by permit. Y
- (d) If (c) is yes, are results in permittee's self-monitoring report..... Y
- (e) Commercial laboratory used..... Y

Parameters analyzed by commercial lab:
Organics, TSS, BOD, NH3, Toxicity, pH for 002
Lab name:

Cardinal Labs

Quality Control/Quality Assurance

- (f) Quality assurance manual provided and maintained..... Y
- (g) Satisfactory calibration and maintenance of instruments/equipment. Y
- (h) Adequate records maintained..... Y
- (i) Results of latest USEPA quality assurance performance sampling program: X Satisfactory Marginal Unsatisfactory

Date: 8/21/07 – TRC is only parameter done on-site. Satisfactory rating.

Comments/Status:

Sampling

d)(ii) – Facility receives pre-preserved bottles from Cardinal Labs.

Laboratory

b) Still waiting on USEPA approval for the use of 8260 instead of 624.

f) Did an audit of Cardinal Lab when initially went to them, but nothing since. Do send blanks, spikes, duplicates and standards.

Section J: Effluent/Receiving Water Observations

Outfall Number	Oil sheen	Grease	Turbidity	Visible Foam	Visible Floating Solids	Color	Other
001	NA	NA	NA	NA	NA	NA	NA
002	N	N	N	N	N	N	N

Comments/Status:

Outfall 001 uses a diffuser. Not visible from surface.
 Outfall 002 was viewed from the fence line. Did not go all the way down to the outlet to the river.

Section K: Multimedia Observations

- (a) Are there indications of sloppy housekeeping or poor maintenance in work and storage areas or laboratories..... N
- (b) Do you notice staining or discoloration of soils, pavement or floors.. N
- (c) Do you notice distressed (unhealthy, discolored, dead) vegetation.. N
- (d) Do you see unidentified dark smoke or dust clouds coming from sources other than smokestacks..... N
- (e) Do you notice any unusual odors or strong chemical smells..... N
- (f) Do you see any open or unmarked drums, unsecured liquids, or damaged containment facilities..... N

If any of the above are observed, ask the following questions:

- (1) What is the cause of the condition?
- (2) Is the observed condition or source a waste product?
- (3) Where is the suspected contaminant normally disposed?
- (4) Is this disposal permitted?
- (5) How long has the condition existed and when did it begin?

Comments/Status:

e) The sauerkraut-type odor notified in past inspections was not as intense on the day of the inspection. The facility will be covering the aeration tanks and routing the air through a biofilter for odor reductions.

Permit # : OH0009946
NPDES # : 11F00001*ID

INEOS ABS (USA) CORPORATION
NPDES COMPLIANCE EVALUATION INSPECTION
DATE OF INSPECTION: September 19, 2007

ITEMS FOR DISCUSSION:

The facility's NPDES permit renewal in January 2008 was discussed. The facility, at the time of the inspection, was in the process of transferring ownership. The permit transfer application was received on October 1, 2007. This has been forwarded to our Central Office for processing.

COMPLIANCE EVALUATION:

The facility had the following permit violations in the past 12 months:

Outfall 11F00001001

<i>Parameter</i>	<i>Code</i>	<i>Date</i>	<i>Reported</i>	<i>Units</i>	<i>Permit Limit</i>
TSS	00530	06/18/07	232	mg/L	135 mg/L
TSS	00530	06/18/07	959.8	kg/d	883 kg/d
TSS	00530	06/22/07	300	mg/L	135 mg/L
TSS	00530	06/22/07	1031	kg/d	883 kg/d
TSS	00530	06/25/07	290	mg/L	135 mg/L
TSS	00530	06/25/07	1126	kg/d	883 kg/d
TSS	00530	06/2007	83	mg/L	41 mg/L
TSS	00530	06/2007	314.3	kg/d	194 kg/d

These were addressed in Notices of Violation dated June 28, 2007 and July 30, 2007.

It appears when SWIMS reports are run that 2,4-Dinitrophenol was not collected in the September 2006 sampling event. The parameter was collected and analyzed, and is present in the hard copy of the monthly operating report. The SWIMware report has been resubmitted, but this still shows up as not submitted.

Outfall 002 had a number of frequency violations. These occurred on July 21, 28, 2006, January 11, 15, 16, 17, 18, 19, 20, 21, March 6 through 9, 18 through 22, 26 through 29, April 17 through 20, 2007 for flow rate. On these dates, the Ohio River inundated outfall 002 and the facility was unable to determine the flow rate. On March 10 through 12, 2007, the river flooding affected the thermometer so readings could not be obtained. On June 27 through 30, 2007, a lightning strike had taken the thermometer out of service so readings could not be taken. Because of these violations(both limits and frequency), the

INEOS ABS CEI Report -- Page 2

facility receive a rating of marginal for Effluent/Receiving Waters.

OBSERVATIONS:

The coating on the interior and exteriors of the tanks and clarifiers throughout waste treatment was peeling. The facility should consider recoating the tanks to protect them against corrosion. Because of this, the facility will receive a Marginal rating for Operation & Maintenance.

The divers were to check the diffusers on outfall 001 on September 27, 2007. Written confirmation should be provided stating that this has been completed.

INEOS is still working on cross-training operators from the boiler area with operators for wastewater treatment.

On the day of the inspection, the belt filter press was being cleaned. The aeration tanks are being operated at a higher pH and MLSS. The sauerkraut-type odors were not as strong as in previous inspections. A musty odor was noted at the aeration tanks. The final DAF had no appreciable odor on the day of the inspection. The facility tries to maintain a four to eight foot sludge blanket in the secondary clarifiers. This will vary. On the day of the inspection, some denitrification was occurring in the secondary clarifiers.

The facility will be replacing the header from the blend/spill tank to the hydrosieves with stainless steel piping. In addition, the existing diaphragm valve will be replaced with a ball valve. As part of this, there will be a diversion available around the valve for the piping to allow for maintenance on the valve.

The outfalls were observed from the gate only. Outfall 001 is underwater with a diffuser. Outfall 002 was flowing through the weir to the Ohio River.

The plant shutdown is scheduled for a month starting October 27, 2007 for most of the facility. Some areas will be shutdown for two weeks.

REQUIRED ACTION

LANXESS shall submit written documentation for the inspection of the diffuser. This will be submitted to this office by November 30, 2007, or within two weeks of the inspection, whichever is later.

RECOMMENDED ACTION

LANXESS should consider recoating the tanks and equipment in wastewater treatment to prevent corrosion from the wastewater from damaging the equipment.