



State of Ohio Environmental Protection Agency

Southeast District Office

2195 Front Street
Logan, Ohio 43138

TELE: (740) 385-8501 FAX: (740) 385-6490
www.epa.state.oh.us

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

June 2, 2010

Certified Mail #7006 3450 0001 9055 9017

Paul Clark
31 Inc.
P.O. Box 278
100 Enterprise Drive
Newcomerstown, OH 43832

Re: Tuscarawas County
31 Inc.; Facility ID # 0679000284
Warning Letter (non-HPV)

Dear Mr. Clark:

The purpose of this letter is to follow up on the air permit violations occurring at 31 Inc. that were identified in Ohio EPA's letter dated December 2, 2009. Although the company has been working to resolve the non-compliant coating issue with the cord coating lines (emissions units (EUs) R001 and R002), Ohio EPA did not receive a written response to its letter December 2009 letter and 31 Inc. remains in violation of the VOC content requirements for the coating as well as the other emissions and reporting requirements documented in that letter. On April 7, 2010, I provided you my correspondence with the former president between July 2009 and January 2010, and Chad Winebrenner and I discussed these issues with you during Ohio EPA's site visit on April 29, 2010.

Non-compliant coating issue. As you requested, enclosed are the calculations I prepared to determine the current VOC content of the rubber coating recipe used in EUs R001 and R002; this recipe was provided during Ohio EPA's July 22, 2009 site visit. As you can see, it appears that each batch has a total weight of 411.65 pounds and a volume of 61.52 gallons. Heptane comprises approximately 241.3 pounds of the total coating mixture, so each batch contains 58.6% VOC by weight or 3.92 pounds of VOC per gallon. This content exceeds the 2.9 pounds of VOC per gallon limit in Ohio Administrative Code (OAC) rule 3745-21-09(G) and the permits for EUs R001 and R002. In addition, these calculations contradict the information provided by 31 Inc. in its permit-to-install (PTI) application for EUs R001 and R002 submitted in November 1997. That application indicated that the coating used in these EUs contains 2.51 pounds of VOC per gallon based on a solids content of 62.58% and a coating weight of 6.7 pounds per gallon.

Since it appears the company is unable to reduce the VOC content of its coating recipe using exempt solvents, 31 Inc. must instead install a capture and control system that meets the requirements in OAC rule 3745-21-09(B)(6). I was unable to find a good example permit where the capture and control requirements in OAC rule 3745-21-09(B)(6) have been incorporated in lieu of the rule-based limits in OAC rule 3745-21-09(G). Instead, I have enclosed a document that outlines the relevant terms that will need to be incorporated into 31 Inc.'s permits for the cord coating lines when a thermal incinerator or similar control is installed to comply with the VOC rule requirement.

Within thirty (30) days of your receipt of this letter, 31 Inc. must provide Ohio EPA with a compliance plan and schedule that outlines the steps that the company will take to ensure compliance with the applicable permit conditions and state and federal air pollution regulations. Acceptance by Ohio EPA of a schedule for compliance does not constitute a waiver of Ohio EPA's authority to seek civil penalties as provided in section 3704.06 of the Ohio Revised Code. The determination to pursue or decline to pursue such penalties in this case will be made by Ohio EPA at a later date.

Compliance with current VOC limits. Based on the company's 2009 Synthetic Minor Fee Emission Report submitted on March 30, 2010, 84.27 tons of actual VOC emissions were emitted from EUs R001 and R002 in 2009. This exceeds the total VOC limit of 81.5 tons per year from EUs R001 and R002 that was established in PTI #06-5328 issued on May 13, 1998 and was incorporated into the permits-to-operate for those EUs. The purpose of this limit was to prevent the company from being subject to Title V operating permit requirements by restricting VOC emissions to less than 100 tons per year. A review of past fee emission reports and Ohio EPA's letter dated September 24, 2007 indicates that the current VOC limit was also exceeded in calendar years 2005 and 2006. However, while the limit established in the permit was exceeded during these years, it does not appear that actual VOC emissions from the facility ever exceeded the 100 ton per year VOC emission rate at which a Title V permit would be required.

The former president, Charles Muhs, was aware of the likely exceedence of the current VOC limit for calendar year 2009, and he had contacted me in July 2009 to discuss the possibility of increasing the VOC limit to accommodate increased production on the cord coating lines. While evaluating the permit changes that would be needed to respond to Mr. Muhs' inquiry, I evaluated the company's files and permits and discovered concerns with the existing permits for EUs R001 and R002 in addition to the primary problem with meeting the rule-based coating VOC content requirement as described above.

First, it appears that the potential-to-emit (PTE) of these lines was not correctly quantified when the initial synthetic minor PTI was obtained. The current permit allowable of 81.5 tons of VOC per year for EUs R001 and R002 appears to have been based on an incorrect application of the company's operating schedule at the time (22.5 hours/day, 4 days/week, 49.5 weeks/year or 4455 hours/year) to both the gallons per

hour use rate identified as potential (9.5 gallons/hour/line), and as a limiting factor directly in the annual allowable emissions calculation. So instead of 81.5 tons of VOC per year, the correct allowable for both EUs based on the application data assuming no more than 4455 hours of operation per year for both lines and a coating VOC content of 2.51 pounds per gallon would be 106.23 tons per year, in excess of the Title V threshold of 100 tons per year.

Second, the synthetic minor limits intended to allow the company to avoid Title V operating permit requirements were not properly incorporated into the permit for these EUs. Instead of annual VOC limits, a proper synthetic minor restriction requires the limit to be a 12-month, rolling average. Also, the annual VOC limit was established under OAC rule 3745-31-05, Best Available Technology (BAT), which is not the rule that allows companies to accept operating restrictions to avoid major federal requirements like Title V. Third, a proper synthetic minor restriction would have identified a coating use rate (or restricted hours of operation) that would restrict VOC emissions facility-wide to less than 100 tons per rolling, 12-month period. The current limits on monthly VOC emissions and gallons of coating used per month on each line do not adequately restrict VOC emissions to below Title V thresholds because at 6,935 gallons of coating used per month per line and 3.92 pounds of VOC per gallon of coating, the permitted use rate allows the emission of 13.59 tons of VOC per month for each line or 27.19 tons of VOC per month for both lines which is in excess of the 6.8 tons of VOC/month BAT limit covering both lines that equates to 81.5 tons of VOC per year. Lastly, the language detailing the company's obligations under Ohio EPA's Air Toxic Statute may need to be revised or removed to be consistent with Ohio Revised Code § 3704.03(F) as revised in August 2006.

When we met on April 29, 2010, you indicated that a maximum of 30 batches of coating are used per week in EUs R001 and R002 combined, for a total potential coating use (as applied) of 95,971.2 gallons per year. As is detailed in the enclosure, this equates to 188.10 tons of VOC per year at 3.92 pounds of VOC per gallon. Even if the rule-based VOC content limit of 2.9 pounds of VOC per gallon could be met, the VOC PTE would still be 139.16 tons per year, and an operating restriction on hours of operation or gallons of coating would be needed in the revised permit for the company to avoid Title V operating permit requirements. However, if the company can meet the alternative minimum capture and control requirements in OAC rule 3745-21-09(B)(6), the VOC PTE from EUs R001 and R002 would be limited to 35.74 tons per year. At this rate, the company would become a "true minor" without the need for restrictions on operating hours or gallons of coating used. After these issues are addressed and the permit for EUs R001 and R002 is corrected and re-issued, additional changes to the permit limit on annual VOC emissions would only be necessary if production would increase to a point where >30 batches of coating would need to be used per week. This change would constitute a modification of the EUs for which 31 Inc. would need to apply for a Chapter 31 permit modification.

Paul Clark
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June 2, 2010
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Recordkeeping and reporting violations. As was detailed in Ohio EPA's letters dated September 24, 2007 and December 2, 2009, 31 Inc. has yet to demonstrate that it is in compliance with the recordkeeping and reporting requirements in the permits for EUs R001, R002, and R003. With your response to this letter, the company must submit documentation to demonstrate that its recordkeeping is being conducted as required by Part II.C. of the PTOs for all three EUs. In addition, the annual VOC report due by January 31, 2010 (for calendar year 2009) per Part II.D. of these permits must be submitted.

Should you have any questions or if you wish to schedule a meeting to discuss the company's compliance plan to address the issues identified in this letter, please feel free to contact me at (740) 380-5245 or via email at kim.reinbold@epa.state.oh.us.

Sincerely,



Kimbra L. Reinbold
Division of Air Pollution Control
Southeast District Office

KLR/mlm

Enclosures

31 Inc.
Newcomerstown, Ohio
Facility ID #0679000284

VOC Calculations (EUs R001 and R002)

VOC content of mixed coating (as applied):

Coating component	Pounds per batch	Pounds per gallon (each component)	Gallons per batch (pounds ÷ pounds per gallon)	% VOC in coating (pounds VOC ÷ pounds coating)	Pounds VOC per gallon of coating (pounds per gallon of coating X % VOC)
361.1 (20% rubber/80% heptane)	185 (37# rubber/148# heptane*)	6.30	29.37		
Indopol	78.80	7.68	10.30		
Escorex 2520	16.35	8.50	1.92		
HRT 95 (TT-100)	7.50	7.84	0.95		
Stan Lube	15.50	7.17	2.16		
Zinc oxide	3.00	47.29	0.06		
Paste (oven 2 max)	1.20	9.26	0.32		
Acc. Pack (new) 10# Akrospere 1# Akrochem TMTD 3 gallons/17.4# heptane*	28.40	8.5	3.34		
Heptane thinner* (based on 13 gallons and 5.8 #/gal)	75.90	5.80	13.10		
Coating Totals	411.65	6.69	61.52		
VOC Totals* (heptane is only VOC)	241.30	5.80	41.60	58.6%	3.92

VOC Potential to Emit (EUs R001 and R002 combined)

Maximum 30 batches of coating/week X 52 weeks/year X 61.52 gallons/batch = 95,971.20 gallons of coating/year

95,971.20 gallons/year X 3.92 pounds VOC/gallon X 1 ton/2000 pounds = 188.10 tons VOC per year (or 15.68 tons/month)

If controlled to meet the 90% capture/90% destruction efficiency in OAC rule 3745-21-09(B)(6): [(188.10 tons/year X (0.9) X (1-0.9)) + (188.10 tons/year X 0.1)] = 16.93 + 18.81 = 35.74 tons/year