



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

May 22, 2008

Re: Noble County
International Converter, Inc. - Caldwell
Facility ID # 0661000027
Inspection-Warning Letter
Non-HPV

Certified: 70041160000169053247

International Converter LLC - Caldwell
Attn: Ken Neyhard
Vice President Operations
600 Thilmany Road
P.O. Box 600
Kaukauna, WI 54130

Subject: Findings of May 1, 2008 Title V Full Compliance Inspection

Dear Mr. Neyhard:

On May 1, 2008, I performed an inspection of the International Converter, Inc. - Caldwell facility in Caldwell, Ohio. The inspection was conducted to determine the facility's compliance with state and federal air pollution rules and regulations.

During my inspection, I met with facility representatives Mark Fuhrman and Larry Hawkins. I also had several follow-up conversations and correspondence with Russ Kapperman, EHS Director. At the time of my site visit, I reviewed records and performed visual inspections of the facility. Accompanying this letter is a copy of the Ohio EPA's Facility Inspection Forms (Appendix N).

The facility's Title V permitted non-insignificant emission units include the following:

- K001 (laminator #1)
- K002 (laminator #2)
- K003 (laminator #3)
- K004 (laminator #4)
- K005 (laminator #5)
- K006 (flexographic press #1)
- K007 (flexographic press #2)
- K008 (flexographic press #3)
- K009 (laminator #6)
- K010 (laminator #7) (currently not in issued Title V, PTI 006-07864).

At the time of the inspections, emission unit K003 was not operating. It should also be noted that as of August of 2007, emission unit K001 is no longer operational.

The Title V permit expired on May 16, 2006. A Title V renewal application was received by our office on January 4, 2006 and is currently pending.

Based on my inspection, file review, and reports submitted by International Converter, Inc. - Caldwell, the following violations/issues have been discovered:

- **Title V Permit Term Part. I. B.3. of the General Terms and Conditions, Records Retention Requirements states:**

“Each record of any monitoring data, testing data, and support information required pursuant to this permit shall be retained for a period of five years from the date the record was created. Support information shall include, but not be limited to, all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit. Such records may be maintained in computerized form.”

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008 and observed by me during the site visit conducted March 1, 2008, the facility has failed to maintain the records at the site for the required five year period. However, it should be noted that records from the time period of the internal audit to present were available. In addition, the internal audit indicates that the facility has begun the corrective action of *“organizing the documents present and set-up a system for maintaining these records going forward for the 5 year requirement.”*

- **Title Permit Term Part.III. A.III.1. for K001-K007 and K009 states:**

“The permittee shall operate and maintain continuous temperature monitors and recorder(s) which measure and record(s) the temperature immediately upstream and downstream of the incinerator’s catalyst bed when the emissions unit is in operation. Units shall be in degrees Fahrenheit. The monitoring and recording devices shall be capable of accurately measuring the desired parameter. The temperature monitors and recorder(s) shall be installed, calibrated, operated and maintained in accordance with the manufacturer’s recommendations, with any modifications deemed necessary by the permittee.”

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008 and observed by me during the site visit conducted March 1, 2008, the facility has failed to monitor and record the temperature immediately downstream of the incinerator’s catalyst bed. Instead, the facility has been calculating the inlet temperature from the average between the inlet and the outlet temperature. The submitted audit states as the corrective action for this issue that the *“facility has ordered and installed a digital temperature recorder. It is in the process of being programmed to record the average inlet temperature. The digital temperature recorder will also record the average bed temperature. The facility is also preparing a*

permit application to propose that, in accordance with the engineering study, this condition require the average bed temperature be monitored and recorded instead of the average inlet temperature.” The agency respectively requests a plan and schedule for the current permit requirement of monitoring and recording the inlet temperature of the catalyst bed.

- **Title V Permit Term Part. III.A.III.2. for K001-K007 and K009 states:**

“The permittee shall collect and record the following information for each day for the control equipment:

- a. All 3-hour blocks of time (when the emissions unit was in operation) during which the average temperature of the exhaust gassed immediately before the catalyst bed was more than 50 degrees Fahrenheit below the average temperature of the exhaust gassed immediately before the catalyst bed was more than 50 degrees Fahrenheit below the average temperature of the exhaust gassed during the most recent performance test that demonstrate the emissions unit was in compliance:*
- b. All 3-hour blocks of time (when the emissions unit was operating at maximum capacity) during which the average temperature difference across the catalyst bed was less than 80% of the average temperature difference during the most recent performance test that demonstrated the emissions unit was in compliance”*

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008 and discussed during correspondence with facility representatives, the facility continues to routinely be out of compliance with the temperature parameters set forth in the Title V permit. The facility has requested to change the monitoring parameters in the Title V and has submitted an engineering study prepared by ENVIRON supporting the requested changes to the incinerator parameter monitoring. International Converter has indicated that the proposed change to monitoring parameters is consistent with recommendations from the manufacturer and has been recognized by U.S. EPA.

- **Title V Permit Term Part. III.A.III.3. and III.A.III.4 for K001-K007 and K009 and Part. III.A.III.1 for K008 states:**

“The permittee shall collect and record the following information on a daily basis for this emissions unit for all periods of time during which the coating and inks are (or not) vented to the catalytic incinerator:

- c. The number of gallons of each coating and ink employed;*
- d. The number of gallons of each cleanup material employed:”*

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008 and observed by me during the site visit conducted March 1, 2008, the facility has failed to record the number of gallons of coating, ink, and cleanup material in gallons. Instead, the facility has recorded the

information in pounds. In the submitted audit, the facility has committed to the corrective action of hiring an *"outside consultant to prepare a database to better tackle the amount of data involved and to calculate the required values. It is anticipated that the database will be completed and operational by the facility in the beginning of January. The facility is also preparing an application to modifying the permit so that the usage and VOC content may be recorded in pounds and wt% verses gallons and lb/gal, respectively."* The agency respectfully requests an update of the changing of the data base from pounds to gallons as required by the current permit term.

- **Title V Permit Term Part. III.A.III.3. and III.A.III.4 for K001-K007 and K009 and Part. III.A.III.1 for K008 states:**

"The permittee shall collect and record the following information on a daily basis for this emissions unit for all periods of time during which the coating and inks are (or not) vented to the catalytic incinerator:

- i. The average hourly VOC emission rate, in pounds per hour.*

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008 and as indicated during correspondence with facility representatives, the facility has failed to keep daily records of the average hourly VOC emission rate, in pounds per hour for time that the coating and inks are vented and not vented to the catalytic incinerator. The submitted audit states, *"Converter is still in the process of upgrading its data management system to enable electronic and automatic calculation of VOC emissions on a lb/hour daily average basis and VOC mass emissions on a daily basis. Converter is currently calculating its mass emissions on a monthly basis to keep track of its rolling 12-month emissions. Converter has also retained ENVIRON to construct a database that will allow the Caldwell facility to calculate the required emissions rates electronically. It is anticipated that the database will be completed and operational by no later than the end of February 2008."* Though the facility appears to be keeping track of the daily average hourly VOC emission rate, in pounds per hour, they are not recording this information on a daily basis. Instead, the data is reviewed periodically and calculations are performed to attain the average hourly VOC emissions rate, in pounds per hour and recorded on a monthly basis. The agency respectfully requests an update on the proposed change to the data base indicated in the submitted corrective action plan.

- **Title V Permit Term Part. III.A.V.1.a for K001-K007 and K009 and Part. III.A.V.1.c for K008 states:**

"USEPA Method 24 or 24A shall be used to determine the VOC content of each coating and ink. Formulation data shall be used to determine the VOC content of each cleanup material."

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008, the facility *"has not indicated or determined whether the VOC information listed on each MSDS was determined using*

Method 24 or 24A.” As the corrective action taken the audit states that “on October 12, 2007, the facility submitted a request to all 19 of the coating, ink and adhesive manufacturers in order to verify the other materials are in compliance with this parameter. Although the facility has received some material characteristic information from these manufacturers, the manufacturers did not provide verification as to how the VOC content was determined. The facility plans to contact the manufacturers gain to ascertain whether this information is available.” The agency respectfully requests an update on this corrective action plan.

- **Nine of the emission units located at the facility are subject to MACT standard Subpart KK and emission unit K009 is subject to MACT standard Subpart JJJ.**

In a letter dated May 22, 2007, International Converter, Inc. indicated that the facility increased the production at Caldwell in 2006. As a result, the facility exceeded the major source threshold based on its emissions of toluene and became subject to 40 CFR Part 63, Subpart KK. In addition, the facility indicated in the letter that they ceased keeping the records required by 40 CFR Part 63, Subpart KK in 2000. The facility submitted a plan to return to compliance on June 6, 2007.

As mentioned in the July 1-September 11, 2007 internal compliance audit results submitted to the agency on February 18, 2008, the facility has committed to the corrective action by “addressing MACT items through the MACT compliance plan proposed to the OEPA and Region 5. As of October 1, 2007, the facility is now complying with the 4% as-applied rule in MACT Subpart KK and JJJJ to the extent that the HAP information provided by the manufacturers was determined using Method 311. The facility is in the process of confirming with each manufacturer that Method 311 was used.” It is Ohio EPA’s understanding that the facility is working with the United States Environmental Protection Agency, Region V on these issues. If you have additional questions regarding these issues, please contact Sheila Desai, US EPA at (312) 353-4150.

Other Issues:

- I would like to acknowledge that the agency received a letter on December 28, 2001 requesting Title V language changes. The letter was accompanied by an engineering report. Please be aware that the agency is in receipt of your proposed permit language changes and will work closely with the facility during the drafting of the renewal Title V permit to access whether these proposed language changes can be made.
- As mentioned above, K001 has permanently ceased operation at the facility. In order for the facility to be relieved of the permit obligations for permanently shutdown emission units, Ohio EPA as developed two options. The information is provided from the guidance for incorporating change in a Title V (this document can be viewed at http://www.epa.state.oh.us/dapc/title_v/3-9-05guidancefinal.pdf). The guidance is as follows:

"Ohio EPA has developed two options for a permittee to be relieved of the permit obligations for permanently shutdown emissions units; a notification or an application for an APA.

- a. *Notification. The permittee submits a notice and Ohio EPA updates files and processes the change during the next permitting action. On September 16, 2003, Ohio EPA added additional general terms and conditions to the state only and state-federal sides of the Title V permit regarding this topic. The following differentiates the requirements:*

- ii. *Permits without the new general terms and conditions applicable to the permanent shutdown of emissions units (before September 16, 2003).*

In this case, there are no specific general terms or conditions that require submittal of a certified notice. The specific terms and conditions for the emissions unit will remain in the Title V permit and Ohio EPA will not relieve the permittee from continuing to meet all requirements, including, for example, reporting deviations associated with monitoring, record keeping and reporting until the specific terms and conditions are removed from the Title V permit as a revision. However, if the permittee submits a notification signed by the responsible official and containing the information described in the new general term and condition described in Section III.A.4.a.i , Ohio EPA will relieve the permittee of all requirements associated with that emissions unit, except the annual compliance certification. The permittee must continue to address the shutdown emissions in the annual compliance certification until the emissions unit's terms and conditions are removed from the Title V permit as a revision.

The new terms outlined in Section III.A.4.a.i above state:

"Permanent Shutdown of an Emissions Unit

The permittee may notify Ohio EPA of any emissions unit that is permanently shut down by submitting a certification from the responsible official that identifies the date on which the emissions unit was permanently shut down. Authorization to operate the affected emissions unit shall cease upon the date certified by the responsible official that the emissions unit was permanently shut down.

After the date on which an emissions unit is permanently shut down (i.e., that has been physically removed from service or has been altered in such a way that it can no longer operate without a subsequent "modification" or "installation" as defined in OAC Chapter 3745-31 and therefore ceases to meet the definition of an "emissions unit" as defined in OAC rule 3745-77-01(O)), rendering existing permit terms and conditions irrelevant, the permittee shall not be required, after the date of the certification and submission to Ohio EPA, to meet any Title V permit requirements applicable to that emissions unit, except for any residual requirements, such as the quarterly deviation reports, semi-annual deviation reports and annual compliance certification covering the period during which the emissions unit last operated. All records relating to the shutdown emissions unit, generated while the emissions unit was in operation, must be maintained in accordance with law.

Ken Neyhard
International Converter LLC – Caldwell
May 22, 2008
Page 7

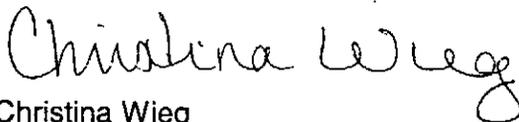
No emissions unit certified by the responsible official as being permanently shut down may resume operation without first applying for and obtaining a permit to install pursuant to OAC Chapter 3745-31.(Authority for term: OAC rule 3745-77-01)"

Within 30 days of receipt of this letter, International Converter, LLC shall submit a plan and schedule to return the facility to compliance. The plan should include a time line for completing corrective actions and the corrective actions taken

Acceptance by the Ohio EPA of a schedule for compliance does not constitute a waiver of the 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 the Ohio EPA at a later date.

If you are unable to respond to any part of this request, within the time frame discussed above, please inform us and explain so that we may be of assistance. Should you have any questions, feel free to contact me at (740) 380-5223 or email christina.wieg@epa.state.oh.us. The assistance provided during the inspection was greatly appreciated.

Sincerely,



Christina Wieg
Environmental Specialist II
Division of Air Pollution Control
Southeast District Office

CW/mlm

Enclosure: Ohio EPA's Facility Inspection Forms (Appendix N)

cc: Russ Kapperman, EHS Director, International Converter (w/ enclosure)
Mark Fuhrman, Plant Manager, International Converter (w/ enclosure)