COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
NORTHERN REGIONAL OFFICE
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Douglas W. Domenech
Secretary of Natural Resources

David K. Paylor
Director

STATE AIR POLLUTION CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
EURO-COMPOSITES CORPORATION
Registration No. 40922

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Euro-Composites Corporation, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the applicable Permit and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.

2. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.

3. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

4. "Euro-Composites" means Euro-Composites Corporation, a corporation authorized to do business in Virginia and its affiliates, partners, subsidiaries, and parents. Euro-Composites Corporation is a "person" within the meaning of Va. Code § 10.1-1300

5. "Facility" means the Euro-Composites Corporation facility, located at 13213 Airpark Drive, in Elkwood, Virginia that manufactures aramid and aluminum honeycomb composites.

6. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.

7. "NRO" means the Northern Regional Office of DEQ, located in Woodbridge, Virginia.

8. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.

9. "Permit" means a Minor New Source Review Permit to modify and operate the Facility, which was issued under the Virginia Air Pollution Control Law and the Regulations to Euro-Composites Corporation on September 17, 2008.

10. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" mean 9 VAC 5 chapters 10 through 80.

11. "Va. Code" means the Code of Virginia (1950), as amended.

12. "VAC" means the Virginia Administrative Code.

13. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

SECTION C: Findings of Fact and Conclusions of Law

1. Euro-Composites owns and operates the Facility in Elkwood, Virginia. The Facility is an aramid honeycomb manufacturing facility.

2. The Facility is the subject of the Permit which allows Euro-Composites to modify and operate an aramid and aluminum honeycomb composite and manufacturing facility.

3. On August 4, 2010, Department staff conducted a Full Compliance Evaluation of the Facility to for compliance with the requirements of the Virginia Air Pollution Control Law, the Permit, and the Regulations. Based on the inspection, Department staff made the following observations:

    a. The afterburner was not equipped with a device to record the inlet temperature of the ceramic cordierite honeycomb monolith catalyst. The afterburner is equipped with a

device to continuously monitor the inlet temperature at the catalyst; however, Facility staff reported that it was not currently set up to record the temperature as required by the Permit.

b. Facility staff could not present a log demonstrating that the afterburner combustion chamber monitoring device is observed at least once per operational day.

c. Facility staff could not provide records for the hourly average of the combustion chamber temperatures or the daily reading from the monitoring device.

4. Condition 4 of the Permit requires that "The direct flame afterburner, and ceramic cordierite honeycomb monolith catalyst in the afterburner chamber is to be equipped with a device to continuously measure and record the inlet temperature of the ceramic cordierite honeycomb monolith catalyst… (9 VAC 5-80-1180(D) and 9 VAC 5-50-260)."

5. Condition 5 of the Permit requires that "The direct flame afterburner combustion chamber temperature monitoring device shall be observed by the permittee for proper operation, with a frequency of not less than once per operational day or as recommended by the manufacturer… Such observations shall be logged, and records maintained by permittee… (9 VAC 5-50-50(H))."

6. Condition 16(g) of the Permit requires the permittee to maintain "Records of the combustion chamber temperature monitoring device readings for the hourly averages as required in Condition 4, as well as the daily observed readings as required in Condition 5… (9 VAC 5-80-1180 and 9 VAC 5-50-50)."

7. On September 1, 2010, based on the inspection and follow-up information, the Department issued a Notice of Violation to Euro-Composites for the violations described in paragraphs C2 through C5, above.

8. On September 9, 2010, Euro-Composites submitted a written response to the NOV.

9. Based on the results of the August 4, 2010, inspection and the documentation submitted on September 9, 2010, the Board concludes that Euro-Composites has violated Permit Conditions 4, 5, and 16g, in accordance with 9 VAC 5-50-50, 9 VAC 5-50-50(H), 9 VAC 5-50-260, 9 VAC 5-80-1180, and 9 VAC 5-80-1180(D), as described in paragraphs C2 through C5, above.

10. In order for Euro-Composites to return to compliance, DEQ staff and representatives of Euro-Composites have agreed to the Schedule of Compliance, which is incorporated as Appendix A of this Order.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders Euro-Composites, and Euro-Composites agrees to:

1. Perform the actions described in Appendix A of this Order; and

2. Pay a civil charge of $3,250.00 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Euro-Composites shall include its Federal Employer Identification Number (FEIN) with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Euro-Composites for good cause shown by Euro-Composites, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.

3. For purposes of this Order and subsequent actions with respect to this Order only, Euro-Composites admits the jurisdictional allegations, findings of fact, and conclusions of law contained herein.

4. Euro-Composites consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.

5. Euro-Composites declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation,

and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by Euro-Composites to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. Euro-Composites shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Euro-Composites shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Euro-Composites shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

   a. the reasons for the delay or noncompliance;

   b. the projected duration of any such delay or noncompliance;

   c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and

   d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

   Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the Euro-Composites intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.

10. This Order shall become effective upon execution by both the Director or his designee and Euro-Composites. Nevertheless, Euro-Composites agrees to be bound by any compliance date which precedes the effective date of this Order.

11. This Order shall continue in effect until:

a. Euro-Composites petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or

b. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Euro-Composites.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Euro-Composites from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. Any plans, reports, schedules or specifications attached hereto or submitted by Euro-Composites and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of Euro-Composites certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Euro-Composites to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Euro-Composites.

14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.

15. By its signature below, Euro-Composites voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 27th day of January, 2011.

Thomas A. Faha

Thomas A. Faha, NRO Regional Director
Department of Environmental Quality

Euro-Composites Corporation voluntarily agrees to the issuance of this Order.

Date: January 25, 2011 By: David L. Obenshain, Plant Engineer
(Person) (Title)

Commonwealth of Virginia
City/County of Culpeper

The foregoing document was signed and acknowledged before me this 25th day of January, 2011, by DAVID OBENSHAIN who is PLANT ENGINEER of Euro-Composites Corporation on behalf of the corporation.

Barbara Webster
Notary Public

336529
Registration No.

My commission expires: 02-28-2011

Notary seal:

BARBARA J. WEBSTER
MY COMMISSION EXPIRES
COMMONWEALTH OF VIRGINIA COMMISSION # 336529
02-28-2011
NOTARY PUBLIC

APPENDIX A
SCHEDULE OF COMPLIANCE

1. Recordkeeping Requirements

By February 1, 2011, Euro-Composites shall submit documentation to DEQ to demonstrate;

a. the inlet temperature of the ceramic cordierite honeycomb monolith catalyst is being recorded in accordance with Condition 4 of the Permit,
b. observations of the afterburner combustion monitoring device are being conducted at least once per operational day as required by Condition 5 of the Permit, and
c. the hourly average of the combustion chamber temperatures of the daily reading from the monitoring device are being recorded as required by Condition 16(g) of the Permit.

2. Certification of Documents and Reports

In accordance with 9 VAC 5-20-230(A), in all documents or reports, including, without limitation, the SEP Completion Report, submitted to DEQ pursuant to this Consent Order, Euro Composites, shall by its officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

> "I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering and evaluating the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

3. DEQ Contact

Unless otherwise specified in this Order, Euro Composites shall submit all requirements of Appendix A of this Order to:

DEQ-NRO
Attention Enforcement
13901 Crown Court
Woodbridge, VA 22193