COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
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STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION - ORDER BY CONSENT ISSUED TO FEDERAL-MOGUL CORPORATION FOR Registration No. 20420

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 the Federal-Mogul 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. "BRRO" means the Blue Ridge Regional Office of DEQ, located in Roanoke, Virginia.

3. "CFR" means the Code of Federal Regulations, as incorporated into the Regulations.

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

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

6. "Facility" means the Federal-Mogul Corporation facility located at 300 Industrial Park Road, Blacksburg, Virginia.

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

8. "FCE" means a Full Compliance Evaluation by DEQ staff.

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

10. "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.

11. "Permit" means the Stationary Source Permit to Construct and Operate an engine, crankshaft and transmission bearings, bushings and washers manufacturing facility which was issued under the Virginia Air Pollution Control Law and the Regulations to Federal-Mogul Corporation on January 20, 2011.

12. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" means 9 VAC 5 Chapters 10 through 80.

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

14. "VAC" means the Virginia Administrative Code.

15. "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. Federal-Mogul Corporation owns and operates the Facility in Blacksburg, Virginia. The Facility manufactures engine and transmission bearings, bushings and washers for the automotive industry, and manufactures aluminum/steel bi-metal strip. The Facility is subject of the Permit which grants authorization to operate a Stationary Source of Air Pollution.

2. On August 2, 2011, Department staff conducted a FCE at the Facility for compliance with the requirements of the Virginia Air Pollution Control Law, the Permit and Regulations. Based on the evaluation and follow-up information, Department staff made the following observations:

   a. The facility operates two small hard chrome plating tanks. The tanks are subject to 40 CFR Part 63, Subpart N: National Emission Standards For Chromium Emissions From Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks. The "Chromium Electroplater Start-up Checksheet" and logs included the magnehelic readings for the composite mesh-pad system. The records document that the appropriate range for this parameter is 5 inches water column (WC) + or – 2 inches during tank operations. The records also indicate that for the period of May 5, 2010 through February 7, 2011, the magnehelic readings were below 3 inches WC during tank operations.

b. The facility was unable to provide the Subpart N Ongoing Compliance Status Report for calendar year 2010.

3. 40 CFR 63.343(c)(1)(ii) states in part: "On and after the date on which the initial performance test is required to be completed under § 63.7, the owner or operator of an affected source, or group of affected sources under common control, shall monitor and record the pressure drop across the composite mesh-pad system once each day that any affected source is operating. To be in compliance with the standards, the composite mesh-pad system shall be operated within + or – 2 inches of water column of the pressure drop value established during the initial performance test, or shall be operated within the range of compliant values for pressure drop established during multiple performance tests."

4. Condition 16 of the January 20, 2011 permit states: "Except where this permit is more restrictive than the applicable requirement, the MACT equipment as described in Condition 1 shall be operated in compliance with the requirements of 40 CFR Part 63, Subpart N (National Emission Standards For Chromium Emissions From Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks) (9 VAC 5-60-90 and 9 VAC 5-60-100)."

5. 40 CFR 63.347(h)(1) states in part: "The owner or operator of an affected source that is located at an area source site shall prepare a summary report to document the ongoing compliance status of the affected source. The report shall contain the information identified in paragraph (g)(3) of this section, shall be completed annually and retained on site, and made available to the Administrator upon request."

6. On September 13, 2011, based on the evaluation and follow-up information, the Department issued Notice of Violation No. 8143 to Federal-Mogul for the violations described in paragraphs C(3) through C(5) above.

7. On September 29, 2011, Department staff met with a representative of Federal-Mogul to discuss the violations.

8. Based on the results of the August 2, 2011 evaluation and the September 29, 2011 meeting, the Board concludes that Federal-Mogul Corporation has violated 40 CFR 63.343(c), 40 CFR 63.347(h) and Permit Condition 16 as described in paragraphs C(3) through C(5), above.

9. Federal-Mogul has submitted documentation that verifies that the violations described in paragraphs C(3) through C(5) above, have been corrected by temporarily shutting down the plating equipment.

10. In order for Federal-Mogul to return to compliance, DEQ staff and representatives of Federal-Mogul 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 the Federal-Mogul Corporation and Federal-Mogul Corporation agrees to:

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

2. Pay a civil charge of $21,433.60 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

Federal-Mogul 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 the Order with the consent of Federal-Mogul for good cause shown by Federal-Mogul, 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, Federal-Mogul admits the jurisdictional allegations, but neither admits nor denies the findings of fact and conclusion of law contained herein.

4. Federal-Mogul 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. Federal-Mogul 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 Federal-Mogul 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. Federal-Mogul 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. Federal-Mogul shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Federal-Mogul 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 parties 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, its 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 Federal-Mogul. Nevertheless, Federal-Mogul 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. The Director or his designee terminates the Order after Federal-Mogul has completed all of the requirements of the Order;

   b. Federal-Mogul 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

   c. the Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Federal-Mogul.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Federal-Mogul 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 Federal-Mogul 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 representatives of Federal-Mogul 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 Federal-Mogul to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Federal-Mogul.

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, Federal-Mogul Corporation voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 21st day of November 2011.

Robert J. Weld, Regional Director
Department of Environmental Quality

The Federal-Mogul Corporation voluntarily agrees to the issuance of this Order.

Date: 11/18/11 By: Randy Shake

Randy Shake
Acting Plant Manager
Federal-Mogul Corporation

Commonwealth of Virginia
City/County of Montgomery

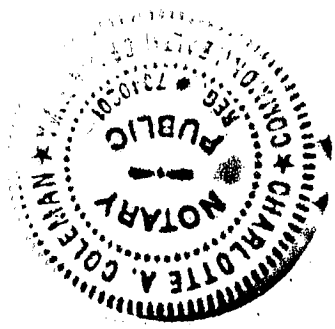
The foregoing document was signed and acknowledged before me this 18 day of November 2011, by Randy Shake who is Acting Plant Manager of Federal-Mogul Corporation, on behalf of the corporation.

Charlotte A Coleman
Notary Public

Registration No.

My commission expires: May 2014

Notary seal:



APPENDIX A
SCHEDULE OF COMPLIANCE

Federal-Mogul shall submit written notification to the Department within 30 days of the effective date of this Order, that:

1. Federal-Mogul **can** operate the composite mesh-pad system within the acceptable range of values for pressure drop. Based upon the stack test report, "Report of Chromium Emissions Testing From A Small Hard Chromium Electroplating Facility" dated May 28, 1998, the established value for pressure drop is 6.5 inches water column (WC) plus or minus 2" WC, or:

2. Federal-Mogul is **unable** to operate the composite mesh-pad system within the acceptable range for pressure drop and therefore, will either:

   a) Conduct a performance test in accordance with Subpart N to re-establish the operating parameter value/and or range of values within 90 days of the effective date of this Order. The test protocol shall be submitted to the Department at least 30 days prior to conducting the performance test, or:

   b) Install an appropriate air pollution control system and conduct a performance test in accordance with Subpart N to demonstrate compliance with the emission limit.

      i. The facility shall submit a written proposal to the Department outlining the installation of the new system within 90 days of the effective date of this Order.

      ii. Submit information requested by the Department to ensure compliance and permitting requirements are met, or:

3. Permanently shutdown the electroplating tanks and associated equipment; and outsource the plating operation. The facility shall permanently shutdown the equipment within 90 days of the effective date of this Order.

Certification of Documents and Reports:

In accordance with 9 VAC 5-20-230(A), in all documents or reports submitted to DEQ pursuant to this Consent Order, Federal-Mogul 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."

DEQ Contact:

Unless other specified in this Order, Federal-Mogul shall submit all requirements of Appendix A of this Order to:
Mary Monroe
Air Compliance Engineer
VA DEQ Blue Ridge Regional Office
3019 Peters Creek Road, Roanoke, VA 24019
(540) 562-6850
mary.monroe@deq.virginia.gov