**BEFORE THE**

**OHIO ENVIRONMENTAL PROTECTION AGENCY**

OHIO E.P.A.
DEC 28 2007
ENTERED DIRECTOR'S JOURNAL

**In the Matter of:**

| | | |
|---|---|---|
| **Parker Hannifin Corporation** | : | **Director's Final Findings and Orders** |
| **1300 North Freedom Street** | : | |
| **Ravenna, Ohio 44266** | : | |

**I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.**

By: _____ Date: 12/28/07

## PREAMBLE

It is agreed by the parties hereto as follows:

## I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Parker Hannifin Corporation, Parflex Division ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

## II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or Respondent's facility (as identified hereinafter) shall in any way alter Respondent's obligations under these Orders.

## III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

## IV. FINDINGS

All of the findings necessary for the issuance of these Orders pursuant to ORC §§ 3704.03 and 3745.01 have been made and are outlined below. Nothing in the findings shall be considered to be an admission by Respondent of any matter of law or fact. The Director of Ohio EPA has determined the following findings:

1. Respondent owns and operates a facility, located at 1300 North Freedom Street in Ravenna, Ohio, that manufactures hoses, tubing, fittings and accessory products for fluid-handling applications involving numerous industries and markets. Some products are strengthened through application of an adhesive and winding or braiding a reinforcing material over the extruded product. Parflex Division Headquarters in Ravenna, Ohio, houses manufacturing, marketing, customer service, engineering, R&D, quality control, and training. Respondent's facility is identified by Ohio EPA as facility identification number

1667060121.

2. At the Ravenna facility, Respondent operates the following emissions units ("EUs"): B003 - B006 (two 3.75 million Btu/hour Boilers and two 3.125 million Btu/hour Boilers), N002 - N003 (Tool Cleaning Incinerators), R001 (Adhesive Coating Line), P001 (Thermoplastic Grinders), R001 (Thermoplastic Braiding Line), P003 (Fiberglass Tape Line), P004 (Fluidized Tool Cleaning Incinerator), P006 (Plastic Tube Extruders), P007 (Tube Conditioning Operations), R002 (Pre-Coat Operations), and R003 (Offset Printing). These emissions units each constitute an "air contaminant source," as defined in Ohio Administrative Code ("OAC") Rule 3745-15-01(C) and (W).

3. On April 16 and 28, 2004, Respondent met representatives of the Akron Regional Air Quality Management District ("ARAQMD"), Ohio EPA's contractual representative in Portage County, at Respondent's request, to discuss regulatory issues associated with the Ravenna facility. Specifically, Respondent had indicated to ARAQMD that it believed it had triggered Title V permit applicability, and needed guidance in determining an appropriate course of action.

4. Subsequent to the April 16 and 28, 2004 meetings, ARAQMD requested additional information be submitted by Respondent in order to enable a course of action to be determined. ARAQMD requested information pertaining to the installation dates for the EUs and accurate Potential to Emit ("PTE") calculations. Review of documents provided at the meeting indicated equipment associated with the above-mentioned emissions units and identified in the following tables were installed over several years without first applying for and obtaining permits to install ("PTIs"), in violation of OAC Rule 3745-31-02(A) and ORC § 3704.05(G). Respondent relates that it indicated to ARAQMD that personnel at the Ravenna facility believed Respondent was in compliance with permit requirements based upon PTIs issued to the facility in 1993. Additionally, ARAQMD believed that Respondent was subject to the Title V requirements of OAC Chapter 3745-77 since the Title V permit application deadline of September 30, 1996.

1973

| Identification Number | Description | EU number |
|---|---|---|
| TCM-001 | applicator | P007 |
| H-611 | Matthews offset printer | R003 |

1974

| Identification Number | Description | EU number |
|---|---|---|
| TCM-002 | applicator | P007 |
| TCM-003 | applicator | P007 |

| | | |
|---|---|---|
| PTA-001 | applicator | R002 |
| PEA-001 | applicator | R002 |

1975

| Identification Number | Description | EU number |
|---|---|---|
| J-727 | 2-1/2" Extruder | P006 |

1976

| Identification Number | Description | EU number |
|---|---|---|
| TCM-004 | applicator | P007 |
| K-364 | Matthews offset printer | R003 |

1977

| Identification Number | Description | EU number |
|---|---|---|
| K-377 | Matthews offset printer | R003 |
| K-325 | Matthews offset printer | R003 |

1978

| Identification Number | Description | EU number |
|---|---|---|
| BEA-001 | applicator | R001 |
| K-376 | Matthews offset printer | R003 |

1979

| Identification Number | Description | EU number |
|---|---|---|
| K-350 | Matthews offset printer | R003 |
| H-678 | Matthews offset printer | R003 |
| M-348 | Matthews offset printer | R003 |
| PTA-002 | applicator | R001 |
| PTA-003 | applicator | R002 |
| BEA-002 | applicator | R002 |
| K-326 | 2-1/2" Extruder | P006 |
| J-997 | 3-1/2" Extruder | P006 |

1980

| Identification Number | Description | EU number |
|---|---|---|
| L-810 | 2-1/2" Extruder | P006 |

1981

| Identification Number | Description | EU number |
|---|---|---|
| M-362 | Matthews offset printer | R003 |
| L-809 | 3-1/2" Extruder | P006 |

1982

| Identification Number | Description | additional information | EU number |
|---|---|---|---|
| PTA-004 | applicator | PTI 16-1088 issued 4/14/1993 | R002 |
| PTA-005 | applicator | PTI 16-1088 issued 4/14/1993 | R002 |
| BEA-003 | applicator | | R001 |

1983

| Identification Number | Description | EU number |
|---|---|---|
| P-573 | Matthews offset printer | R003 |
| P-574 | Matthews offset printer | R003 |

1984

| Identification Number | Description | EU number |
|---|---|---|
| J-733 | Matthews offset printer | R003 |

1995

| Identification Number | Description | EU number |
|---|---|---|
| EX177 | 3-1/2" Extruder | P006 |

1996

| Identification Number | Description | EU number |
|---|---|---|
| EX244 | 3-1/2" Extruder | P006 |

1998

| Identification Number | Description | EU number |
|---|---|---|
| PRINT-001 | Matthews offset printer | R003 |

| | | |
|---|---|---|
| PRINT-009 | Matthews offset printer | R003 |
| PRINT-010 | Matthews offset printer | R003 |
| PRINT-011 | Matthews offset printer | R003 |
| EXTDR-003 | 3-1/2" Extruder | P006 |
| EXTDR-001 | 3-1/2" Extruder | P006 |

1999

| Identification Number | Description | EU number |
|---|---|---|
| EXTDR-017 | 3-1/2" Extruder | P006 |
| EXTDR-005 | 3-1/2" Extruder | P006 |
| PRINT-012 | Matthews offset printer | R003 |
| PRINT-013 | Matthews offset printer | R003 |
| PRINT-014 | Matthews offset printer | R003 |
| PRINT-015 | Matthews offset printer | R003 |

2000

| Identification Number | Description | EU number |
|---|---|---|
| EXTDR-006 | 3-1/2" Extruder | P006 |

2001

| Identification Number | Description | EU number |
|---|---|---|
| EXTDR-016 | 3-1/2" Extruder | P006 |
| EXTDR-007 | 2" Extruder | P006 |
| EXTDR-014 | 3-1/2" Extruder | P006 |

2002

| Identification Number | Description | EU number |
|---|---|---|
| PRINT-039 | Matthews offset printer | R003 |
| PNYA-001 | applicator | R002 |
| BAA-003 | applicator | R001 |
| BAA-004 | applicator | R001 |
| BAA-005 | applicator | R001 |
| BAA-006 | applicator | R001 |

| | | |
|---|---|---|
| BEA-004 | applicator | R001 |
| BNYA-001 | applicator | R001 |
| BNYA-002 | applicator | R001 |
| BNYA-003 | applicator | R001 |
| BTA-001 | applicator | R001 |
| BAA-001 | applicator | R001 |
| BAA-002 | applicator | R001 |
| TCM-005 | applicator | P007 |
| TCM-006 | applicator | P007 |

2004

| Identification Number | Description | EU number |
|---|---|---|
| PRINT-040 | Matthews offset printer | R003 |
| EXTDR-018 | 3-1/2" Extruder | P006 |

2005

| Identification Number | Description | EU number |
|---|---|---|
| BAA-007 | applicator | R001 |
| BAA-008 | applicator | R001 |
| BAA-009 | applicator | R001 |
| BAA-010 | applicator | R001 |

Additionally, Matthews offset printer K-304 was installed without applying for and obtaining a PTI. The exact installation date for this EU is not known; however, this EU was installed during or after 1973.

Furthermore, each of the above-mentioned pieces of equipment that was installed and operated prior to September 30, 1996 and on or after February 15, 1972, was operated without first applying for and obtaining a Permit to Operate ("PTO"), in violation of OAC Rule 3745-35-02 and ORC § 3704.05(G).

5. OAC Rule 3745-77-02(A) states, in part, that the owner or operator of a Title V source shall not operate such source after the date that a timely and complete Title V permit application is required pursuant to OAC Rule 3745-77-04(B), unless such an application has been timely submitted or the source is in compliance with a Title V permit.

6. By letter dated May 5, 2004, ARAQMD requested Respondent submit for review, an installation history for all of the EUs at the facility, to determine exactly when Respondent triggered Title V applicability. Respondent was instructed to identify each EU, the date of installation of the unit, the PTI number, and the PTE for each EU.

7. By letter dated June 4, 2004, Respondent submitted a response to ARAQMD that requested deferring submittal of the requested information until after the necessary permit applications had been submitted to ARAQMD. Respondent indicated that it anticipated submitting the information by August 1, 2004, with a progress report submitted by July 1, 2004. ARAQMD agreed to the dates provided by Respondent for the submittals.

8. By letter dated July 1, 2004, Respondent submitted a progress report that outlined activities undertaken to that date. Respondent claimed that it had determined facility-wide material usage rates that would enable it to obtain a Synthetic Minor Title V PTI, completed a PTI application for required equipment, drafted an operating permit application, and completed an Emission Activity Category ("EAC") form.

9. On August 11, 2004, Respondent met with ARAQMD to discuss the permit application package and ARAQMD's May 5, 2004 request for information. At the meeting, Respondent presented PTI and PTO applications and supporting documents to ARAQMD. The applications were to reflect Respondent's claim of synthetic minor status by proposing material usage limits and proposed grouping of similar operations. ARAQMD did not accept the emissions unit groupings, and a portion of the applications were returned to Respondent as unapprovable. Respondent believes that an approved package was submitted to ARAQMD and that the package should not have been rejected.

10. By letter dated September 2, 2004, Respondent outlined the August 11, 2004 discussions and committed to provide ARAQMD with a status report of activities if the permit applications that had been returned by ARAQMD continued to be unapprovable. The status report was received by ARAQMD on October 4, 2004.

11. By letter dated December 2, 2004, legal counsel for Respondent requested a meeting with ARAQMD, Respondent and Ohio EPA to discuss permitting issues, in particular, generating a PTI application or Federally Enforceable State Operating Permit ("FESOP") permit application package. Respondent, legal counsel, ARAQMD and Ohio EPA met on January 28, 2005 to discuss Respondent's desire to obtain FESOPs, pursuant to OAC Rule 3745-35-07.

12. By letter dated July 29, 2005, ARAQMD returned the remaining portion of the PTI and PTO applications to Respondent due to the ongoing discussion regarding the legality of grouping multiple EUs. The letter outlined ARAQMD's view that each independent operation is an EU, and that the appropriate pages of the PTI and PTO applications should be completed for each EU. The letter also informed Respondent that, based on the information contained in its submittal, Respondent's facility was a "major source" for combined hazardous air pollutants ("HAPs") and individual HAPs, and was

therefore subject to the Title V permit regulations.

13. Respondent was required to have submitted a Title V permit application by September 30,1996, pursuant to OAC Rule 3745-77-04(B)(3). Furthermore, OAC Rule 3745-77-02(A) states, in part, that the owner or operator of a Title V source shall not operate such source after the date that a timely and complete Title V permit application is required, unless such an application has been timely submitted or the source is in compliance with a Title V permit.

14. On and after September 30, 1996, and until April 12, 2007, Respondent operated its Title V source without possessing a Title V permit or timely filing a complete Title V permit application with Ohio EPA, in violation of OAC Rule 3745-77-02(A) and ORC § 3704.05(G) and (K).

15. Respondent failed to submit a Title V permit application to Ohio EPA by September 30, 1996, in violation of OAC Rule 3745-77-04(B)(1) and ORC § 3704.05(G) and (J)(2).

16. OAC Rule 3745-78-02(A) requires that a Fee Emission Report ("FER") be submitted by any owner or operator of a Title V source by June 15, 1994 for calendar year 1993, and by April 15 of each year thereafter for the previous calendar year. Respondent was in violation of OAC Rule 3745-78-02(A) and ORC § 3704.05(G) and (J)(2) for its failure to timely submit Title V FERs for 1993 through 2006.

17. On September 19, 2005, Respondent met with Ohio EPA to discuss outstanding permitting issues at the Ravenna facility. In September 2006, Respondent submitted a Synthetic Minor Title V PTI ("SMTVP") application to Ohio EPA that proposed the grouping of several pieces of equipment together as one EU.

18. Subsequent to the September 19, 2005 meeting, and review of information provided during that meeting, Ohio EPA agreed to the grouping of similar operations contained in the SMTVP application. On April 12, 2007, PTI # 16-02466 was issued final to Respondent, which contained federally enforceable restrictions to limit the facility's PTE to below the Title V rule applicability thresholds for combined and individual HAPs.

19. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

## V. ORDERS

The Director hereby issues the following Orders:

1. Pursuant to ORC § 3704.06, Respondent is assessed a civil penalty in the amount of one hundred twenty-three thousand dollars ($123,000) in settlement of Ohio EPA's claims for civil penalties. Within thirty (30) days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of ninety-eight thousand four hundred dollars ($98,400) of the total penalty amount. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $98,400. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

A copy of the check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

2. In lieu of paying the remaining twenty-four thousand six hundred dollars ($24,600) of civil penalty, Respondent shall, within thirty (30) days after the effective date of these Orders, fund a supplemental environmental project ("SEP") by making a contribution in the amount of $24,600 to Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD0). Respondent shall tender an official check made payable to "Treasurer, State of Ohio" for $24,600. The official check shall specify that such monies are to be deposited into Fund 5CD0 established by Ohio EPA for the Clean Diesel School Bus Program. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to the above-stated address. A copy of this check also shall be sent to James A. Orlemann, or his successor, at the above-stated address.

3. Within thirty (30) days of the effective date of these Orders and pursuant to OAC Chapter 3745-78, Respondent shall submit FERs for calendar years 1993 through 2006 to Ohio EPA and shall pay fees to Ohio EPA in accordance with invoices from Ohio EPA.

## VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is the person authorized to sign in OAC Rule 3745-35-02(B)(1) for a corporation or a duly authorized representative of Respondent as that term is defined in the above-referenced rule.

## VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's facility.

## VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state, and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to the Respondent.

## IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

## X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Akron Regional Air Quality Management District
Citicenter - Suite 904
146 South High Street
Akron, Ohio 44308
Attn: Lynn Malcolm

and to:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Thomas Kalman, Manager, Enforcement Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

## XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges, and causes of action, except as specifically waived in Section XII of these Orders.

## XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation, or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for the Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated, or modified.

## XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

## XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

**IT IS SO ORDERED AND AGREED:**

Ohio Environmental Protection Agency

Chris Korleski
Director

12/27/07
Date

**IT IS SO AGREED:**

Parker Hannifin Corporation

Signature

12/18/07
Date

John D. Fox
Printed or Typed Name

General Manager / Vice President
Title