IN THE COURT OF COMMON PLEAS CUYAHOGA COUNTY, OHIO

<u>.</u>

STATE OF OHIO ex rel.	:	CASE NO.	
BETTY D. MONTGOMERY, ATTORNEY GENERAL OF OHIO,	:	JUDGE	
Plaintiff,	:	360322	
V.	:	307 TIMOTHY U. NO GINTY	
IOCHPE-MAXION OHIO, INC.,	:	CONSENT ORDER	
Defendant.	:		

Plaintiff, the State of Ohio, by its Attorney General Betty D. Montgomery, at the written request of Donald R. Schregardus, the Director of Environmental Protection, having filed a Complaint seeking injunctive relief and civil penalties from Defendant Iochpe-Maxion ("Iochpe") for violations of R.C. Chapter 3704 and the rules promulgated thereunder, and the parties having consented to the entry of this Order,

NOW, THEREFORE, without trial, admission, or determination of any issue of fact or law, and upon the consent of the parties hereto, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

I. DEFINITIONS

- 1. As used in this Order, the following terms are defined as follows:
 - a. "Facility" means the truck frame assembly facility and all related operations located at 10615 Madison Avenue, Cleveland, Cuyahoga County, Ohio 44102.
 - b. "Ohio EPA" means the Ohio Environmental Protection Agency.
 - c. "Director" means the Director of Environmental Protection.
 - d. "Air contaminant source" or "source" has the same meaning as set forth in R.C. 3704.01(C) and Ohio Administrative Code ("O.A.C.")

3745-31-01(D) and 3745-35-01(B)(1).

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"Permit to Operate" or "PTO" has the same meaning as set forth in O.A.C. Chapter 3745-35.

f. "Permit to Install" or "PTI" has the same meaning as set forth in O.A.C. Chapter 3745-31.

g. "Source K002" shall refer to the Nordson line used by Defendant at its Facility;

h. "Source K006" shall refer to the GLA line used by Defendant at its Facility;

i. "Air contaminant" has the same meaning as set forth in R.C. 3704.01(B).

II. JURISDICTION AND VENUE

2. The Court has jurisdiction over the parties and the subject matter of this case. The Complaint states a claim for which relief can be granted pursuant to R.C. Chapter 3704. Venue is proper in this Court.

III. PERSONS BOUND

3. The provisions of this Consent Order shall apply to and be binding upon the parties to this action, and, in accordance with Rule 65(D) of the Ohio Rules of Civil Procedure, their officers, agents, servants, employees, attorneys, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Consent Order whether by personal service or otherwise.

IV. SATISFACTION OF LAWSUIT AND RESERVATION OF RIGHTS

4. The Plaintiff alleges in its Complaint that Defendant has owned and operated the Facility in such a manner as to result in permitting and reporting violations of the air pollution control laws and regulations of the State of Ohio. Iochpe denies such allegations. The parties

have agreed to resolve disputed issues in this matter without adjudication of any issues of fact or law. Compliance with the terms of this Consent Order shall constitute full satisfaction of any civil liability of the Defendant to the Plaintiff for the claims alleged in the Plaintiff's Complaint.

5. Except as provided in this Consent Order, this Consent Order shall not be construed to limit the authority of the Plaintiff to seek relief for violations not alleged in the Complaint, nor shall this Consent Order bar the State of Ohio from bringing any action against the Defendant for any violations which occur after the entry of this Order. Except as provided in this Consent Order, nothing in this Consent Order shall be construed to relieve the Defendant of its obligations to comply with applicable federal, state or local statutes, regulations, or ordinances, whether in connection with the performance of, partial performance of, resumption of or discontinuation of any SEP by Defendant, or otherwise.

V. PERMANENT INJUNCTION

6. Defendant is hereby enjoined and ordered to immediately and permanently comply with R.C. Chapter 3704 and the regulations adopted thereunder, including all terms and conditions of Defendant's currently effective Permits to Install, Permits to Operate and all operating permits, and any subsequent renewals or modifications thereafter. Specifically, the Defendant agrees to refrain and is hereby permanently enjoined from "installing" or "modifying" any air contaminant source, as those terms are defined by O.A.C. 3745-31-01(I) and (J), at the Facility without first applying for and obtaining a Permit To Install from the Director in accordance with O.A.C. 3745-31-02. In addition, the Defendant agrees to refrain and is hereby permanently enjoined from operating any air contaminant source without first applying for and receiving the appropriate operating permit from the Director in accordance with R.C. Chapter

3704 and the rules adopted thereunder. Further, the Defendant agrees and is hereby permanently and immediately enjoined and ordered to comply with all terms and conditions of all Permits To Install and all operating permits which are issued to the Defendant by the Director, including but not limited to all reporting/record keeping requirements and all emissions limitations.

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VI. PRELIMINARY INJUNCTIVE RELIEF

7. Defendant is enjoined and ordered to submit quarterly usage reports in accordance with and pursuant to O.A.C. 3745-21-09(B)(3) for all sources at its Facility except for Source K002. For quarterly periods when no deviations occur during the applicable quarter, Iochpe shall submit a report stating that no such deviations occurred. The quarterly reports shall be received by the Ohio EPA on February 15, May 15, August 15 and November 15 of each calendar year. The February report shall cover the period of November, December and January; the May report shall cover the period of February, March and April; the August report shall cover the period of May, June and July; and the November report shall cover the period of August, September and October. The first quarterly report shall be received by Ohio EPA on or before August 15, 1998.

8. Defendant is enjoined and ordered to submit, on or before 30 days after entry of this Consent Order, emission statements for 1995 and 1996 in accordance with and pursuant to O.A.C. 3745-24-04.

9. Defendant is enjoined and ordered to submit, on or before 30 days after entry of this Consent Order, fee emission reports for 1995 and 1996. The fee emission reports shall be submitted in accordance with and pursuant to O.A.C. 3745-78-02.

10. Defendant is enjoined and ordered to submit, on or before 30 days after entry of this Consent Order, a Title V permit application in accordance with and pursuant to O.A.C.

Chapter 3745-77. In lieu of submitting a Title V permit application, Defendant may perform the Supplemental Environmental Project ("SEP") described in paragraphs number 21 through 23 of this Order. Iochpe is enjoined and ordered to submit, within ten days of entry of this Consent Order, to Ohio EPA a written statement of which option it intends to choose.

11. Defendant is enjoined and ordered to submit to the Director, on or before August 15, 1998, in accordance with and pursuant to O.A.C. 3745-35-02, a complete and approvable application for a Permit To Operate for Source K006.

12. Until the Director issues as a final action a Permit To Operate for Source K006 and all appeals have been exhausted, Defendant is enjoined and ordered to limit actual emissions from the entire Facility to less than 3.0 tons per year for a single HAP, to less than 7.5 tons per year for any combination of one or more HAPs, and to less than 30.0 tons per year for VOCs. For purposes of this paragraph 12, actual emissions from Source K002 from the date of entry of this Consent Order until November 1, 1998 will not be counted toward facility wide actual emissions.

13. Defendant agrees not to appeal to the Environmental Review Appeals Commission or to any court of competent jurisdiction any of the terms and conditions of the PTO issued for Source K006 to the extent that such terms and conditions are less stringent than the provisions of this Consent Order governing the same subject. Defendant reserves its rights to appeal any other terms or conditions of any PTO issued for Source K006.

14. Until the Director issues as a final action an operating permit for Source K006 and all appeals have been exhausted, Defendant is enjoined and ordered to immediately collect and record the following information each month for all emissions units at the Facility:

- a. The name and identification number of each coating and cleanup material;
- b. The VOC content of each coating and cleanup material, in pounds per gallon;
- c. The single Hazardous Air Pollutant (HAP) content of each coating and cleanup material, in pounds per gallon;
- d. The combined HAPs content of each coating and cleanup material, in pounds per gallon;
- e. The number of gallons of each coating and cleanup material employed;
- f. The total number of gallons of all coatings employed;

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- g. The total VOC emissions from all coatings and cleanup materials employed, in pounds or tons;
- h. The emissions of each single HAP from all coatings and cleanup materials employed, in pounds or tons; and
- i. The emissions of combined HAPs from all coatings and cleanup materials employed, in pounds or tons.
- 15. Until the Director issues as a final action an operating permit for Source K006 and

all appeals have been exhausted, Defendant is enjoined and ordered to immediately collect and

record the following information each year for the entire Facility:

a. the total VOC emissions, in pounds or tons;

b. the emissions of each individual HAP, in pounds or tons; and

- c. the emissions of combined HAPs, in pounds or tons.
- 16. Until the Director issues as a final action an operating permit for Source K006 and

all appeals have been exhausted, Defendant is enjoined and ordered to submit to Ohio EPA

quarterly reports summarizing the information required by paragraphs number 14 and 15 of

this Order that identify any deviations by Source K006 from the emissions limitations imposed

by paragraph number 12, as well as the corrective actions that were taken to achieve compliance with those emission limits. For quarterly periods when no deviations occur during the applicable quarter, Iochpe shall submit a report stating that no such deviations occurred. The quarterly reports shall be received by the Ohio EPA on February 15, May 15, August 15 and November 15 of each calendar year. The February report shall cover the period of November, December and January; the May report shall cover the period of February, March and April; the August report shall cover the period of May, June and July; and the November report shall cover the period of August, September and October. Iochpe is enjoined and ordered to submit the first quarterly report so that it is received by Ohio EPA on or before August 15, 1998.

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17. Until the Director issues as a final action an operating permit for Source K006 and all appeals have been exhausted, Defendant is enjoined and ordered to submit annual reports which summarize the emissions of VOC, each single HAP and combined HAPs from emissions unit K006 and from the entire facility. The reports shall be received by Ohio EPA by February 1 of each year and shall cover the previous calendar year.

18. In complying with the requirements of paragraphs 13 through 17 of this Consent Order, U.S. EPA method 24 shall be used to determine the VOC contents of the coatings and cleanup materials and formulation data shall be used to determine the HAP contents of the coatings and cleanup materials.

19. The requirements of paragraphs number 12 and 14 through 18 of this Consent Order shall terminate and have no force and effect once the Director issues an operating permit for Source K006, all appeals thereof have been exhausted, and all stipulated penalties which have

accrued under those paragraphs have been paid.

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VII. CIVIL PENALTY

20. Pursuant to R. C. 3704.06, Iochpe shall pay to the State of Ohio a civil penalty of Sixty Nine Thousand One Hundred Twenty Dollars (\$69,120.00). If, pursuant to paragraph number 10, Defendant chooses to submit a Title V permit application instead of performing the SEP described in paragraphs number 21 through 23, the entire amount of the civil penalty shall be paid in cash by delivering a certified check, payable to the order of "Treasurer, State of Ohio," to Jena Suhadolnik or her successor, Administrative Assistant, Office of the Attorney General of Ohio, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3428 within thirty (30) days of the date of entry of this Consent Order. If Defendant chooses instead to perform the SEP described in paragraphs number 21 through 23, then \$38,400.00 of the civil penalty shall be paid in cash as described above and the remaining \$30,720.00 shall be paid in the form of the SEP described in paragraphs number 21 through 23. In the event lochpe does not completely comply with the requirements of paragraphs number 21, 22 or 23 of this Order, then lochpe shall immediately be subject to the stipulated penalty provisions of paragraph number 26 of this Order.

VIII. SUPPLEMENTAL ENVIRONMENTAL PROJECT

21. If Defendant chooses to perform this SEP, Defendant is enjoined and ordered to reduce operations of Source K002 according to the schedule set forth below and terminate operations of Source K002 on or before October 31, 1998 by transferring the operations now conducted by Source K002 to a vendor which performs the operation using exclusively a coating process that does not cause, permit or allow the release of any air contaminant at levels subject to

permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder. Defendant is enjoined and ordered to ensure that, solely in connection with the coating of parts for Defendant, the outside vendor uses coatings and clean-up materials that do not cause, permit or allow the release of any air contaminant at levels subject to permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder. Defendant is enjoined and ordered to reduce the operations of Source K002 to the following levels of production from its current level:

- a. Immediately upon entry of this Order to August 31, 1998 -- a maximum of 700 rails per day; and
- b. From September 1, 1998 through October 31, 1998 -- a maximum of 300 rails per day.
- c. From November 1, 1998 and onward, Source K002 shall not use any coating or clean-up material which causes, permits or allows the release of any air contaminant at levels subject to permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder.
- d. After November 1, 1998, any truck rails coated by Defendant or by an outside vendor shall be coated only by using a coating process that does not emit any air contaminant at levels subject to permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder.
- 22. If Defendant chooses to perform this SEP, then in addition to any other

requirement of this Consent Order, Defendant is immediately enjoined and ordered to maintain

on a monthly basis the following records containing the following information for each month

during which truck rails are processed through either an outside vendor or through Source

K002:

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- (a) The name and identification number of each coating, as applied.
- (b) The VOC content (excluding water and exempt solvents) and the number of

gallons (excluding water and exempt solvents) of each coating, as applied.(c) The name and identification of each cleanup material employed.

(d) The number of gallons of each cleanup material employed.

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(e) The VOC content of each cleanup material, in pounds per gallon.

(f) The number of truck rails processed through an outside vendor and through source K002.

23. If Defendant chooses to perform this SEP, then in addition to any other

requirement of this Consent Order, Defendant is enjoined and ordered to submit to Ohio EPA quarterly reports that identify any deviations by either Source K002 or the outside vendor's source from the injunction to using only coatings and clean-up materials that do not cause, permit or allow the release of any air contaminant at levels subject to permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder, as well as the corrective actions that were taken to achieve compliance. For quarterly periods when no deviations occur during the applicable quarter, Iochpe shall submit a report stating that no such deviations occurred. The quarterly reports shall be received by the Ohio EPA on February 15, May 15, August 15 and November 15 of each calendar year. The February report shall cover the period of November, December and January; the May report shall cover the period of February, March and April; the August report shall cover the period of May, June and July; and the November report shall cover the period of August, September and October. Iochpe is enjoined and ordered to submit the first quarterly report so that it is received by Ohio EPA on refore August 15, 1998.

IX. STIPULATED PENALTIES

24. Except as otherwise provided in paragraph 25, in the event that Defendant fails to

comply with any of the requirements imposed by paragraphs 6 through 20 of this Consent Order, the Defendant shall, immediately be liable for and shall pay a stipulated penalty according to the following payment schedule. For each day of failure to meet a requirement, up to thirty (30) days -- Five Hundred Dollars (\$500.00) per day for each requirement not met. For each day of failure to meet a requirement, from thirty-one (31) to sixty (60) days -- One Thousand Dollars (\$1,000.00) per day for each requirement not met. For each day of failure to meet a requirement, from sixty-one (61) to ninety (90) days -- Two Thousand Dollars (\$2,000.00) per day for each requirement not met. For each day of failure to meet a requirement, over ninety (90) days --Three Thousand Dollars (\$3,000.00) per day for each requirement not met.

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25. In the event that Defendant violates the permanent injunction set forth in paragraph 6 of this Consent Order relating to the installation, modification and/or operation of air contaminant sources without the necessary permits, the Defendant shall be liable for and shall immediately pay stipulated penalties in accordance with the following schedule:

- a. for each air contaminant source installed or modified without first obtaining a permit to install, Defendant shall pay a stipulated penalty of Two Thousand Five Hundred Dollars (\$2,500.00) per source per installation/modification;
- b. for each day for which each air contaminant source is operated without first obtaining the applicable operating permit, Defendant shall pay a stipulated penalty of Five Hundred Dollars (\$500.00) per day of operation per source.

26. If Defendant, pursuant to paragraph 10, chooses to perform the SEP, then in the event that Defendant violates any of the requirements of paragraphs 21 through 23 of this Consent Order, the Defendant shall be liable for and shall immediately pay stipulated penalties in accordance with the following schedule:

for each day of operation that Source K002 coats truck rails in excess of what is allowed by paragraph 21, Defendant shall pay a stipulated penalty of Two Thousand Dollars (\$2,000.00) per day of operation;

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for each day of operation of Source K002 after October 31, 1998, that causes, permits or allows the release of any air contaminant at levels subject to permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder, Defendant shall pay a stipulated penalty of Two Thousand Dollars (\$2,000.00) per day of operation;

for each day that the vendor operates its source(s), for production transferred from Source K002, that causes, permits or allows the release of any air contaminant at levels subject to permitting requirements in accordance with R.C. Chapter 3704 and the rules adopted thereunder, Defendant shall pay a stipulated penalty of Two Thousand Dollars (\$2,000.00) per day per source of operation;

d. for each month that Defendant fails to maintain a monthly record required by paragraph number 22 for either Source K002 or the outside vendor's source, Defendant shall pay a stipulated penalty of Two Thousand Dollars (\$2,000.00) per day per record not maintained;

e. for each monthly record that is maintained which does not contain all of the information required by paragraph 22, Defendant shall pay a stipulated penalty of Two Thousand Dollars (\$2,000.00) per record which does not contain the required information;

f. for each day on which Defendant fails to submit the quarterly deviation reports or for each quarterly report which does not contain all of the information required by paragraph number 23, Defendant shall pay a stipulated penalty of Five Thousand Dollars (\$5,000.00) per day per report

In no event shall Defendant actually pay stipulated penalties under this paragraph number 26 in an amount greater than \$30,720.00. Nothing in paragraph number 26 shall prevent simultaneous or concurrent accrual of stipulated penalties for violations of this consent order pursuant to Section IX.

27. In the event Defendant fails to meet any of the requirements of this Consent Order, the Defendant shall immediately be liable for payment of stipulated penalties imposed by this Consent Order without prior demand by the State of Ohio. Payment of all stipulated penalties shall be paid by the Defendant by their delivering to the Plaintiff, c/o Jena Suhadolnik, Administrative Assistant, or her successor, at the Office of the Attorney General of Ohio, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3428, a certified check in that amount, payable to the order of "Treasurer, State of Ohio," immediately upon the occurrence of the violation giving rise to the penalty.

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28. The imposition, payment and collection of stipulated penalties pursuant to violations of this Consent Order shall not prevent the State from pursuing additional remedies, civil, criminal or administrative, for violations of applicable laws, provided, however, that any other monetary relief obtained by the State for such violations shall be reduced in an amount equal to the stipulated penalties actually paid by Defendant in accordance with this Consent Order.

29. Notwithstanding any other provision of this Section IX, the State in its sole and unreviewable discretion may defer, reduce or waive stipulated penalties that have accrued. Where Defendant asserts that a deferral, reduction or waiver of stipulated penalties is appropriate, Defendant may present evidence to the State supporting such assertion. Nothing in this paragraph, however, shall be construed as creating a right under Civ. R. 60 (B) for Defendant to move the Court for relief from this Order or a termination or a modification to this Order.

X. TERMINATION OF STIPULATED PENALTIES

30. No earlier than five years from the date of entry of this Consent Order, Iochpe may move the Court to terminate the stipulated penalties provisions of only paragraphs number 24 and 25 of this Consent Order if Iochpe can demonstrate that (1) it has been in continuous

compliance with all the requirements of this Consent Order for such five year period; and (2) it has been in compliance with all terms and conditions of all applicable PTIs and PTOs and all subsequent modifications or amendments thereto for such five year period; and (3) it has paid all penalties required by this Consent Order for such five year period. The Plaintiff takes no position at this time as to such motion and reserves any rights it may have to oppose the motion, including the basis that five years is, in actuality, not an appropriate time period. Termination of stipulated penalties under this Consent Order shall only be upon written application by any party, and by Order of the Court after the Court has made a determination that the requirements of this paragraph 30 have been satisfied. In no event, however, shall this Consent Order be enforceable after ten years from the date of entry. The parties expressly reserve any rights they have pursuant to Civ. R. 60(B).

XI. POTENTIAL FORCE MAJEURE

31. If any event occurs which causes or may cause a delay of any requirement of this Consent Order, Iochpe shall notify the Ohio EPA, Central Office, in writing within ten (10) days of the event, describing in detail and anticipated length of the delay, the precise cause or causes of the delay, the measures taken and to be taken by Iochpe to prevent or minimize the delay and the timetable by which measures will be implemented. Iochpe will adopt all reasonable measures to avoid or minimize any such delay.

32. In any action by the Plaintiff to enforce any of the provisions of this Consent Order, Iochpe may raise that it is entitled to a defense that its conduct was caused by reasons entirely beyond its control such as, by way of example and not limitation, acts of God, strikes, acts of war or civil disturbances. While the Plaintiff does not agree that such a defense exists, it

is, however, hereby agreed upon by Iochpe and the Plaintiff that it is premature at this time to raise and adjudicate the existence of such a defense and that the appropriate point at which to adjudicate the existence of such a defense is at the time that an action to enforce the terms and conditions of this Consent Order, if any, is commenced by the Plaintiff. At that time, the burden of proving that any delay was or will be caused by circumstances entirely beyond the control of Iochpe shall rest with Iochpe. Unanticipated or increased costs associated with the implementation of any action required by this Consent Order, or changed financial circumstances, shall not constitute circumstances entirely beyond the control of lochpe or serve as a basis for an extension of time under this Consent Order. Failure by Iochpe to comply with the notice requirements of Paragraph 31 shall render this Paragraph 32 void and of no force and effect as to the particular incident involved and shall constitute a waiver of lochpe's right to request an extension of its obligations under this Consent Order based on such incident. An extension of one compliance date based on a particular incident does not mean that lochpe qualifies for an extension of a subsequent compliance date or dates. Iochpe must make an individual showing of proof regarding each incremental step or other requirement for which an extension is sought.

XII. RETENTION OF JURISDICTION

The Court will retain jurisdiction of this action for purposes of enforcing this
Consent Order.

XIII. COURT COSTS

34. The Defendant is hereby ordered to pay all court costs of this action.XIV. ENTRY OF CONSENT ORDER AND JUDGMENT BY CLERK

35. Pursuant to Rule 58 of the Ohio Rules of Civil Procedure, upon signing of this Consent Order by the Court, the clerk is directed to enter it upon the journal. Within three days of entering the judgment upon the journal, the clerk is directed to serve upon all parties notice of the judgment and its date of entry upon the journal in the manner prescribed by Rule 5(B) of the Ohio Rules of Civil Procedure and note the service in the appearance docket.

XV. AUTHORITY TO ENTER INTO THE CONSENT ORDER

36. Each signatory for the Defendant represents and warrants that he/she has been duly authorized to sign this document and so bind the corporation to all terms and conditions thereof.

IT IS SO ORDERED

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2-24-58

DATE

APPROVED:

IOCHPE-MAXION

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David E. Nash (0016774) Thompson, Hine & Flory LLP 3900 Key Center 127 Public Square Cleveland, OH 44114-1216 (216) 566-5774 Attorney for Defendant Iochpe-Maxion

JUDG COURT CUYAHOGA COUNTY

BETTY D. MONTGOMERY ATTORNEY GENERAL OF OHIO

David G. Cox (0042724) April R. Bott (0066463) Assistant Attorneys General Environmental Enforcement Section 30 East Broad Street, 25th Floor Columbus, OH 43215-3428 (614) 466-2766 Attorneys for Plaintiff State of Ohio

- 10 Authorized Representative of Defendant Iochpe-Maxion PRESIDENT MIDLER STELL PRODUCTS

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