



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

VIA ELECTRONIC MAIL
DELIVERY RECEIPT REQUESTED

Mr. Adam Labkon
Vice President
GII, LLC
AdamLabkon@southside-recycling.com

Mr. Steven Joseph
Manager
Reserve FTL, LLC d/b/a Reserve Management Group
11600 S. Burley Ave.
Chicago, Illinois 60617
SteveJoseph@reserve-group.com

Re: Notice of Violation and Finding of Violation
GII, LLC and Reserve FTL, LLC d/b/a Reserve Management Group
Chicago, Illinois

Dear Messrs. Labkon and Joseph:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation and Finding of Violation (NOV/FOV) to GII, LLC and Reserve FTL, LLC d/b/a Reserve Management Group (you) under Sections 113(a)(1) and 113(a)(3) of the Clean Air Act, 42 U.S.C. §§ 7413(a)(1) and 7413(a)(3). We find that you have violated the Illinois State Implementation Plan and Title V of the CAA, 42 U.S.C. §§ 7661a-7661f, at your facility in Chicago, Illinois.

EPA is issuing this NOV/FOV to GII and RMG, the companies that purchased the former General Iron facility and owned and/or operated it during the period of alleged violations. The new NOV/FOV re-alleges the violations set forth in a notice that EPA issued to General Iron in July 2018. Please note that this NOV/FOV does not concern actions or activities at other locations and is unrelated to the proposed relocation to Chicago's southeast side.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Karina Kuc. You may call her at 312-353-5090 or email her at kuc.karina@epa.gov to request a conference. You may also have your attorney contact Susan Tennenbaum at (312) 886-0273 or tennenbaum.susan@epa.gov. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

Constantinos Loukeris
Chief, Air Enforcement and Compliance Assurance Section, IL/IN
Enclosure

cc: Kent Mohr, Illinois Environmental Protection Agency

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)	
)	
GII, LLC and)	NOTICE OF VIOLATION AND
Reserve FTL, LLC d/b/a Reserve)	FINDING OF VIOLATION
Management Group)	
)	
Chicago, IL)	
)	
Proceedings Pursuant to)	EPA-5-21-IL-07
Section 113(a) of the Clean Air Act,)	
42 U.S.C. § 7413(a))	

NOTICE OF VIOLATION AND FINDING OF VIOLATION

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Violation and Finding of Violation (NOV/FOV) under Sections 113(a)(1) and (a)(3) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1) and (a)(3). EPA finds that Reserve FTL, LLC d/b/a Reserve Management Group (RMG), and its subsidiary/affiliate, GII, LLC (GII) violated Title V of the CAA, 42 U.S.C. §§ 7661a-7661f and the Illinois State Implementation Plan (SIP) at their Chicago, Illinois facility, as follows:

Statutory and Regulatory Background

1. Title V of the CAA, 42 U.S.C. §§ 7661-7661f, establishes an operating permit program for certain sources, including “major sources” and “major stationary sources.”
2. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b) provide that after the effective date of any permit program approved or promulgated under Title V of the CAA, no source subject to Title V may operate except in compliance with a Title V permit.
3. 40 C.F.R. § 70.1(b) provides that all sources subject to the Part 70 regulations shall have a permit to operate that assures compliance by the source with all applicable requirements, as defined in 40 C.F.R. § 70.2.
4. Section 503(c) of the CAA, 42 U.S.C. § 7661b(c), and 40 C.F.R. § 70.5(a) provide that any person required to have a permit under Title V must timely submit an application for a permit.
5. U.S. EPA granted full approval to the Illinois Title V operating permit program (CAAPP) on December 4, 2001, set forth at 415 Illinois Compiled Statutes (ILCS) Section 5/39.5. The program became effective on November 30, 2001. 66 Fed. Reg. 62946.

6. Section 39.5(6)(b) of the Illinois Environmental Protection Act states that no person shall operate a CAAPP source without a CAAPP permit unless a CAAPP permit or renewal application has been timely submitted. 415 ILCS § 5/39.5(6)(b).
7. Section 502 of the CAA, 42 U.S.C. § 7661a applies to all major stationary sources, defined at Section 501 of the CAA, 42 U.S.C. § 7602.
8. Section 39.5 of the Illinois Environmental Protection Act applies to any source defined as a major source or major stationary source. 415 ILCS § 5/39.5(2)(a)(ii).
9. The definition of “major stationary source” includes any stationary source located in a “marginal” or “moderate” ozone non-attainment area that emits or has the potential to emit 100 tons per year or more of volatile organic compounds. 415 ILCS §5/39.5(2)(c)(iii).
10. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA for approval a SIP that provides for the implementation, maintenance, and enforcement of the National Ambient Air Quality Standards (NAAQS).
11. The Administrator of the EPA approved Illinois’ plan for the attainment and maintenance of the NAAQS under Section 110 of the CAA. *See* 40 C.F.R. § 52.722 and 55 Fed. Reg. 40661 (October 4, 1990).
12. On May 31, 1972, EPA approved Section 201.122 of Title 35 of the Illinois Administrative Code (IAC) as part of the federally enforceable Illinois SIP. 37 Fed. Reg. 10862.
13. 35 IAC § 201.122 states that evidence that specified air contaminant emissions, as calculated on the basis of standard emission factors or other factors generally accepted as true by those persons engaged in the field of air pollution control, exceed the limitations prescribed under 35 IAC, Chapter 1, shall constitute adequate proof of a violation, in the absence of a showing that actual emissions are in compliance.
14. On September 9, 1994, EPA approved Part 211 of the IAC as part of the federally enforceable Illinois SIP. 59 Fed. Reg. 46567.
15. 35 IAC § 211.3690 defines “maximum theoretical emissions” as the quantity of volatile organic material emissions that theoretically could be emitted by a stationary source before add-on controls based on the design capacity or maximum production capacity of the source and 8,760 hours per year.
16. 35 IAC § 211.4970 defines “potential to emit” as the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restriction on hours of operation or the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation is federally enforceable. *See also* 40 C.F.R. § 70.2; 415 ILCS § 5/39.5(1).

17. On March 12, 1997, EPA approved 35 IAC § 218.980, as part of the federally enforceable Illinois SIP. 62 Fed. Reg. 11327.
18. 35 IAC § 218.980(a)(1) states that a source is subject to 35 IAC Part 218, Subpart TT, if it contains process emission units not regulated by the Subparts identified in 35 IAC § 218.980(a)(1), which as a group have a maximum theoretical emissions of 100 tons per or more per calendar year of volatile organic matter (VOM) and are not limited to less than 100 tons of VOM emissions per calendar year in the absence of pollution control equipment through production or capacity limitations contained in a federally enforceable permit or SIP revision.
19. 35 IAC § 218.980(b)(1) states, in pertinent part, that a source is subject to 35 IAC Part 218, Subpart TT, if it has the potential to emit 25 tons or more of VOM per year, in aggregate, from emission units, that are not regulated by the Subparts identified in 35 IAC § 218.980(b)(1)(A) and are not included in the categories listed in 35 IAC § 218.980(b)(1)(B).
20. On October 21, 1996, EPA approved 35 IAC §§ 218.986 and 218.987, as part of the federally enforceable SIP. 61 Fed. Reg. 54556.
21. 35 IAC § 218.986 states that every owner or operator of an emission unit subject to 35 IAC Part 218, Subpart TT, shall comply with 35 IAC § 218.986(a).
22. 35 IAC § 218.986(a) requires every owner or operator to operate emission capture and control equipment that achieves an overall reduction in uncontrolled VOM emissions of at least 81 percent from each emission unit.
23. 35 IAC §§ 218.987 and 218.106(c) require every owner or operator of an emission unit that is subject to 35 IAC Part 218, Subpart TT, to comply with the requirements of 35 IAC Part 218, Subpart TT, by March 15, 1995.

Findings

24. From at least December 31, 2015 to September 30, 2019, General Iron Industries, Inc., currently known as Sellers, Inc. (General Iron), owned and operated a metal shredding and recycling facility at 1909 N. Clifton Ave, Chicago, Illinois (Facility), which is located in Cook County, Illinois.
25. On or about September 30, 2019, RMG acquired substantially all of the assets of General Iron, and, together with its subsidiary, GII became the owner and/or operator of the Facility.
26. General Iron, and subsequently GII and RMG, stored, processed and recycled ferrous and non-ferrous scrap metals from cars and post-consumer sheet metal at the Facility.
27. General Iron, GII and RMG shredded scrap metal in a hammermill shredder at the Facility.

28. Cook County is part of the Chicago-Naperville, IL-IN-WI nonattainment area, which is classified as “marginal” or “moderate.”
29. On June 13, 2017, May 24-25, 2018 and June 13, 2018, EPA conducted onsite inspections at the Facility, including inspections during emissions testing conducted by the Facility.
30. On November 11, 2017, EPA issued a Section 114 Information Request (2017 Information Request) to General Iron regarding the Facility. The 2017 Information Request, among other things, required General Iron to conduct emission testing at the facility and to provide the results of the emission testing to EPA. The required emissions testing included evaluations of VOM, particulate matter (PM) and other metals emissions.
31. General Iron conducted testing as required by the 2017 Information Request on May 24-25, 2018, that included testing for VOM, PM, and metals emissions.
32. During the May 24-25, 2018 inspection, EPA observed and recorded hydrocarbon emissions exiting the hammermill shredder with a FLIR[®] infrared camera.
33. On December 12, 2017 and June 27, 2018, General Iron provided responses to the 2017 Information Request, including the results of emissions testing for VOM conducted on May 24-25, 2018.
34. Based on the results of the emissions testing, the Facility emitted or had the potential to emit more than 100 tons per calendar year of VOM.
35. The Facility was a “major source” as defined at 42 U.S.C. § 7661(2) and 415 ILCS § 5/39.5(2)(c)(i).
36. By operating as a major source, the Facility was subject to the requirements of the CAA’s Title V, 42 U.S.C. §§ 7661a-7661f.
37. From at least September 30, 2019 to November 18, 2019, neither GII nor RMG submitted a CAAPP permit application to Illinois EPA for the Facility.
38. Based on the December 12, 2017 response and the results of the emissions testing, the hammermill shredder alone emitted 25 tons or more of VOM per year.
39. From at least September 30, 2019 to November 18, 2019, the Facility operated without any emission capture or control equipment to achieve an overall reduction of uncontrolled VOM emissions of at least 81 percent at the hammermill shredder, and did not have in place a federally enforceable alternative control plan to achieve an overall reduction of uncontrolled VOM emissions of at least 81 percent at the hammermill shredder.

40. Pursuant to an Administrative Consent Order with General Iron, the Facility returned to compliance by installing a regenerative thermal oxidizer in November 2019 and by applying to the Illinois EPA for an operating permit on February 18, 2020.
41. On or about December 31, 2020, GII and RMG ceased operation of the hammermill shredder at the Facility.

Violations

42. By failing to submit a timely and complete CAAPP permit application to Illinois EPA for at least the period of September 30, 2019 to February 18, 2020, GII and RMG violated Section 305 of the CAA, the regulations at 40 C.F.R. §§ 70.5(a) and 70.7(b), and the Illinois Environmental Protection Act at 415 ILCS § 5/39.5(4)(c).
43. By operating as a major stationary source without a Title V permit for at least the period of September 30, 2019 to February 18, 2020, GII and RMG violated Section 502 of the CAA, the regulations at 40 C.F.R. §§ 70.1(b) and 70.7(b), and the Illinois Environmental Protection Act at 415 ILCS § 5/39.5(6)(b).
44. From at least September 30, 2019 to November 18, 2019, the Facility operated without any emission capture or control equipment to achieve an overall reduction of uncontrolled VOM emissions of at least 81 percent at the hammermill shredder or, alternatively, a federally enforceable equivalent control plan at the hammermill shredder, in violation of 35 IAC § 218.986(a) and the SIP.

Environmental Impact of Violations

45. These violations have caused excess emissions of VOM.
46. VOMs are photochemical oxidants associated with a number of detrimental health effects, which include birth defects and cancer, as well as environmental and ecological effects. In the presence of sunlight, VOMs are influenced by a variety of meteorological conditions and have the ability to create photochemical smog. VOMs react with oxygen in the air to produce ground-level ozone.

47. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.

Michael D. Harris
Division Director
Enforcement and Compliance Assurance
Division