OHIO E.P.A.
MAR 10 2010
ENTERED DIRECTOR'S JOURNAL

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Ariel Corporation	:	**Director's Final Findings**
35 Blackjack Road	:	**and Orders**
Mount Vernon, Ohio 43050	:	

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: [signature] Date: 3-10-10

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Ariel Corporation ("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

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or of the Facility (as hereinafter defined) 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 meanings as defined in ORC Chapter 3704 and the regulations promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent owns a manufacturing facility located at 35 Blackjack Road in Mount Vernon (OEPA facility ID# 0142000060). At the facility Respondent designs and manufactures large compressors used in the natural gas gathering, pipeline, and gas storage industries.

2. ORC Section 3704.05(G) states that no person shall violate any order, rule, or determination of the Director.

3. ORC Section 3704.05(C) states that no person who is the holder of a permit issued under section (F) or (G) of section 3704.03 of the Revised Code shall violate any of its terms.

4. On May 23, 2002, permit to install ("PTI") 01-08607 was issued for emissions unit K003 (paint booth).

5. On April 2, 2008, Ohio EPA Central District Office conducted an inspection of Ariel's facility and also completed a review of the records required by PTI 01-08607.

6 PTI 01-08607 and Ohio Administrative Code ("OAC") Rule 3745-21-09(U)(2)(e)(iii) limit the amount of coatings allowed in emissions unit K003 to ten (10) gallons per day.

7 On at least 67 days between February 2007 and March 2008, Respondent exceeded the ten gallons per day limit of coating usage, in violation of the terms and conditions of PTI 01-08607 and OAC Rule 3745-21-09(U)(2)(e)(iii).

8 PTI 01-08607 requires that deviation reports be submitted within 45 days of any daily record showing the use of more than the applicable maximum daily coating usage limit of 10 gallons per day.

9 Respondent failed to submit deviation reports identifying the 67 days that the maximum daily coating usage limit of 10 gallons per day was exceeded, in violation of the terms and conditions of PTI 01-08607 and ORC Section 3705.05(C).

10. PTI 01-08607 requires that Respondent keep records of the total volatile organic compounds ("VOC") emission rate on a daily basis for all coatings and cleanup materials in pounds per day.

11. Since at least February 2007 and continuing to July 2009, Respondent failed to maintain records of the total VOC emission rate on a daily basis for all coatings and cleanup materials, in pounds per day, in violation of PTI 01-08607.

12. Respondent has since installed monitoring equipment that will track coating usage to the ounce and will allow Respondent meet the record keeping requirements in PTI 01-08607.

13. On February 12, 2009, Ohio EPA Central District Office sent a notice of violation to Respondent for the above violations.

14. 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 benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent shall pay the amount of twenty-five thousand dollars ($25,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for twenty thousand dollars ($20,000) of the total amount. 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
50 West Town Street
Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049

2. In lieu of paying the remaining five thousand dollars ($5,000) of civil penalty, Respondent shall within 30 days of the effective date of these Orders, fund a Supplemental Environmental Project ("SEP") by making a contribution to the Ohio EPA's Clean Diesel School Bus Fund (Fund 5CD0). Respondent shall tender an official check made payable to "Treasurer, State of Ohio" for $5,000. 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

3. A copy of each 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, OH 43216 - 1049

4. Should Respondent fail to fund the SEP within the required timeframe set forth in Order 2, Respondent shall immediately pay to Ohio EPA $5,000 of the civil penalty in accordance with the procedures in Order 2.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's receipt of the valid official check required by Section V of these Orders.

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 Respondent's activities at the 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 Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties. 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:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
50 West Town Street
Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Adam Ward

and to:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
50 West Town Street
Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: John Paulian

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 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.

ORDERED AND AGREED:

Ohio Environmental Protection Agency

Chris Korleski
Director

Date 3/8/10

AGREED:

Ariel Corporation

Signature

February 16, 2010
Date

Kent E. Dubbe
Printed or Typed Name