OHIO E.P.A.

MAY 20 2013

ENTERED DIRECTOR'S JOURNAL

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Miba Bearings US LLC
5037 North State Route 60
McConnelsville, Ohio 43756

Respondent

Director's Final Findings and Orders

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:** 5-20-13

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Miba Bearings US LLC (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.13, 3734.02(G) 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 Respondent or of the Facility 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 3734. and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Pursuant to ORC § 3734.02(G) and rule 3745-50-31 of the Ohio Administrative Code (OAC), the Director may, by order, exempt any person generating, storing, treating, or disposing of hazardous waste in such quantities or under such circumstances that, in the determination of the Director, it is unlikely that the public health or safety or the environment will be adversely affected thereby, from

any requirement to obtain a permit or comply with other requirements of ORC Chapter 3734. Any such exemption shall be consistent with and equivalent to rules promulgated under the Resource Conservation and Recovery Act of 1976, 90 Stat. 2806, 42 U.S.C. § 6921 et seq., as amended.

2. Respondent is a "person" as defined in ORC § 3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).

3. Respondent manufactures diesel engine bearings using bronze, aluminum and steel, at its facility located at 5037 North State Route 60, McConnelsville, Morgan County, Ohio (Facility). Respondent is a foreign corporation that was authorized to do business in Ohio on June 29, 2001.

4. Respondent notified Ohio EPA of its hazardous waste activity at the Facility and was issued generator identification number OHD004288056.

5. At the Facility, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. Respondent is a large quantity generator of hazardous waste. The hazardous waste generated by Respondent at the Facility includes waste acids (D002, D007, and D008, as described in OAC rule 3745-51-24), waste alkaline liquids used for metal cleaning in electroplating processes (D002 and D008, as described in OAC rule 3745-51-24, vacuum pump filters (D039, as described in OAC rule 3745-51-24) and wastewater treatment sludges (F002 and F006, as described in OAC rule 3745-51-31). Respondent also generates various waste streams that are characteristically hazardous waste due to lead content (D008, as described in OAC rule 3745-51-24); including acid and alkaline sludges, filter tubes and anode bags, casting mix, oil sludges from the quench system, foundry baghouse dust, and parts washer solvent and floor wash water. Respondent is also a universal waste handler and a used oil generator.

6. On June 6 and June 11, 2012, Ohio EPA performed a compliance evaluation inspection at the Facility. As a result of this inspection and subsequent information provided by Respondent, Ohio EPA determined that Respondent had, *inter alia*:

   a. Failed to properly characterize five waste streams, in violation of OAC rule 3745-52-11;

   b. Failed to prepare the hazardous waste manifest properly, in violation of OAC rule 3745-52-20(A)(1);

c. Failed to properly label and date a container of hazardous waste, in violation of OAC rules 3745-52-34(A)(2) and 3745-52-34(A)(3);

d. Failed to comply with the satellite accumulation requirements for hazardous waste containers, in violation of OAC rules 3745-52-34(C), 3745-52-34(C)(1)(b) and 3745-52-34(C)(1)(c);

e. Failed to demonstrate all emergency equipment was tested and maintained to assure its proper operation, in violation of OAC rule 3745-65-33;

f. Failed to develop an adequate contingency plan containing all required information and distributing the contingency plan to local emergency authorities, in violation of OAC rule 3745-65-52 and 3745-65-53;

g. Failed to keep a hazardous waste container closed, in violation of OAC rule 3745-66-73(A);

h. Failed to maintain documentation demonstrating inspections of the hazardous waste container accumulation area(s) and the hazardous waste tanks, in violation of OAC rules 3745-66-74 and 3745-66-95(B);

i. Failed to provide proper notification of hazardous waste codes to receiving facility for land disposal restriction purposes, in violation of OAC rule 3745-270-07(A)(2);and

j. Failed to label two 250-gallon totes of used oil with the words "Used Oil," in violation of OAC rule 3745-279-22(C).

7. By letter dated July 27, 2012, Ohio EPA notified Respondent of the violations referenced in Finding No. 6. of these Orders. Ohio EPA also notified Respondent it had abated the violations referenced in Findings Nos. 6.i. and. 6.j. of these Orders. Additionally, Ohio EPA requested more information regarding waste management activities.

8. In correspondence received on August 14, 2012, Respondent provided documentation to address the violations in Ohio EPA's July 27, 2012 letter, including information regarding waste management activities, waste characterization, photographs, an updated contingency plan and inspection logs.

9. By letter dated November 14, 2012, Ohio EPA notified Respondent it had abated the violations referenced in Finding Nos. 6.b., 6.c., 6.d., 6.e., 6.g. and 6.h. of

these Orders. Additionally, Ohio EPA notified Respondent of the deficiencies in addressing the remaining outstanding violations.

10. In correspondence received on December 17, 2012, Respondent submitted additional documentation in response to Ohio EPA's November 14, 2012, letter, including supplementary waste characterization, contingency plan revisions and information regarding cleanup of releases of waste in a tank system secondary containment area at the Facility.

11. By letter dated January 18, 2013, Ohio EPA notified Respondent it had abated additional violations. Ohio EPA also determined that Respondent caused the release of hazardous waste spent floor wash water/oil mixture (hazardous for lead, D008, as described in OAC rule 3745-51-24) and stored the mixture within the secondary containment area of its "used oil" tanks. The hazardous waste was removed from the secondary containment area, containerized and stored in another location at the Facility from at least August 14, 2012, through January 15, 2013. As a result, Respondent was also informed in the January 18, 2013, letter that it had violated ORC § 3734.02(E) and (F) for storage of the container of hazardous waste spent floor wash water/oil mixture for greater than ninety days without a permit.

12. In correspondence received on February 4, 2013, Respondent submitted a response to Ohio EPA's January 18, 2013, letter. Specifically, the response included further information regarding waste characterization, contingency plan revisions and information regarding releases of waste in the secondary containment area.

13. By letter dated February 25, 2013, Ohio EPA notified Respondent it had abated the violations referenced in Finding Nos. 6.a. and 6.f. Also, Respondent was informed that Ohio EPA was further evaluating potential compliance issues regarding Respondent mixing hazardous waste and used oil at its Facility.

14. Based upon the information provided by Respondent, the hazardous waste floor wash water, which exhibits the characteristic of a hazardous waste, lead, D008, as described in OAC rule 3745-51-24, was being mixed with used oil. The resultant mixture was determined to be a hazardous waste, D008, as described in OAC rule 3745-51-24. This hazardous waste was stored in the three outdoor "used oil" tanks at the Facility. Ohio EPA observed releases of this hazardous waste into the secondary containment area and Respondent failed to remove the releases in a timely manner upon detection. Respondent also caused the hazardous waste mixture stored in the tanks to be transported to a used oil recycling facility, which is a facility that is not authorized to receive hazardous

waste. Based upon this information, the Director has determined, Respondent has, *inter alia*:

a. Unlawfully established and operated a hazardous waste storage facility without a hazardous waste installation and operation permit, in violation of ORC § 3734.02(E) and (F), by storing hazardous waste at the Facility, in the "used oil" tank secondary containment area.

b. Caused hazardous waste to be transported to an unauthorized facility, in violation of ORC § 3734.02(F). Respondent caused multiple shipments of hazardous waste, as described in this Finding, to be transported to a used oil recycling facility not specifically authorized to receive hazardous waste. Respondent is no longer mixing hazardous waste with used oil and the used oil is being managed in accordance with OAC Chapter 3745-279, therefore, no further action is required to address this violation; and

c. Failed to manage hazardous waste, as described in this Finding, in tanks meeting the hazardous waste tank standards, in violation of OAC rules 3745-66-92 through 3745-66-99.

15. The Director has determined that no further remedial work is required by Respondent for the "used oil" tanks referenced in Finding No. 14. of these Orders, to comply with the closure performance standard in OAC rule 3745-66-11. The Director has determined Respondents actions with respect to these tanks, including no further mixing of hazardous waste, removal of any residual hazardous waste, and continued use as used oil tanks in accordance with used oil management standards found in OAC Chapter 3745-279, is sufficient to meet the closure performance standards with regard to these tanks.

16. Subsequent to the inspection, through a series of communications between Respondent and Ohio EPA, Respondent provided additional information regarding the generation of spent used oil vacuum pump filters to Ohio EPA. Initially, these filters were identified as a listed hazardous waste, F001, as described in OAC rule 3745-51-31, and Ohio EPA cited Respondent in violation of ORC § 3734.02(E) and (F) for unlawfully establishing and operating a hazardous waste facility without a hazardous waste facility permit due to its management of the filters. However, upon further review, the Director has determined Respondent did not violate ORC § 3734.02(E) and (F) with regard to the management of the filters and rescinds those violations. Furthermore, Respondent provided information the used oil filters generated from the vacuum pump would exhibit the characteristic of a hazardous waste for tetrachloroethylene, D039, as described in OAC rule 3745-51-24. These filters were improperly managed as solid waste and transported off-site for disposal at

a solid waste facility. Therefore, the Director has determined Respondent violated ORC § 3734.02(F) by causing hazardous waste to be transported to an unauthorized facility. No further action is required to address this violation.

17. Due to the establishment and operation of a hazardous waste storage facility as described in Finding No. 11. and 14.a. of these Orders, Respondent is required to have a hazardous waste facility installation and operation permit and is subject to all general facility standards found in OAC Chapters 3745-54 and 55, including but not limited to, closure in accordance with OAC rules 3745-55-11 through 3745-55-20, the financial assurance for closure requirements contained in OAC rules 3745-55-42 through 3745-55-51, and corrective action for waste management units in accordance with OAC rule 3745-54-101. To obtain a hazardous waste facility installation and operation permit, Respondent is required to submit "Parts A and B" of the application in accordance with OAC Chapter 3745-50.

18. The submittal of a Closure Plan which complies with the administrative requirements of OAC Chapters 3745-65 and 66 and the substantive requirements of OAC Chapters 3745-54 and 55 including but not limited to the groundwater protection program in accordance with OAC rules 3745-54-90 through 3745-54-100 in lieu of the submittal of an application for a hazardous waste facility installation and operation permit is unlikely to adversely affect the public health or safety or the environment. Therefore, the Director finds that the issuance to Respondent of an exemption from the requirement to submit an application for a hazardous waste facility installation and operation permit for the Facility is unlikely to adversely affect the public health or safety or the environment within the meaning of ORC § 3734.02(G).

V. ORDERS

Respondent shall achieve compliance with Chapter 3734. of the ORC and the regulations promulgated there under according to the following compliance schedule:

1. The Respondent is hereby exempted from the requirement to submit an application for a hazardous waste facility installation and operation permit for the Facility, *provided that* Respondent complies with the following:

    a. Within 60 days after the effective date of these Orders, Respondent shall submit to Ohio EPA a Closure Plan for the hazardous waste storage areas described in Finding Nos. 11. and 14.a. of these Orders. A copy of the closure plan shall be submitted in accordance with Section X. of these Orders and an additional copy submitted to Ohio EPA, Division of

Environmental Response and Revitalization, Ed Lim, Manager, Engineering Section, P.O. Box 1049, Columbus, Ohio 43216-1049;

b. This Closure Plan shall comply with the administrative requirements of OAC Chapters 3745-65 and 3745-66 and the substantive requirements of OAC Chapters 3745-54 and 3745-55, including but not limited to, the groundwater protection program in accordance with OAC rules 3745-54-90 through 54-100;

c. The Closure Plan is subject to approval by Ohio EPA. If Ohio EPA does not approve the Closure Plan referenced in Order No. 1.a., and provides Respondent with a written statement of deficiencies, Respondent shall submit a revised Closure Plan for approval addressing the deficiencies within 30 days of receiving such written statement. If Ohio EPA modifies the Closure Plan, the modified Closure Plan becomes the approved plan;

d. Upon Ohio EPA approval of the Closure Plan, Respondent shall implement the approved Closure Plan in the manner and pursuant to the time frames set forth in the approved Closure Plan and OAC rules 3745-55-13/3745-66-13;

e. Within 30 days after Ohio EPA's approval of the Closure Plan pursuant to Order No. 1.a., above, Respondent shall submit a closure cost estimate and documentation demonstrating that Respondent has established financial assurance and liability coverage for the areas of the Facility subject to closure, in accordance with OAC rules 3745-55-42 through 3745-55-47; and

f. Within 60 days after completion of closure, Respondent shall submit certification of closure to Ohio EPA in accordance with OAC rule 3745-55-15. Closure certification of the area described in Order No. 1.a. will abate the violation referenced in Finding No. 6.a. of these Orders.

2. Respondents shall pay to Ohio EPA the amount of $24,080.00 in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734. In accordance with the following provisions:

a. Within 30 days after the effective date of these Orders, Respondent shall pay the amount of $19,264.00 of the total amount which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $19,264.00.

The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent and the Facility. *A copy of this check shall be sent to Ohio EPA Division of Materials and Waste Management, Supervisor, Processing and Records Management Unit, P.O. Box 1049, Columbus, Ohio 43216-1049.*

b. In lieu of paying the remaining $4,816.00 of civil penalty identified in Order No. 2.a. above, Respondent shall fund a Supplemental Environmental Project (SEP) by making a contribution in the amount of $4,816.00 to the Ohio EPA Clean Diesel School Bus Program. Respondent shall make the payment within 30 days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $4,816.00. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent and the Facility. A copy of this check shall be sent to Ohio EPA Division of Materials and Waste Management, Supervisor, Processing and Records Management Unit, P.O. Box 1049, Columbus, Ohio 43216-1049 and to Ohio EPA, Division of Air Pollution Control, Manager, Compliance and Enforcement Section, P.O. Box 1049, Columbus, Ohio 43216-1049.

c. Should Respondent fail to fund the SEP within the required time frame established in Order No. 2.b., Respondent shall pay to Ohio EPA, within 7 days after failing to comply with Order No. 2.b., the amount of $4,816.00 in accordance with the procedures in Order No. 2.a.

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 Ohio EPA's Division of Materials and Waste Management 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 a corporate officer who is in charge of a principal business function of Respondent.

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 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:

Ohio Environmental Protection Agency
Southeast District Office
Division of Materials and Waste Management
2195 Front Street
Logan, Ohio 43138
Attn: DMWM Manager

and Ohio EPA Central Office at the following addresses:

For mailings, use the post office box number:

Enforcement Supervisor
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Materials and Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049

For deliveries to the building:

Enforcement Supervisor
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Materials and Waste Management
50 West Town Street
Columbus, Ohio 43215

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

XI. RESERVATION OF RIGHTS

Ohio EPA reserves its rights to exercise its lawful authority to require Respondent to perform corrective action at the Facility at some time in the future, pursuant to ORC Chapter 3734. or any other applicable law. Respondent reserves its rights to raise any administrative, legal, or equitable claim or defense with respect to any final action of the Director regarding corrective action. 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. Except for the right to seek closure and corrective action at the Facility, which rights Ohio EPA does not waive, 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.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

Scott J. Nally
Director

May 20, 2013
Date

IT IS SO AGREED:

Miba Bearings US LLC

Signature

4/24/13
Date

Bernie R. Anderson
Printed or Typed Name

President
Title