UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 9

In the Matter of:	)	
	)	
Brownwood Furniture, Inc.,	)	Docket No. R9-98-19
Rancho Cucamonga, California,	)	
and	)	
Air Quality Consultants, Inc.,	)	FINDING AND
Huntington Beach, California	)	NOTICE OF VIOLATION
	)	
Proceeding under Section 113(a),	)	
Clean Air Act, as amended.	)	
	)	

This Finding and Notice of Violation ("NOV") is issued pursuant to Section 113(a)(1) of the Clean Air Act, 42 U.S.C. §§ 7401-7671q (the "Act"), to Brownwood Furniture, Inc. ("Brownwood") for violations of the Act at its facility located at 9805 Sixth Street, Rancho Cucamonga, California (the "RC Facility"), and to Air Quality Consultants, Inc., doing business as AQC Environmental Engineers ("AQC"), for violations of the Act related to permitting at the RC Facility.

The authority of the Administrator of the United States Environmental Protection Agency ("EPA") to issue this NOV pursuant to Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), has been delegated to the Regional Administrator EPA Region 9, and redelegated to the Director, Air Division, EPA Region 9.

STATUTORY AND REGULATORY AUTHORITY

1. The Administrator of EPA, pursuant to authority under Section 109 of the Act, 42 U.S.C. § 7409, promulgated National Ambient Air Quality Standards ("NAAQS") for certain criteria pollutants, including ozone. 40 C.F.R. § 50.9.

2. Pursuant to Section 107(d) of the Act, 42 U.S.C. § 7407(d), the Administrator promulgated lists of attainment status designations for each air quality control region ("AQCR") in every State. These lists identify the attainment status of each AQCR for each of the criteria pollutants. The ozone attainment status designations for the California AQCRs are listed at 40 C.F.R. § 81.305.

3. The South Coast Air Quality Management District ("SCAQMD" or "District") has jurisdiction over the Los Angeles-South Coast Air Basin Area, which has been designated as an extreme nonattainment area for the NAAQS for ozone. The RC Facility is located in the Los Angeles-South Coast Air Basin Area.

4. Section 110(a)(2)(C) of the Act, 42 U.S.C. § 7410(a)(2)(C), requires that each state implementation plan ("SIP") for a nonattainment area include a permit program as provided in Part D of Title I of the Act. Part D, 42 U.S.C. §§ 7501-7515, and its implementing regulations, 40 C.F.R. § 51.165, set out requirements for SIPs for nonattainment areas in order to ensure the area will attain the NAAQS on or before the attainment date.

5. Each SIP shall require issuance of permits before the construction and operation of any new or modified major stationary source in the nonattainment area in accordance with Sections 172(c)(5) and 173 of the Act. 42 U.S.C. §§ 7502(c)(2) & 7503.

6. Section 173(a)(1)(A), 42 U.S.C. § (a)(1)(A), requires that a source obtain sufficient offsetting emissions reductions by the time the source is to commence operation so as to represent reasonable further progress toward attainment of the NAAQS.

7. Section 173(a)(2), 42 U.S.C. § 7503(a)(2), provides that permits to construct and operate

may be issued only if the proposed source is required to comply with the Act's requirements for Lowest Achievable Emission Rate ("LAER").

8. SCAQMD Regulation II, Rules 201 (Permit to Construct), 203 (Permit to Operate), 204 (Permit Conditions), 209 (Transfer and Voiding of Permits), 210 (Applications), and 212 (Standards for Approving Permits), and SCAQMD Regulation XIII, Rules 1301 (General), 1302 (Definitions), 1303 (Requirements), 1304 (Exemptions), and 1306 (Emission Calculations), are part of the federally approved and federally enforceable SIP submitted to EPA by the State of California pursuant to 42 U.S.C. § 7410 and Part D of the Act. See 43 Fed. Reg. 52,237 (November 9, 1978) (Rules 201, 203, 204, 210); 54 Fed. Reg. 14,225 (April 10, 1989) (Rule 209); 61 Fed. Reg. 64,291 (December 4, 1996) (Rules 212, 1301, 1302, 1303, 1304, 1306).

9. SCAQMD Regulation II, Rule 201 requires issuance of a permit to construct ("PTC") by the District before a person builds, alters, or replaces equipment, the use of which may either cause the issuance of air contaminants or eliminate, reduce or control the issuance of air contaminants.

10. SCAQMD Regulation II, Rule 203 requires issuance of a permit to operate ("PTO") by the District before a person may operate or use any equipment, the use of which may either cause the issuance of air contaminants or eliminate, reduce or control the issuance of air contaminants. The equipment shall not be operated contrary to the conditions in the PTO.

11. Pursuant to SCAQMD Regulation II, Rule 204, the District may impose written conditions on any permit to assure compliance with all applicable regulations.

Commencing work or operation under such a permit shall be deemed acceptance of the conditions so specified.

12. According to SCAQMD Regulation II, Rule 209, a permit shall not be transferrable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another. When equipment which has been granted a permit is altered, changes location, changes ownership or no longer will be operated by the permittee, the permit shall become void. For the purposes of Rule 209, statutory mergers or name changes shall not constitute a transfer or change of ownership.

13. Pursuant to SCAQMD Regulation II, Rule 210, every application for a permit required under Rules 201 and 203 shall provide all the information necessary to enable the District to make the determination required by Rule 212 and any other standard applicable to the granting of permits.

14. SCAQMD Regulation II, Rule 212 requires the Executive Officer to deny a PTC or PTO unless: (i) the applicant shows that the equipment, the use of which may either cause the issuance of air contaminants or eliminate, reduce or control the issuance of air contaminants, is so designed, controlled, or equipped with such air pollution control equipment that it may be expected to operate without emitting air contaminants in violation of the District's rules; and (ii) public notice of the intent to grant a permit to construct has been mailed thirty days in advance to all addresses within a one-quarter mile radius of the proposed project. Rule 212(a), (c), (d). The public notice requirement applies to all significant projects including all new or modified sources subject to

Regulation XIII that undergo construction or modifications resulting in a volatile organic compound ("VOC") emissions increase exceeding 30 lbs/day. Rule 212(c)(2) & (g). The notification of the proposed construction of a significant project is to contain sufficient detail to fully describe the project. Rule 212(d).

15. SCAQMD Regulation XIII, Rules 1301, 1302, 1303, 1304, and 1306 set forth the requirements for SCAQMD's preconstruction review of new stationary sources and modified or relocated existing stationary sources to ensure that the operation of such stationary sources does not interfere with progress in attainment of the NAAQS. The air quality goal of Regulation XIII is to achieve no net increases from new or modified permitted sources of nonattainment air contaminants or their precursors. Rule 1301(a).

16. Rule 1302(f), which implements the Act's LAER requirement, defines "Best Available Control Technology" ("BACT") to mean the most stringent emission limitation or control technique which:

    (1) has been achieved in practice for such category or class of source; or

    (2) is contained in any state implementation plan (SIP) approved by the United States Environmental Protection Agency (EPA) for such category or class of source. A specific limitation or control technique shall not apply if the owner or operator of the proposed source demonstrates to the satisfaction of the Executive Officer or designee that such limitation or control technique is not presently achievable; or

    (3) is any other emission limitation or control technique, found by the Executive Officer or designee to be technologically feasible for such class or category of sources or for a specific source, and cost-effective as compared to measures as listed in the Air Quality Management Plan (AQMP) or rules adopted by the District Governing Board.

17. Rule 1302(j) defines an "Emission Reduction Credit (ERC)" as the "amount of emissions reduction which is verified and determined to be eligible for credit at a facility in

accordance with all District rules and regulations. An ERC represents final eligible emission reductions and may be used as such, in accordance with the provisions of Regulations XIII."

18. Rule 1302(aa) defines "Precursor" as a substance that, when released to the atmosphere, forms or causes to be formed a secondary air contaminant for which a NAAQS has been adopted. VOCs are listed as precursors to ozone.

19. Rule 1302(dd) defines "Relocation" as "the removal of an existing source from one parcel of land in the District and installation on another parcel of land where the two parcels are not in actual physical contact and are not separated solely by a public roadway or other public right-of-way."

20. Rule 1302(gg) defines "Source" to mean any permitted individual unit, piece of equipment, article, machine, process, contrivance, or combination thereof, which may emit or control an air contaminant.

21. Rule 1303 provides that the Executive Officer or designee shall deny a permit to construct for any relocation or for any new or modified source which results in an emission increase of any nonattainment air contaminant unless BACT is employed for the new or relocated source or for the actual modification to an existing source (Rule 1303(a)), and the source obtains emission offsets (Rule 1303(b)(2)).

22. For emission offsets, Rule 1303(b)(2) provides in pertinent part:

> Unless exempt from offsets requirements pursuant to Rule 1304, emission increases shall be offset by either Emission Reduction Credits approved pursuant to Rule 1309, or by allocations from the Priority Reserve in accordance with provisions of Rule 1309.1. Offsets ratios shall be 1.2-to-1.0 for Emission Reduction Credits and 1.0-to-1.0 for allocations from the Priority Reserve, ...

23. Upon approval of the Executive Officer or his designee, Rule 1304(c)(1) allows an exemption for relocated equipment (as defined in Rule 1302(dd)) from the offset requirement of Rule 1303(b)(2) only as follows:

> The source is a relocation of an existing source within the District, under the same operator and ownership, and provided that the potential to emit of any air contaminant will not be greater at the new location than at the previous location when the source is operated at the same conditions and as if current BACT were applied.

FINDING OF VIOLATION

24. Brownwood coats wood and metal substrates using a spray application of toners, glazes, lacquers, stains, and sealers, or any combination of these coatings. The various coatings used by Brownwood contain VOCs, which are precursors to the formation of ozone. During the application and curing of the coatings, VOCs are emitted to the atmosphere.

25. In September 1989, SCAQMD issued PTO No. D10144 to Joe O'Connor, doing business as Brownwood Furniture, to operate one Rely-On spray booth at the RC Facility. PTO No. D10144 contains several conditions, including requirements that: (i) the total quantity of coatings and solvents at the RC Facility shall not exceed 43 lbs/day of reactive organic gases, also known as VOCs; and (ii) the operator shall keep adequate records to verify daily usage and daily VOC emissions, and shall retain such records for a period of two years.

26. In March and April 1992, SCAQMD issued PTO Nos. D50128, 50130, 50131, and 50895 to John David International, Inc. ("JDI") to operate four spray booths at its facility located at 1858 South Anaheim Boulevard in Anaheim, California.

27. In late 1993 or early 1994, JDI's Anaheim facility was taken by the government in an eminent domain action related to a freeway widening project. JDI ceased operations at

the Anaheim facility at that time. According to the California Secretary of State's Corporate Records, JDI's corporate status was suspended by the Franchise Tax Board on January 4, 1993.

28. On September 3, 1996, Brownwood purchased certain assets from JDI for $115,000, including the following: trade name/DBA John David International, 4 Binks spray booths and related equipment, 4 SCAQMD coatings permits issued as PTO Nos. D50128, 50130, 50131, and 50895, and drawings and designs for metal/iron furniture products. There was no statutory merger between JDI and Brownwood.

29. At the time of Brownwood's purchase of the spray booths in September 1996, the spray booths were not in operation. Instead, they were in storage in Anaheim, California. Brownwood subsequently moved the equipment to its RC Facility.

30. On September 26, 1996, David Clock of AQC filed an application on behalf of JDI to the District for a permit to construct and permit to operate four spray booths at the RC Facility. Mr. Clock marked that the application was for a "change of location." Mr. Clock certified "under penalty of perjury, that all information contained herein and information submitted with this application are true and correct." He made this certification for Rick Vartanian, who is identified as the President of the applicant, JDI.

31. Mr. Clock also submitted an application package on September 26, 1996, along with the application. The package listed an existing facility address for JDI at 1858 South Anaheim Boulevard in Anaheim and a new facility address at 9805 6th Street in Rancho Cucamonga. According to the application, JDI wanted to relocate its operations from Anaheim to Rancho Cucamonga and requested that the facility limit of 271 lbs/day of

VOC emissions in PTO Nos. D50128, 50130, 50131, and 50895 be relocated along with the spray booths. The application package stated that a thermal oxidizer was not economically feasible for this relocation. The application package did not refer to the offset requirement of Regulation XIII.

32. In February 1997, the District prepared its Permit to Construct/Operate Evaluation for the JDI application for relocating the four spray booths, which is made available to the public and EPA under Rule 212. The District stated that add-on control equipment was not cost effective and would not be required to comply with BACT. Based on information provided by Brownwood, the District concluded that VOC emission offsets were not required because this was a relocation of an existing source under the same operator and ownership pursuant to Rule 1304(c)(1).

33. During the public comment period, EPA objected to the District's proposed BACT determination. EPA commented that the definition of BACT in Rule 1302 allowed a cost effectiveness test only if that was more stringent than the first two parts of the definition, which includes the lowest emission limit that has been achieved in practice. EPA provided several examples of companies that had achieved at least 90% overall control efficiency for operations using spray booths.

34. On December 24, 1997, despite EPA's objections, SCAQMD issued PTC/PTO Nos. F10984, F10985, F10986, and F10987 to JDI for 4 spray booths with permit limits for VOC emissions of 48 lb/day for each spray booth and 150 lb/day for the RC Facility.

35. The construction of spray booths #1 and #2 (PTO Nos. F10984, F10985) was completed at the RC Facility in February 1998. Brownwood commenced operation of these spray

booths in June 1998. According to information provided by Brownwood, the company has not yet constructed or operated spray booths #3 and #4 (PTO Nos. F10986, F10987).

36. SCAQMD Rule 1303 requires the District to deny a PTC or PTO for any relocation or for any new or modified source that results in an emission increase of any nonattainment air contaminant unless: (1) BACT is employed for the new or relocated source or for the modification to an existing source; and (2) emission increases are offset. According to the permits issued to JDI in December 1997, the VOC emission increase associated with the four spray booths is 150 lb/day. SCAQMD did not require JDI or Brownwood to employ BACT for the four new spray booths at the RC Facility and did not require the emission increase of 150 lb/day to be offset.

37. Brownwood and AQC violated Rule 210 by failing to provide all the information necessary to enable the District to make the determination required by Rule 212 and Rule 1303. In the September 1996 permit application and permit package submitted to the District, Rick Vartanian falsely represented that he was the President of JDI, a corporation whose corporate status had been suspended in January 1993. In the application package, Brownwood and AQC also misrepresented the transaction as a relocation of an existing facility. Mr. Vartanian (Brownwood) and Mr. Clock (AQC) submitted false and misleading information to the District, including the follow material misrepresentations: (1) JDI was the applicant; (2) JDI was an existing source; (3) JDI was moving spray booths from its Anaheim facility to the RC Facility; (4) the same operator and ownership of the spray booths would exist at the Anaheim facility and the RC Facility; and (5) Rick Vartanian was the President of JDI. By providing false and

incomplete information to the District, Brownwood and AQC not only prevented the District from fully describing the project as required by Rule 212(d), they also circumvented the offset requirements of Rule 1303. Brownwood and AQC led the District to believe that the offset exemption in Rule 1304(c)(1), which applies only to a relocation of an existing source within the District under the same ownership and control, applied in this case. Brownwood and AQC failed to notify the District that this was an error even when the District, based on Brownwood's and AQC's misrepresentations, provided incorrect information to the public and EPA in its February 1997 Permit to Construct/Operate Evaluation, which was attached to the public notice required for this application under Rule 212.

38. Pursuant to Rule 209, if a permit has been granted for equipment and the ownership changes or the equipment will no longer be operated by the permittee, the permit shall become void. Pursuant to Rule 209, PTO Nos. D50128, 50130, 50131, and 50895, which were issued to JDI, were void in September 1996 when JDI transferred ownership of the four spray booths to Brownwood, and the four spray booths were no longer operated by the permittee, JDI. PTC/PTO Nos. F10984, F10985, F10986, and F10987 are also void because the equipment is operated by Brownwood and not operated by the permittee, JDI. By operating spray booths #1 and #2 (PTO Nos. F10984, F10985) without valid PTOs, Brownwood is currently in violation of Rule 203.

39. Brownwood constructed and operated spray booths # 1 and #2 in violation of Rules 201, 203, 212, and 1303 by failing to obtain valid PTCs and PTOs, failing to employ BACT, and failing to obtain offsets for VOC emission increases. Brownwood's violations of

Regulations II and XIII are continuing to the present.

40. Condition 6 of PTO No. D10144 limits Brownwood's VOC emissions from the facility to 43 lb/day. Beginning on August 28, 1997 and continuing until at least June 13, 1998, Brownwood violated Rule 203 on approximately 200 days by operating its equipment contrary to the conditions specified in its PTO by emitting more than 43 lbs/day of VOCs from the facility.

41. Condition 7 of PTO No. D10144 requires Brownwood to maintain records for a two-year period to verify daily usage and daily VOC emissions. In response to EPA's June 25, 1998 request for these records, Brownwood stated that it cannot locate daily usage records from July 1995 through December 1996. Brownwood's failure to maintain records for a two-year period is a violation of permit condition 7 of PTO No. D10144 and Rule 203.

42. If PTO No. F10984 is not void under Rule 209, Brownwood shall not operate spray booth # 1 contrary to the conditions specified in PTO No. F10984. Condition 6 of PTO No. F10984 limits VOC emissions from spray booth #1 to 48 lbs/day. Brownwood violated this permit condition and Rule 203 by emitting more than 48 lbs/day on at least five days between June 19, 1998, and the present.

ENFORCEMENT

Section 113(a)(1) of the Act provides that at any time after the expiration of 30 days following the date of the issuance of this NOV, EPA may, without regard to the period of violation,

- issue an order requiring compliance with the requirements of the SIP or permit, or

- issue an administrative penalty order pursuant to Section 113(d) for civil administrative penalties of up to $27,500 per day of violation, or

- bring a civil action pursuant to Section 113(b) for injunctive relief and/or civil penalties of not more than $27,500 per day for each violation.

42 U.S.C. § 7413(a)(1), as amended by Pub. L. No. 104-34. Furthermore, for any person who knowingly violates any plan or permit requirement more than 30 days after the date of the issuance of the NOV, Section 113(c) provides for criminal penalties or imprisonment, or both.

In addition, under Section 306(a), the regulations promulgated thereunder (40 C.F.R. Part 32), and Executive Order 11738, facilities to be used in federal contracts, grants, and loans must be in full compliance with the Act and all regulations promulgated pursuant to it. Violation of the Act may result in the subject facility being declared ineligible for participation in any federal contract, grant, or loan.

PENALTY ASSESSMENT CRITERIA

Section 113(e)(1) of the Act states that the Administrator or a court, as appropriate, shall, in determining the amount of any penalty to be assessed, take into consideration (in addition to such other factors as justice may require) the size of the business, the economic impact of the penalty of the business, the violator's full compliance history and good faith efforts to comply, the duration of the violation as established by any credible evidence (including evidence other than the applicable test method), payment by the violator of penalties previously assessed for the same violation, the economic benefit of noncompliance, and the seriousness of the violation.

Section 113(e)(2) of the Act allows the Administrator or a court to assess a penalty for each day of violation. For the purpose of determining the number of days of violation, where the EPA makes a prima facie showing that the conduct or events giving rise to this violation are

likely to have continued or recurred past the date of this NOV, EPA shall presume the days of violation to include the date of this NOV and each and every day thereafter until the violator establishes that continuous compliance has been achieved, except to the extent that the violator can prove by a preponderance of the evidence that there were intervening days during which no violation occurred or that the violation was not continuing in nature.

OPPORTUNITY FOR CONFERENCE

Brownwood and AQC may, upon request, confer with EPA. The conference will enable Brownwood and AQC to present evidence bearing on the finding of violation, the nature of the violation, and any efforts each company may have taken or proposes to take to achieve compliance. Brownwood and AQC may be represented by counsel. A request for a conference must be made within ten (10) days of receipt of this NOV. The request for a conference or other inquiries concerning the NOV should be made in writing to:

Robert Mullaney (ORC-2-2)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, California 94105-3901
(415) 744-1392

28 July 1998
Date

for DPH
David P. Howekamp, Director
Air Division, Region 9

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

CERTIFIED MAIL NO. Z 039 960 877
RETURN RECEIPT REQUESTED

IN REPLY: AIR-3
Docket No. R9-98-19

July 28, 1998

BY FAX AND CERTIFIED MAIL

Mr. Rick Vartanian, President
Brownwood Furniture, Inc.
9805 Sixth Street, Unit 104
Rancho Cucamonga, California 91730

Re: Manufacturing Facility Located at 9805 Sixth Street

Dear Mr. Vartanian:

Enclosed is a Finding and Notice of Violation ("NOV") issued pursuant to Section 113(a)(1) of the Clean Air Act, 42 U.S.C. §§ 7401-7671q (the "Act"). The NOV sets forth facts demonstrating that the construction and operation of certain spray booths at Brownwood Furniture, Inc.'s (Brownwood") facility located at 9805 Sixth Street, Unit 104 in Rancho Cucamonga, California, violates Regulations II and XIII of the federally approved State Implementation Plan ("SIP") for the South Coast Air Quality Management District ("SCAQMD" or "District").

You should be aware that Section 113(a) of the Act provides that any time after expiration of 30 days following the issuance of this NOV, EPA may issue an Order requiring compliance with the requirements of the SIP, issue an Order assessing a civil administrative penalty, or commence a civil action seeking an injunction and/or a civil penalty. Furthermore, Section 113(c) of the Act provides for criminal penalties in certain cases.

Upon a finding of adequate evidence of a continuing violation, EPA may place Brownwood on the List of Violating Facilities. See Section 306 of the Act and the regulations promulgated in 40 C.F.R. Part 32. Such facility would be declared ineligible for participation in any federal contract, grant, or loan, or subagreement thereunder.

If you wish to discuss the NOV, you may request a conference with EPA. The conference will afford Brownwood with an opportunity to present information bearing on the finding of violation, the nature of the violation, any efforts you have taken to achieve compliance, and the

steps you propose to take to achieve compliance.

Please have your attorney contact Robert Mullaney, Office of Regional Counsel, at (415) 744-1392, to request a conference. Such request should be made as soon as possible, but in any event no later than 10 working days after receipt of this letter. You may also contact Mark Sims, Air Enforcement Office, at (415) 744-1229.

Sincerely,

David P. Howekamp, Director
Air Division

Enclosures

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

CERTIFIED MAIL NO. Z 039 960 878
RETURN RECEIPT REQUESTED

IN REPLY: AIR-3
Docket No. R9-98-19

July 28, 1998

BY FAX AND CERTIFIED MAIL

Ms. Sandrea K. Laird, President
Air Quality Consultants, Inc.
5582 McFadden Avenue
Huntington Beach, California 92649

Re: Brownwood Furniture, Inc.

Dear Ms. Laird:

Enclosed is a Finding and Notice of Violation ("NOV") issued pursuant to Section 113(a)(1) of the Clean Air Act, 42 U.S.C. §§ 7401-7671q (the "Act"). The NOV sets forth facts demonstrating that the construction and operation of certain spray booths at Brownwood Furniture, Inc.'s (Brownwood") facility located at 9805 Sixth Street, Unit 104 in Rancho Cucamonga, California, violates Regulations II and XIII of the federally approved State Implementation Plan ("SIP") for the South Coast Air Quality Management District ("SCAQMD" or "District"), and that Air Quality Consultants, Inc., doing business as AQC Environmental Engineers ("AQC"), violated SCAQMD Rule 210 related to permitting at the Brownwood facility.

You should be aware that Section 113(a) of the Act provides that any time after expiration of 30 days following the issuance of this NOV, EPA may issue an Order requiring compliance with the requirements of the SIP, issue an Order assessing a civil administrative penalty, or commence a civil action seeking an injunction and/or a civil penalty. Furthermore, Section 113(c) of the Act provides for criminal penalties in certain cases.

Upon a finding of adequate evidence of a continuing violation, EPA may place AQC on the List of Violating Facilities. See Section 306 of the Act and the regulations promulgated in 40 C.F.R. Part 32. Such facility would be declared ineligible for participation in any federal contract, grant, or loan, or subagreement thereunder.

If you wish to discuss the NOV, you may request a conference with EPA. The conference

will afford AQC with an opportunity to present information bearing on the finding of violation, the nature of the violation, any efforts you have taken to achieve compliance, and the steps you propose to take to achieve compliance.

Please have your attorney contact Robert Mullaney, Office of Regional Counsel, at (415) 744-1392, to request a conference. Such request should be made as soon as possible, but in any event no later than 10 working days after receipt of this letter. You may also contact Mark Sims, Air Enforcement Office, at (415) 744-1229.

Sincerely,

for

David P. Howekamp, Director
Air Division

Enclosures

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

IN REPLY: AIR-3
REFER TO: Docket No. R9-98-19

July 28, 1998

Dr. Barry R. Wallerstein, Acting Executive Officer
South Coast Air Quality Management District
21865 E. Copley Drive
Diamond Bar, California 91765

Re: Notice of Violation for Brownwood Furniture, Inc. and Air Quality Consultants, Inc.

Dear Dr. Wallerstein:

Enclosed for your information is a copy of a Finding and Notice of Violation issued to Brownwood Furniture, Inc. ("Brownwood") and Air Quality Consultants, Inc. ("AQC"). Brownwood is the owner and operator of spray booths and associated equipment which are used for wood and metal furniture manufacturing, located in Rancho Cucamonga, California. AQC is a consultant located in Huntington Beach, California that prepared and filed permit applications for Brownwood.

Brownwood violated Regulations II and XIII of the federally approved State Implementation Plan ("SIP") for the South Coast Air Quality Management District ("District"). AQC violated District Rule 210 of the SIP. The NOV has been issued pursuant to Section 113(a)(1) of the Clean Air Act, 42 U.S.C. §§ 7401-7671q, which provides in part:

> Whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated or is in violation of any requirement or prohibition of an applicable implementation plan or permit, the Administrator shall notify the person and the State in which the plan applies of such finding.

The NOV informs Brownwood and AQC that a conference on the matter may be arranged by making a request to this office within 10 working days after receipt of the NOV. If such a conference is held, you will be advised and your participation would be welcome.

If you have any questions concerning this matter, please contact Robert Mullaney, Office of Regional Counsel at (415) 744-1392, or Mark Sims, Air Enforcement Office, at (415) 744-1229.

Sincerely,

for

David P. Howekamp, Director
Air Division

Enclosures

cc: James Morgester (w/enclosures)

United States
Environmental Protection
Agency

Regional Administrator
75 Hawthorne Street
San Francisco, CA 94105-3901

Region 9
Arizona, California,
Hawaii, Nevada
Pacific Islands

EPA Environmental News

For Immediate Release: March 23, 2000
Contact: Dave Schmidt, 415-744-1578

FURNITURE FIRM TO PAY $115,000 TO SETTLE AIR POLLUTION CASE
BROWNWOOD GOT PERMITS IMPROPERLY; NOW MUST CUT POLLUTION

San Francisco – The U. S. Environmental Protection Agency (EPA) today announced that Brownwood Furniture, Inc., has agreed to pay a $115,000 penalty to settle alleged violations of the federal Clean Air Act at the company's Rancho Cucamonga, Calif. furniture factory. EPA alleged that the facility improperly received air emission permits for new paint spray booths on the basis of incorrect information, failed to apply pollution controls and provide emission offsets for the new spray booths, and violated permit emission limits for an existing spray booth. Under the settlement, Brownwood will substantially reduce emissions of smog-forming volatile organic compounds (VOCs) from each of its two new furniture coating spray booths.

"For the sake of public health, all companies must comply with requirements that limit their air emissions. To clean the air in Southern California, all polluters must cooperate," said Dave Howekamp, director of EPA's regional Air Division.

Brownwood's incorrect information in its permit application led air regulators to believe that a different company, John David International, was proposing to operate old spray booths relocated from its existing business in Anaheim, which would have required no emission offsets under the South Coast Air Quality Management District's permitting rules. In fact, the company named on the application did not exist, and the "existing" business location in Anaheim had been demolished for a freeway expansion. Brownwood's operation of its spray booths should have triggered a requirement that Brownwood apply Best Available Control Technology (BACT) and reduce pollution elsewhere to offset the added emissions, as required under the federal Clean Air Act.

The settlement requires Brownwood to apply BACT to the two new spray booths by either installing air pollution control equipment to reduce VOC emissions by 90%, or by exclusively using ultra-low VOC furniture coatings. Brownwood also is required to obtain emission reductions credits to offset the VOC emission increases associated with these spray booths. In addition, Brownwood must comply with VOC emission limits on an older existing coating spray booth at its facility.

# # #

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http://www.epa.gov/region09

Rancho firm to pay hefty fine to EPA

By Kevin Smith March 25, 2000
Staff Writer Inland Daily Bulletin

RANCHO CUCAMONGA — A furniture factory that allegedly used another company's air emission permits has agreed to pay a $115,000 fine for violations of the federal Clean Air Act.

The U.S. Environmental Protection Agency alleges that Brownwood Furniture Inc., 9805 6th St. in Rancho Cucamonga, improperly received air emission permits for its new paint-spray booths.

The company's permit application led air regulators to believe that a different firm, John David International, was proposing to operate old spray booths that had been moved from its existing business in Anaheim, EPA officials said.

Investigation revealed that the business in Anaheim had been demolished for freeway expansion, officials said.

Brownwood co-owner Rick Vartanian said the EPA "made some statements that are inaccurate," although he declined to elaborate.

"There's no point in me commenting and fanning the flames of the situation," he said.

EPA attorney Robert Mullaney said the furniture maker had purchased air quality emissions permits from the South Coast Air Quality Management District that once belonged to John David International.

Mullaney said Brownwood was wrongly advised by independent environmental consultants that it was OK to use the other company's permits.

Brownwood installed its new spray booths in February 1999 and began using them in June.

The company was issued a notice of violation in July, EPA officials said.

Under the settlement, the furniture maker must substantially reduce emissions of smog-forming volatile organic compounds from both of its spray booths.

That can be accomplished by buying new equipment, or by using special low-polluting furniture coatings, EPA officials said.

Mullaney said it will cost Brownwood $100,000 to $300,000 to comply, depending on which system the company opts to use. Vartanian said the settlement will not put his company out of business.