

AGREED BOARD ORDER

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Incident Nos. 03118 and 03322

This order is issued by the Louisville Metro Air Pollution Control Board (Board) pursuant to Kentucky Revised Statutes, Chapter 77 (Air Pollution Control).

COMPANY: Ford Motor Company
Kentucky Truck Plant
3001 Chamberlain Lane
Louisville, Kentucky

REGULATIONS INVOLVED: 2.16 (Title V Operating Permits)

NOTICE OF VIOLATION LETTER: No. 01488, dated March 24, 2004

BACKGROUND AND DISCUSSION:

The Company operates an automotive manufacturing facility pursuant to Air Pollution Control District (District) Operating Permit No.150-97-TV, which requires, among other things, that the Company demonstrate compliance with PM₁₀ emission limits by maintaining material usage and emission calculation records, and to report quarterly to the District. Permit No. 150-97-TV also contains equipment standards and recordkeeping requirements related to vapor recovery equipment for gasoline fueling and refueling.

On August 25, 2002, the District discovered upon inspection that the bellows had been cut off of a nozzle on the production line. The defect was not noted in the daily inspection records. Further, on February 18, 2003, a routine on-site inspection revealed that the Company had failed to calculate average daily PM₁₀ emissions and to report these calculated emissions quarterly as required, from the effective date of the permit, August, 2000, through December, 2002. A review of the Company's annual compliance certifications revealed that the Company incorrectly stated in its CY2000 and CY2001 certifications that it was in full compliance with all provisions of its permit.

On November 9, 2002, the District confirmed that the Company had replaced the altered nozzle and advised the Company regarding training for thorough daily inspections of vapor recovery equipment. On May 30, 2003, the Company provided monthly PM emission calculations and summary reports for the time period August 24, 2000 through March 31, 2003.

To fully resolve the violations alleged above of District Operating Permit No. 150-97-TV and District Regulation 2.16, the parties agree to this Order assessing against the Company an administrative settlement of \$15,750. Payment of the administrative settlement shall be as follows: \$3,950 to be paid by check; and \$11,800 shall be allowed as credit for a supplemental environmental project (SEP) if approved by the District. Within 120 days from the date of the entry of this Order, the Company may propose SEPs for approval by the District. Within 30 days of receipt of the SEP

proposal, the District shall advise the Company as to the credit approved for the proposal, which may be applied against the penalty of \$11,800. If the Company elects to accept the credit as approved by the District, the Company shall perform the SEP, and the penalty shall be reduced accordingly. If within 180 days of the entry of this Order, the District has not approved the Company's proposed SEPs for a total credit of \$11,800, the Company shall pay the remaining balance of the administrative settlement within five business days.

On July 21, 2004, a public hearing was held before the Board on the proposed settlement. Based upon the evidence presented at that hearing, the Board determined that the proposed resolution and requirements were reasonable under the circumstances.

NOW THEREFORE, BE IT ORDERED THAT:

1. The Company has paid \$3,950 to the Louisville Metro Air Pollution Control District.
2. Within 120 days of the issuance of this order, the Company shall submit to the District one or more proposed supplemental environmental projects (SEPs) for credit of up to \$11,800. The Company shall include with its submittal a justification as to why the proposed projects should be approved as SEPs. If within 180 days of the date of entry of this Order, the District has not approved one or more of the Company's proposed SEPs or the Company elects not to conduct one or more proposed SEPs, for a total SEP credit of \$11,800, the Company shall pay within five business days the balance of the administrative settlement that has not been approved as SEP credit to the District.
3. The Company has reviewed this Order and consents to all its requirements and terms. Further, the Company agrees to pay the cost of publishing legal notice of the public hearing.
4. In the event that it is necessary for the District to seek a court order to enforce this Order, the Company agrees to pay filing fees and costs of such action.
5. This Order fully resolves the violations alleged in District Incident Nos. 03118 and 03322.

**Agreed Board Order
Ford Motor Company**

**July 21, 2004
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Dated this 21st day of July, 2004.

Louisville Metro Air Pollution Control Board

Ford Motor Company

By: _____
Karen Cassidy
Chair

By: _____
Gary Laden
Plant Manager

Louisville Metro Air Pollution Control
District

By: _____
Jesse Goldsmith, P.E.
Engineering/Enforcement Manager

Approved as to form and legality:

By: _____
Lauren Anderson
Assistant County Attorney