

ILLINOIS POLLUTION CONTROL BOARD  
August 22, 1984

ILLINOIS ENVIRONMENTAL )  
PROTECTION AGENCY, )  
 )  
Complainant, )  
 )  
v. ) PCB 81-18  
 )  
CATERPILLAR TRACTOR CO., a )  
California corporation, )  
 )  
Respondent. )

GERHARDT BRAECKEL, ASSISTANT ATTORNEY GENERAL, APPEARED ON BEHALF OF THE COMPLAINANT.

MARTIN, CRAIG, CHESTER & SONNENSCHNEIN (M. THERESA YASDICK, OF COUNSEL) APPEARED ON BEHALF OF THE RESPONDENT.

OPINION AND ORDER OF THE BOARD (by W. J. Nega):

This matter comes before the Board on the February 5, 1981 Complaint brought by the Illinois Environmental Protection Agency (Agency) which alleged that the Respondent, Caterpillar Tractor Company (Caterpillar), had commenced construction on Mold Line G in its B Building and on Mold Line 4 in its D Building at its Mapleton plant without having first obtained the necessary construction permits from the Agency in violation of Rule 103(a)(1) of Chapter 2; Air Pollution Regulations (now 35 Ill. Adm. Code 201.142) and Section 9(b) of the Illinois Environmental Protection Act (Act).

Extensive discovery took place in this case, and the Board entered two preliminary Orders pertaining to discovery matters on December 1, 1983 and February 9, 1984.

A hearing was held on June 25, 1984 and the parties filed a Stipulation and Proposal for Settlement on June 26, 1984.

Caterpillar owns and operates a gray iron foundry, employing approximately 3,200 persons, in Mapleton, Peoria County, Illinois (Mapleton plant). Ferrous metals are processed, melted, and cast at this facility. After being processed at the Mapleton plant, the final products of the casting operations are then further processed in other Caterpillar plants for ultimate utilization in the Respondent's earthmoving construction equipment and diesel engines.

The two primary production areas at the Respondent's site are housed in Building B and Building D. (Stip. 2). Building B, which was completed in 1968, is used to house several lines in which castings are made or molded. Mold Line G is among the molding lines which were constructed before 1977 and for which most of the requisite permits were obtained. Building D, which is a distinct structure whose exterior was completed in 1978, has not been as fully utilized as Building B. Although the Respondent began its production in Building D in 1978, a large portion of Building D was left uncompleted and closed off by a partition and only two molding lines were installed at that time. (Stip. 2).

On August 17, 1977, the Respondent's permit to operate various process emission sources and air pollution control equipment then in use in Line G was renewed by the Agency. (See: Exhibit 1). However, before 1979, the Respondent decided that Mold Line G should be automated in order to make it more efficient in making certain castings. (Stip. 2-3). Additionally, to meet anticipated product demand, the company decided that an additional mold line (i.e., Mold Line 4) was also required in Building D.

To accomplish the requisite automation of Line G, the Respondent found it necessary to issue a series of purchase orders in 1979, 1980, and 1981 so that preliminary design work by the contractors could be initiated; engineering drawings could be prepared; and the pertinent designs, drawings and blueprints could be provided to the Respondent before the equipment was installed. (Stip. 3). Line G contracts entered into in 1979 included a series of purchase orders for various production equipment in order to automate Line G. Such production equipment included: (1) sand system equipment; (2) mold and flask handling equipment; (3) shake-out equipment, and (4) sand slinging and hydraulic power unit equipment. (Stip. 3). The company's 1979 purchase orders were for the design, development, production, delivery, unloading, and installation of such equipment.

Similarly, in 1980 the Respondent issued a series of purchase orders for air pollution control equipment and production equipment for automated Line G including: (1) a new dust collector; (2) motorized cranes; and (3) sheet metal installation for ventilation and dust collection (including connection of the dust collector installed with Building B in 1968). Moreover, in 1980, the Respondent replaced the shakeout machine, slinger machine, turnover machine, and mold frame cleaner for Line G and relocated the mold cooling tunnel and pouring area. (Stip. 4). Additionally, in 1981, the company issued purchase orders for: (1) a core sand removal system, and (2) a new furnace and the relocation of another furnace. Caterpillar halted construction activity on Line G on February 2, 1981. This construction activity was not resumed until March 23, 1981 when the company

was notified that a construction permit would be issued by the Agency.

Concomitantly, Line 4 contracts were entered into and construction work on Line 4 took place during this same general time period. The Respondent entered into a contract with an architectural and engineering firm for design work on Building D and design work on the foundry equipment for Line 4 on October 31, 1978. The company then issued a purchase order for the design and off-site fabrication of molding equipment for Line 4 on January 3, 1980. Caterpillar then entered into another contract on February 14, 1980 with an architectural and engineering firm for various work to be done in connection with the planning and scheduling of construction activity pertaining to the necessary building and site facilities for increasing the molding capacity in Building D. Such work was scheduled at various times during the interval between early 1980 and late 1982. (Stip. 4). Moreover, the Respondent entered into a contract on June 26, 1980 with a general contractor to further develop the unfinished part of Building D for Line 4 molding activities. Subsequently, on November 18, 1980, the Respondent poured the footings for some molding machines for Line 4. In addition to these previously delineated contracts, the Respondent issued a purchase order on February 25, 1981 for the installation of the molding equipment (previously ordered on January 3, 1980) and for the design, development, and installation of a complete sand system. (Stip. 4-5).

At the same time that various purchase orders were being issued and contracts were made, the company was in the process of meeting with representatives of the Agency. On November 17, 1980, the Respondent discussed its construction plans for its Mapleton plant with Agency representatives. The next day (i.e., November 18, 1980), Agency personnel conducted an inspection of Building B and Building D to observe conditions at the site. On November 24, 1980, the company submitted its application for a construction and operating permit for Line G (see: Exhibit 2) to the Agency. (Stip. 5). Similarly, on December 16, 1980, Caterpillar submitted its application for a construction permit for Line 4 to the Agency. (See: Exhibit 3). According to its Line G permit application form, the Respondent indicated that the emissions and process weight rate were not anticipated to increase over previously allowed levels. Exhibit 2 also showed that two additional dust collectors were expected to be added (i.e., an entirely new dust collector and the existing dust collector installed in 1968 which was to be connected and made operable). In a letter dated December 24, 1980, the Agency indicated that it would reject the permit application filed November 24, 1980 for lack of sufficient information. (See: Exhibit 4). Similarly, in January, 1981, the Agency also rejected the Respondent's December 16, 1980 permit application for a construction permit for Line 4 because of a lack of information. (See: Exhibit 5).

Representatives of the company and the Agency again met on February 9, 1981 to discuss the additional information that would be required to complete the permit applications. Following these discussions, the company reapplied for a construction and operating permit for Line G on March 4, 1981. (See: Exhibit 6). The Agency issued a joint construction and operating permit for Line G on March 26, 1981. (See: Exhibit 7). The Agency then received, on April 17, 1981, a revised permit application from the Respondent which requested a construction permit for Mold Line 4. This application also requested permission for an expanded (1) melting capacity, (2) sand core area, and (3) finishing area. (Stip. 6). There were emission sources which were part of the second phase of the installation of the Building D production equipment in each of these areas. (See: Group Exhibit 8). The Agency subsequently granted the company a construction permit for Mold Line 4 on June 9, 1981. (See: Exhibit 9).

Although the parties agree that the Respondent caused or allowed the commencement of construction of production equipment of a type capable of emitting specified air contaminants to the atmosphere and/or certain air pollution control equipment for Mold Line G and Line 4 prior to obtaining the requisite construction permits in violation of Rule 103(a)(1) of Chapter 2: Air Pollution Regulations (now 35 Ill. Adm. Code 201.142), they have a somewhat different view of the situation. The Respondent believes that it acted in good faith throughout this period of time, and that the violation is merely "technical" in nature. On the other hand, the Agency feels that the Respondent could have applied for the necessary permits in a timely manner. In order to resolve their differences, Caterpillar and the Agency have submitted a proposed settlement agreement in which the company admits its violations and agrees to pay a stipulated penalty of \$7,500.00 into the Environmental Protection Trust Fund.

In evaluating this enforcement action and proposed settlement agreement, the Board has taken into consideration all the facts and circumstances in light of the specific criteria delineated in Section 33(c) of the Act and finds the settlement agreement acceptable under 35 Ill. Adm. Code 103.180.

The Board believes that the Agency is correct in its fundamental premise that the permit system is at the heart of the protection provided by the Illinois Environmental Protection Act and that the effective administration of the system is based on timely compliance. As the Agency states: "securing construction permits at an early point in the planning process is a preferred management, as well as environmental, practice." (Stip. 7).

The Board finds that the Respondent, the Caterpillar Tractor Company, has violated Rule 103(a)(1) of Chapter 2: Air Pollution Regulations (now 35 Ill. Adm. Code 201.142) and Section 9(b) of

the Illinois Environmental Protection Act. Accordingly, the Respondent will be ordered to pay the stipulated penalty of \$7,500.00 to the Environmental Protection Trust Fund.

This Opinion constitutes the Board's findings of fact and conclusions of law in this matter.

ORDER

It is the Order of the Illinois Pollution Control Board that:

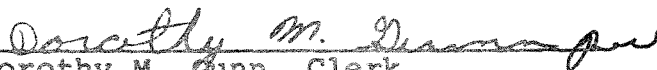
1. The Respondent, the Caterpillar Tractor Company, has violated Rule 103(a)(1) of Chapter 2: Air Pollution Regulations (now 35 Ill. Adm. Code 201.142) and Section 9(b) of the Illinois Environmental Protection Act.
2. Within 45 days of the date of this Order, the Respondent shall, by certified check or money order payable to the State of Illinois and designated for deposit into the Environmental Protection Trust Fund, pay the stipulated penalty of \$7,500.00 which is to be sent to:

Illinois Environmental Protection Agency  
Fiscal Services Division  
2200 Churchill Road  
Springfield, Illinois 62706

3. The Respondent shall comply with all the terms and conditions of the Stipulation and Proposal for Settlement filed on June 26, 1984, which is incorporated by reference as if fully set forth herein.

IT IS SO ORDERED.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board hereby certify that the above Opinion and Order was adopted on the 22<sup>nd</sup> day of August, 1984 by a vote of 6-0.

  
Dorothy M. Gunn, Clerk  
Illinois Pollution Control Board