

ILLINOIS POLLUTION CONTROL BOARD
October 1, 2009

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
v.)	PCB 10-21
)	(Enforcement - Air)
SEATING CONCEPTS, INC., an Illinois)	
corporation,)	
)	
Respondent.)	

ORDER OF THE BOARD (by G.T. Girard):

On September 24, 2009, the Office of the Attorney General, on behalf of the People of the State of Illinois (People), filed an eight-count complaint against Seating Concepts, Inc. (Seating Concepts). The complaint concerns Seating Concepts' furniture manufacturing facility located at 125 Connell Street in Rockdale, Will County. For the reasons below, the Board accepts the complaint for hearing.

Under the Environmental Protection Act (Act) (415 ILCS 5 (2008)), the Attorney General and the State's Attorneys may bring actions before the Board to enforce Illinois' environmental requirements on behalf of the People. *See* 415 ILCS 5/31 (2008); 35 Ill. Adm. Code 103. In this case, the People allege that Seating Concepts violated Sections 9(a), 9(b), 9.1(d)(1), 9.12(a), 9.12(j), 39.5(5)(a), and 39.5(6)(b) of the Act (415 ILCS 5/9(a), 9(b), 9.1(d)(1), 9.12(a), 9.12(j), 39.5(5)(a), 39.5(6)(b) (2008)), Sections 201.142, 201.143, 201.302(a), 203.201, 203.203, and 218.672(a) of the Board air pollution regulations (35 Ill. Adm. Code 201.142, 201.143, 201.302(a), 203.201, 203.203, 218.672(a)), Sections 254.132(a) and 254.137 of the air pollution regulations of the Illinois Environmental Protection Agency (Agency) (35 Ill. Adm. Code 254.132(a), 254.137), and Sections 63.5840, 63.5895(c), 63.5905(a), 63.5910(a), and 63.5915(a) of the National Emission Standards for Hazardous Air Pollutants (NESHAPs) (40 C.F.R. §§ 63.5840, 63.5895(c), 63.5905(a), 63.5910(a), 63.5915(a)).¹

According to the complaint, Seating Controls violated these provisions (1) by installing emission units at its facility without a construction permit (count I); (2) by operating new emission sources at its facility without obtaining an operating permit from the Agency (count II); (3) by failing to pay construction permit fees to the Agency prior to construction of emission

¹ The NESHAPs were promulgated by the United States Environmental Protection Agency under Section 112 of the federal Clean Air Act (CAA) (42 U.S.C. § 7412). Section 9.1(d)(1) of the Act prohibits anyone from violating any federal regulation adopted under Section 112 of the CAA. Consequently, any violation of the NESHAPs is also a violation of Section 9.1(d)(1) of the Act. *See* 415 ILCS 5/9.1(d) (2008).

sources (count III); (4) by failing to file Annual Emission Reports (AERs) for the years 2001 and 2002 and failing to timely file AERs for the years 2003 through 2006 (count IV); (5) by failing to timely apply for a Clean Air Act Permit Program (CAAPP) permit and by operating a major stationary source without a CAAPP permit (count V); (6) by constructing a new major source or major modification to an emission source without first having applied for and obtained a construction permit from the Agency (count VI); (7) by failing to submit the required reports and maintain the required records for its polyester resin products manufacturing operation (count VII); and (8) by failing to (a) timely initiate data collection and demonstrate compliance as required, (b) keep required records, (c) submit required notices to the Agency, (d) submit semi-annual compliance reports to the Agency, and (e) keep copies of notifications and reports submitted to the Agency, records related to startup, shutdown, and malfunction, or records of performance tests, and design and performance evaluations (count VIII). The People ask the Board to order Seating Controls to cease and desist from further violations and pay a civil penalty of \$50,000 per violation and an additional civil penalty of \$10,000 per day during which each violation continued.

The Board finds that the complaint meets the content requirements of the Board's procedural rules and accepts the complaint for hearing. *See* 35 Ill. Adm. Code 103.204(c), (f), 103.212(c). A respondent's failure to file an answer to a complaint within 60 days after receiving the complaint may have severe consequences. Generally, if Seating Controls fails within that timeframe to file an answer specifically denying, or asserting insufficient knowledge to form a belief of, a material allegation in the complaint, the Board will consider Seating Controls to have admitted the allegation. *See* 35 Ill. Adm. Code 103.204(d).

The Board directs the hearing officer to proceed expeditiously to hearing. Among the hearing officer's responsibilities is the "duty . . . to ensure development of a clear, complete, and concise record for timely transmission to the Board." 35 Ill. Adm. Code 101.610. A complete record in an enforcement case thoroughly addresses, among other things, the appropriate remedy, if any, for the alleged violations, including any civil penalty.

If a complainant proves an alleged violation, the Board considers the factors set forth in Sections 33(c) and 42(h) of the Act to fashion an appropriate remedy for the violation. *See* 415 ILCS 5/33(c), 42(h) (2008). Specifically, the Board considers the Section 33(c) factors in determining, first, what to order the respondent to do to correct an on-going violation, if any, and, second, whether to order the respondent to pay a civil penalty. The factors provided in Section 33(c) bear on the reasonableness of the circumstances surrounding the violation, such as the character and degree of any resulting interference with protecting public health, the technical practicability and economic reasonableness of compliance, and whether the respondent has subsequently eliminated the violation.

If, after considering the Section 33(c) factors, the Board decides to impose a civil penalty on the respondent, only then does the Board consider the Act's Section 42(h) factors in determining the appropriate amount of the civil penalty. Section 42(h) sets forth factors that may mitigate or aggravate the civil penalty amount, such as the duration and gravity of the violation, whether the respondent showed due diligence in attempting to comply, any economic benefit that

the respondent accrued from delaying compliance, and the need to deter further violations by the respondent and others similarly situated.

With Public Act 93-575, effective January 1, 2004, the General Assembly changed the Act's civil penalty provisions, amending Section 42(h) and adding a new subsection (i) to Section 42. Section 42(h)(3) now states that any economic benefit to respondent from delayed compliance is to be determined by the "lowest cost alternative for achieving compliance." The amended Section 42(h) also requires the Board to ensure that the penalty is "at least as great as the economic benefits, if any, accrued by the respondent as a result of the violation, unless the Board finds that imposition of such penalty would result in an arbitrary or unreasonable financial hardship."

Under these amendments, the Board may also order a penalty lower than a respondent's economic benefit from delayed compliance if the respondent agrees to perform a "supplemental environmental project" (SEP). A SEP is defined in Section 42(h)(7) as an "environmentally beneficial project" that a respondent "agrees to undertake in settlement of an enforcement action . . . but which the respondent is not otherwise legally required to perform." SEPs are also added as a new Section 42(h) factor (Section 42(h)(7)), as is whether a respondent has "voluntary self-disclosed . . . the non-compliance to the [Illinois Environmental Protection] Agency" (Section 42(h)(6)). A new Section 42(i) lists nine criteria for establishing voluntary self-disclosure of non-compliance. A respondent establishing these criteria is entitled to a "reduction in the portion of the penalty that is not based on the economic benefit of non-compliance."

Accordingly, the Board further directs the hearing officer to advise the parties that in summary judgment motions and responses, at hearing, and in briefs, each party should consider: (1) proposing a remedy for a violation, if any (including whether to impose a civil penalty), and supporting its position with facts and arguments that address any or all of the Section 33(c) factors; and (2) proposing a civil penalty, if any (including a specific total dollar amount and the portion of that amount attributable to the respondent's economic benefit, if any, from delayed compliance), and supporting its position with facts and arguments that address any or all of the Section 42(h) factors. The Board also directs the hearing officer to advise the parties to address these issues in any stipulation and proposed settlement that may be filed with the Board.

IT IS SO ORDERED.

I, John Therriault, Assistant Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on October 1, 2009, by a vote of 5-0.



John Therriault, Assistant Clerk
Illinois Pollution Control Board