

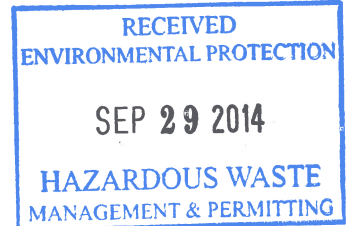


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

SEP 23 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ronald Shaw
President and General Manager
Florida Transformers Incorporated
4509 State Highway 83
Defuniak Springs, Florida 32435



SUBJECT: Notice of Opportunity to Show Cause
Florida Transformer Incorporated (FTI)
EPA ID #: FLR 000 168 203

Dear Mr. Shaw:

On December 12, 2013, the U.S. Environmental Protection Agency and the Florida Department of Environmental Protection (FDEP) conducted an EPA-lead compliance evaluation inspection (CEI) at Florida Transformers Incorporated (FTI) in Defuniak Spring, Florida. The purpose of the CEI was to determine FTI's compliance with applicable regulations promulgated pursuant to the Resource Conservation and Recovery Act (RCRA) and Section 15 of the Toxic Substances Control Act (TSCA), 15 U.S.C. § 2614, and the Polychlorinated Biphenyl (PCB) regulations promulgated in 40 C.F.R Part 761.

As described in the enclosed EPA CEI report, the EPA has determined that FTI has potentially violated certain requirements of RCRA, 42 U.S.C. §§ 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984 (HSWA), Pub. L. 98-616, and the corresponding citations found in Fla. Stat. §§ 403.702 et seq. and Fla. Admin. Code 62-710, 62-730 and 62-750. Furthermore, it appears that FTI has potentially violated certain requirements promulgated pursuant to Section 15 of TSCA, 15 U.S.C. § 2614, and the Polychlorinated Biphenyl (PCB) regulations promulgated in 40 C.F.R Part 761.

With this letter, FTI is being offered the opportunity to meet with the EPA at its regional office in Atlanta, Georgia, or via teleconference, to show cause why the EPA should not take formal enforcement action against FTI pursuant to Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), and Section 16(a) of TSCA for the violations described in the enclosed report, including the assessment of appropriate civil penalties. Please be aware that Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), and Section 16 of TSCA, 15 U.S.C. § 2615, authorizes the EPA to assess penalties of up to \$37,500 per day for each violation.

During such meeting, FTI may provide any facts, documentation, information, or additional evidence that FTI believes will shed light on the alleged violations. Even though the meeting is not a formal administrative hearing, FTI is welcome to be represented at the meeting by legal counsel. The EPA may have legal counsel present.

Additionally, if the parties agree, the meeting may also serve as an opportunity to discuss settlement of this matter. If FTI wishes to meet in person with the EPA, or to convene a conference call to discuss this matter, we request that you contact Javier Garcia, of the EPA Region 4 staff, at (404) 562-8616 within 10 days of receipt of this letter. If we do not hear from you in that time, we will assume that FTI does not wish to accept our offer to meet or have a conference call or to enter into settlement negotiations with the EPA at this time.

Sincerely,



César A. Zapata
Chief, RCRA and OPA Enforcement and
Compliance Branch
RCRA Division

Enclosure

cc: Glen Perrigan, FDEP - Tallahassee
Jim Byer, FDEP - Northwest District



PCB and RCRA Inspection Report

1) Facility Information

Florida Transformer Incorporated (FTI)
4509 State Highway 83
Defuniak Springs FL 32435

EPA ID #: FLD 984 171 785 (Original notification for PCB only activities not currently in use)
EPA ID #: FLR 000 168 203 (Current ID number issued by the Florida Department of
Environmental Protection)

NAICS Codes: 335311 - Power, Distribution and Specialty Transformer Manufacturing

2) Responsible Official

Ronald Shaw, President and General Manager
(850) 892-2711

3) Inspection Participants

Jerome Stuckey, Plant Manager - Florida Transformer (FTI)
Jessica Pennington, Environmental Compliance Manager - FTI
Aaron Mitchell, Florida Department of Environmental Protection (FDEP)
Chris Stoll, FDEP
Donna Adams, Alabama Department of Environmental Management (ADEM)
Javier Garcia, EPA

4) Date and Time of Inspection

December 12, 2013
9:15 a.m.

5) Applicable Regulations

Section 6(e) of the Toxic Substances Control Act (TSCA) and regulations promulgated pursuant thereto and set forth at 40 C.F.R. Part 761, and; Sections 3005 and 3007 of the Resource Conservation and Recovery Act (RCRA), 40 Code of Federal Regulations (C.F.R.) Parts 260-266, 270, 273, 279; Florida Statutes § 403.702 et seq. and regulations promulgated pursuant thereto and set forth at the Florida Administrative Code (F.A.C.), Chapter 62-730.

6) Purpose of Inspection

This was a compliance evaluation inspection (CEI) to determine FTI's compliance with TSCA Section 6(e) and the applicable regulations in 40 C.F.R. Part 761. In addition, the CEI was conducted to determine FTI's compliance with RCRA and its applicable regulations.

7) Facility Description

FTI is a wholly owned subsidiary of Versatile Processing Group, Inc. (VPG) a privately held company, with headquarters in Indianapolis, Indiana. Insight Equity acquired Versatile Processing Group, Inc. on October 5, 2011. VPG is the parent company to Versatile Processing, Transformer Decommissioning Inc., Utility Recycling Services, Florida Transformer Inc., Dulin Metals Company, Transformer Decommissioning Northeast, and Environmental Management Systems.

FTI is located south of Defuniak Springs, Florida. The property covers 25 acres with 15 acres currently in use. FTI is a TSCA-approved PCB storage facility under 40 C.F.R. § 761.65 that repairs, services and decommissions oil filled electrical distribution equipment for facilities in the southeastern states. According to FTI's "Approval to Commercially Store Polychlorinated Biphenyl (PCB) Waste", dated November 15, 2002, ("PCB Approval Letter") only non-PCB units are scrapped on site and all >50 ppm PCB liquids and drained equipment that contained >50 ppm PCB liquids are disposed offsite at TSCA approved PCB disposal facilities. FTI has one company-owned truck used for local clients and subcontracts outside parties for all other transportation services. The facility has approximately 100 employees.

Except for very large units, all units are received at the "In-processing Area" off-loading dock. In the In-processing Area, a unique number is assigned to each unit and a corresponding bar code label is attached to the unit. After the number is assigned, the unit is evaluated to determine the concentration of PCBs. All units with a manufacturer plate indicating that it was manufactured on or after 1983 are designated as non-PCB units and no oil samples are collected. If the unit has no manufacturer plates or it was manufactured before 1983, an oil sample from the unit is collected and analyzed in the in-house laboratory to determine the concentration of PCB's in the oil. Once the PCB level in the units is determined, the units are segregated based on the PCB concentration ranges.

Unit samples are tracked through the bar code log that corresponds to a sample-processing log maintained by the laboratory. Samples are extracted from the transformers into pre-numbered 25mL vials that contain 10mL Hexane and 1mL of sulfuric acid and analyzed by gas chromatography to determine the PCB concentration. If the PCB concentration is 50 ppm or greater, a job number and sequence number are generated to track all PCB waste generated from a unit. The units are weighed and scanned before and after the oil is removed. Computer software converts the weight difference into gallons of oil at approximately 8 pounds per gallon. The third and final scan occurs when the unit or oil leaves the facility. A continuation list is generated to track the units in each load of PCB waste. The sample residues from the PCB content determination exhibit the characteristics of ignitibility (D001) and corrosivity (D002).

Units with PCB levels below 2 ppm are opened and the oil is visually evaluated to determine if it can be reused or managed as used oil. If determined to be reusable, the oil is drained to a 650-gallon holding tank, where a sample is collected for moisture analysis and PCB level confirmation. From the holding tank, the oil is pumped to a designated above ground storage tank for distribution as a product. If the oil is not acceptable for redistribution, it is pumped into an 8,000-gallon used oil tank and stored for treatment on-site. The drained transformers are transferred to scrap metal recycle oven building where they are disassembled and treated in the Scrap Metal Recovery Oven (SMRO).

Units with PCB concentrations between 2 and 49 ppm (Non-regulated PCB units) are drained to one of two 8,000-gallon used oil tanks for temporary storage until treated onsite. The non-regulated PCB oil is treated in a “Mobile Oil Processing Plant PCB-1000” model manufactured by Redragon Oil Gas Systems International Inc. The operation of this treatment system is regulated by FDEP permit number 0311571-HO-001 issued on October 26, 2012. The dechlorinated oil is stored in a 15,000-gallon tank and sold to lubricant manufactures. The dechlorination process generates a byproduct that exhibits the characteristics of corrosivity (D002) and toxicity for benzene (D018).

Units containing PCBs at concentrations greater than 49 ppm are designated for disposal. The unit lids are sealed, painted orange and a red tag is attached to them. After this identification process, the units with PCB’s concentration up to 3,000 ppm are transferred to the PCB Storage area. Once in the PCB storage room, the units are drained according to the PCB concentration to one of four 1,295 gallon storage tanks under the facility’s PCB Commercial Storage Permit. Oils with PCB’s concentrations between 50 and 1,499 ppm are kept segregated from oils with PCB concentrations between 1,500 and 3,000 ppm. After being drained, the unit’s lids are painted black. Units containing PCBs at concentration above 3,000 ppm are not drained, marked “ND” and transferred to the PCB room for temporary storage until shipment to TCI Alabama for disposal.

Drained units that contained PCBs at concentration levels between 50 and 499 ppm are transferred to the Scrap Metal Recovery Oven (SMRO) Area for processing. In this area, the units are disassembled and the components are segregated according to the materials composition (i.e., bushings, rubber gaskets, coils, copper windings with paper insulation, etc.). The core and coils are placed on a conveyor that sends the parts through a hydraulic shear that cuts for size reduction. The parts are then fed into the SMRO. The SMRO burns off residual oil, insulation and other combustibles from the windings. After the burnout cycle is completed, copper wiring is separated from non-ferrous metal (core bodies and carcasses) into separate containers. The ash from the SMRO is disposed as a solid waste.

The SMRO is permitted by FDEP’s air program. The unit has primary and secondary combustion chambers that operate at elevated temperatures to provide reasonable assurance of adequate destruction of PCBs by conforming to the requirements of 40 C.F.R. § 761.72. Although 40 C.F.R. § 761.72 has not been adopted by reference into the Florida Administrative Code, FTI agreed to be bound by its requirements in order to provide reasonable assurance of proper control of PCB emissions.

In addition to the SMRO, FTI operates two ovens, referred to as the “Burnout ovens.” The burnout ovens are used to burn off oil residues in drained transformers components (i.e., insulation and windings,) from units that contained PCB levels below 49 ppm. After the burnout cycle is completed, copper wiring is separated from non-ferrous metal (core bodies) into separate containers to be sold as scrap metal.

Once all components are removed from the transformer, the empty transformer carcasses (cans) are decontaminated with mineral spirits per the “Double Wash/Rinse Method for Decontaminating Non-Porous Surface” described in Subpart S of 40 C.F.R Part 761. After the decontamination process is confirmed, the cans are sent off-site as scrap metals. The spent mineral spirits used in the decontamination process is accumulated in 55-gallon containers and reclaimed in an onsite distillation unit. The still bottoms from the mineral spirits reclamation unit are sent off-site for

disposal as non-RCRA PCB-regulated waste. The reclaimed mineral spirits are reused in the decontamination process.

As part of its operations, FTI repairs and refills transformers. Once retrofitted/refilled, the transformers are sealed, tested, and painted if needed. FTI has three paint booths and one grit blasting station. Hazardous waste generated from painting activities include spent solvent (D001/D005/F003/F005), spent paint booth filters (D001/D005/F003/F005) and spent grit (D007).

- 8) In January 1990 FTI a Notification of PCB Waste Activity. In February 1990, the EPA issued FTI the EPA ID number FLD984171785. In July 2010, FDEP issued to FTI the EPA ID number FLR000168203, as part of the State's RCRA program. Later in July 2010, FTI submitted to the EPA a Notification of PCB Waste Activity replacing the original EPA ID number with the FLR 000 168 203, as issued by the State of Florida. At the time of the inspection, FTI was registered with FDEP as a small quantity generator of hazardous waste. On December 16, 2013, FTI submitted to FDEP a revised notification of hazardous waste activity indicating that the facility would operate as a large quantity generator of hazardous waste.

9) **Findings**

After introductions and presentation of the credentials, the inspectors presented the EPA TSCA Notice of Inspection and the TSCA Inspection of Confidentiality Notice to Jessica Pennington for review and signature. After a description of the facility's operation, Ms. Pennington and Mr. Stuckey provided a tour of the facility. The following are the observations made during the inspection:

In-Processing Area:

The In-Processing Area is a roofed concrete floor with nine conveyor lines. Upon receipt, the transformers (units) are offloaded onto one of the conveyor lines. Units are processed on a first in, first out basis. Each unit is labeled with a unique bar code (job number) and scanned into FTI's Application Computer Software (ACS). The ACS issues a sequence number to track management of PCBs regulated units. If the unit has no manufacturer plates or was manufactured before 1983, an oil sample from the unit is collected and analyzed for PCB content determination. The laboratory is adjacent to the In-Processing Area. At the time of inspection, no PCB markings were observed on the outside side of the wall, that separates the In-Processing Area from the offloading/loading docks. (See pictures 1 and 2)

Pursuant to Approval Conditions III.A.1-4 all approved PCB storage areas, as well as any temporary PCB storage area or ancillary pallet storage area authorized under shall be marked as required in 40 C.F.R. § 761.40(a)(10).

During the inspection, a random orange-painted transformer (bar code number A28995) was selected from the conveyor to verify its tracking. Although the data for this unit had not been entered into the ACS, the unit was listed in the FTI Lab bar code log and linked in the sample-processing log as sample 99 - vial 15 on line 2. The analysis result for PCBs was 63 ppm. The sample vial was observed in the lab and its lid was marked with the number "995." In addition,

four sample results were randomly selected to verify the units tracking and the following

observations were made:

- The transformer with serial number 72TB468095 was received on 12/3/13 and assigned the bar code number A28295. An oil sample from the unit was analyzed on 12/5/13 and the PCB concentration was 457 ppm. The unit was observed in the bermed, lined PCB Storage area, labeled with PCB Large Marks, marked in blue with "X" and "402 Lbs"; marked in red with "231", "12-3-13", "25 Jimelco", "72TB468095", "c/57", "12-5-13" and "A28295"; and the lid painted orange. (See photographs 20 and 21.)
- Random lab sample: Sample ID and Job Number A27792, was received on 11/26/13 from APCO, sampled on 12/2/13, analyzed on 12/3/13. The concentration of PCBs in the oil was 692 ppm. The disposal or manifest shipment dates for the oil had not been entered into the ACS. The unit was observed in the PCB containment room, drained and the lid painted black, labeled with PCB Large Marks, marked in blue with "MT", "BJ", "312Lbs", "22171D" and "RFS 12-2-13". (See photograph 24-26)
- Random lab sample: Sample number A25846, was received on 11/12/13 and a PCB concentration of 116 ppm was detected in the oil sample. No further information on the status of the unit had been entered into the ACS.
- Random lab sample: Sample number A20432, was received on 10/10/13 and a PCB concentration of 503 ppm was detected in the sample. No further information on the status of the unit had been entered into the ACS.

According to condition III.A3 of FTI's PCB Approval Letter, which corresponds to 40 C.F.R. § 761.65(c)(1), PCB regulated units that are stored for disposal need to be stored in a PCB compliant storage area within 30 days from the date the PCB concentration is determined. It is a concern to the EPA that at the time of the inspection, FTI had no information in its ACS tracking system indicating the location and status of units A25846 and A20432. (See pictures 3 – 7)

In the laboratory, the inspectors observed several boxes of sample vials and one open top container with vials from the GC-MS sampler. These vials contained sample residues. The boxes and the open top container had the proper PCB markings; however, they were not marked with the words "Hazardous waste" or with other words that describe their content, as required in 40 C.F.R. § 262.34(c)(1)(ii). (See pictures 8 – 11)

Along the eastern wall of the In-processing Area, designated as the PCB ancillary storage area, FTI was storing 24 55-gallon drums of spent mineral spirits (hazardous waste code D001) and ten 55-gallon containers of residue from the Redragon oil-processing unit (hazardous waste codes D002 and D018). In addition, FTI had several 1-cubic yard cardboard boxes that contained laboratory sample residues (hazardous waste code D001 and PCBs) and PCB-contaminated laboratory equipment. Near the hazardous waste containers, FTI has the small distillation unit used to recover the spent mineral spirits. According to unit's manufacturer, the distillation unit can process 20 gallons in 8 to 10 hours. No waste was being process in the unit at the time of the inspection. Taking in consideration the distillation unit capacity, the spent mineral spirits generation rate and the number of spent mineral spirits containers in storage, is reasonable to assume that some of these containers have exceeded the 90-day storage limit.

At the time of the inspection, none of the hazardous waste containers were dated with the date upon accumulation of the waste started or identified with the words "hazardous waste." Furthermore, there was not adequate aisle space between the containers to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment and decontamination equipment. (See pictures 11 – 25)

Pursuant to 40 C.F.R. § 262.34(a)(2), as adopted by reference in 62-730.160(1), F.A.C., as a generator, may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status, provided the date upon which each period of accumulation begins is clearly marked and visible for inspection on each container.

Pursuant to 40 C.F.R. § 262.34(a)(3), as adopted by reference in 62-730.160(1), F.A.C., as a generator, may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status, provided each container is labeled or marked with the words, "Hazardous Waste."

Pursuant to 40 C.F.R. § 262.34(a)(4), as adopted by reference in 62-730.160(1), F.A.C., as a generator, may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status, provided the generator complies with, among other requirements, 40 C.F.R. § 265.35(a)(3), provided the facility maintains adequate aisle space between the containers to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment and decontamination equipment. This requirement is also Condition III.G of FTI's PCB Approval Letter.

PCB Storage Area:

PCB Storage area is in the back end of the In-Processing Area. The PCB Storage area includes a bermed section abutting the In-Processing Area, which FTI refers to as the PCB Processing Storage Area. The concrete floors in these areas are coated with an acrylic concrete sealant. At the time of the inspection, the floor sealant in some areas of the storage room was cracked and appeared to lack integrity. (See photographs 25A, 32A, and 33-35.) *40 C.F.R. § 761.65(b)(1)(iv) requires a PCB storage area floor and curbing to be constructed of Portland cement, concrete, or a continuous, smooth, non-porous surface...to prevent or minimize penetration of PCBs. Permit Requirement III, PCB Storage Management: J. Inspection Requirements 3., states the condition of floor, joints, and curbing in the approved PCB Storage Unit and the integrity of the Secondary Containment Area metal drip pans shall be inspected at least semi-annually. Any needed repairs noted during such inspections shall be made within 30 days of the inspection date unless a longer repair period is authorized by EPA.*

The PCB room has five 1,295-gallon above ground tanks. Three tanks are designated for oils with PCBs concentrations between 50-1499 ppm PCB oil, one is designated for oils with PCB concentrations between 1500-2999 ppm and the fifth tank, recently added, is not in use yet. All tanks in the PCB room were empty at the time of inspection and only 55-gallon containers were in use for PCB storage. All containers were properly marked and appeared to be in good condition. Also in the PCB Storage Room, FTI was storing five boxes of universal waste lamps and one bucket of universal waste light ballasts. The oldest accumulation date observed was April 30, 2013. (See pictures 26 – 38)

Scrap Metal Recovery Oven (SMRO) Area

The SRMO is in the northeastern corner of the operations building. In this area, FTI manages PCB contaminated transformer components and pole-top transformer carcasses (cans). The PCB-contaminated components are treated in the SRMO, while cans are decontaminated with mineral spirits using the double wash/rinse method. Ms. Pennington indicated that 10% of the washed cans are wipe-sampled to verify decontamination. The spent mineral spirits are collected in 55-gallon containers and transferred to the PCB ancillary storage where it is reclaimed. It is the EPA's understanding that the spent mineral spirits from the wash/rinse operation is only reclaimed once, before it is shipped off-site for disposal. Four 55-gallon drums containing transformer oil drained out of units were observed on a containment pallet in the SMRO area. The drums were labeled with PCB Large Marks. However, they were not labeled with the Removed from Service dates as required by 40 C.F.R. § 761.65(c)(8). (See photographs 52, 54 and 55) Furthermore, the SMRO area is not designated as an approved PCB Storage Area in FTI's PCB Approval Letter. Therefore, storage in this area is limited to 30 days. Due to the lack of dates in the containers, FTI cannot show compliance with Approval Letter Condition III.B which indicates that all PCB waste accumulated in containers will be transferred to one of the approved storage areas within 30 days from the container fill start date in accordance with 40 C.F.R. § 761.65(c)(1). In addition, FTI had two open 55-gallon drums, two 55-gallon drums with an open funnel placed in the bung hole, and one 55-gallon drum with a hose in the bung hole. (See pictures 39 – 51)

According to Permit Condition I.1 of FTI's PCB Approval Letter, PCB containers shall always be closed during storage, except when adding or removing their contents. (See photographs 51, 52, 54 and 55) No PCB Large Marks were observed at the dock entrance of the SMRO area. (See photographs 56-60) According to Permit Condition III.C of FTI's PCB Approval Letter, all approved PCB storage areas as well as any temporary PCB storage area or ancillary pallet storage area authorized under Approval Conditions III.A.1-4 shall be marked as required in 40 C.F.R. § 761.40(a)(10).

Outside Transformers Storage Area

This area is at the southern end of the facility and is used for the handling of large transformers. At the time of the inspection, FTI had three 250-gallon tote containers with used oil removed from the transformers. Two totes were neither labeled nor marked with the words "Used Oil" and the "Used Oil" label on the third container was faded. 40 C.F.R. § 279.22(c), as adopted by reference in F.A.C. 62-710.210(2), requires used oil containers to be marked or labeled with the words "Used Oil." (See pictures 52 - 54)

Paint Area:

This area includes three paint booths for painting of transformers to be reissued and an abrasive blasting unit. Access to two of the paint booths is through interior doors and access to the third paint booth is through an outside door. Because of the painting operations, FTI generates a spent solvent (D001) from equipment cleaning, spent air filters from the paint booths filtration system and spent grit from the abrasive blasting unit. FTI accumulates these waste streams in 55-gallon containers. At the time of the inspection, located adjacent to the paint booth identified as the middle paint booth, was a satellite accumulation area (SAA) container of spent grit. Outside the building, the inspectors observed another spent grid blasting media (D007) SAA container. Neither

container was properly closed. Furthermore, the outside container was not labeled nor marked with the words "Hazardous Waste" or with other words that identify its content. (Pictures 55- 58)

Pursuant to 40 C.F.R. § 262.34(c)(1)(i), as adopted by reference in 62-730.160(1), F.A.C., a generator may accumulate as much 55 gallons of hazardous waste at or near the point of generation, provided the containers is kept closed, except when adding or removing waste. Pursuant to 40 C.F.R. § 262.34(c)(1)(ii), as adopted by reference in 62-730.160(1), F.A.C., a generator may accumulate as much 55 gallons of hazardous waste at or near the point of generation, provided the containers is marked either with the words "Hazardous Waste" or with other words that identify the contents of the containers.

Tank Farm/Used Oil Processing Unit:

The Tank Farm and the used oil processing unit are outside the process building, adjacent to the Bulk Storage Room and the Decommission Area. The tank farm has 13 above ground storage tanks. The "Mobile Oil Processing Plant PCB-1000" is portable and is kept in a wheeled trailer. The treatment system includes a centrifuge to remove impurities from the dechlorinated oil. The dechlorinated oil is stored in a 15,000-gallon tank and sold to lubricant manufactures. The centrifuge solids ("Redragon residues") are accumulated in 55-gallon containers for off-site disposal.

The Redragon solids exhibit the characteristics of corrosivity (D002) and toxicity for benzene (D018). At the time of the inspection, FTI had 19 55-gallon containers that contained Redragon solids stored near the treatment unit. Adjacent to the Redragon residues containers, FTI had one 55-gallon container with spent grit blasting media (D007) and one 55-gallon container that contained oil paint contaminated debris. All containers were labeled with their contents. However, the labels did not have the date in which accumulation started. Furthermore, the containers neither were marked nor labeled with the words "Hazardous Waste." (See pictures 59 – 61)

Pursuant to 40 C.F.R. § 262.34(c)(2), as adopted by reference in 62-730.160(1), F.A.C., as a generator, who accumulates hazardous waste in excess of 55 gallons at or near the point of generation must, with respect to that amount of excess, comply within three day with 40 C.F.R. § 262.34(a).

Pursuant to 40 C.F.R. § 262.34(a)(2), as adopted by reference in 62-730.160(1), F.A.C., as a generator, may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status, provided the date upon which each period of accumulation begins is clearly marked and visible for inspection on each container.

Pursuant to 40 C.F.R. § 262.34(a)(3), as adopted by reference in 62-730.160(1), F.A.C., as a generator, may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status, provided each container is labeled or marked with the words, "Hazardous Waste."

Records Review:

During the inspection, the inspectors reviewed manifests, inspections log for the storage areas, the contingency plan and training records. The RCRA inspection checklist did not include the time of the inspection and the printed name of the inspector. Furthermore, the inspection log did not cover the Redragon solids containers in storage next to the used oil-processing unit.

Pursuant to 40 C.F.R. § 262.34(a)(4), which incorporates 40 C.F.R. § 265.174, and as adopted by reference in 62-730.160, F.A.C., a generator may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status provided the generator inspects all hazardous waste storage areas at the facility every week.

Pursuant to 40 C.F.R. § 262.34(a)(4), which incorporates 40 C.F.R. § 265.15(d), and as adopted in 62-730.160(6), F.A.C., a generator may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status provided the generator includes in its weekly inspection log the time of the inspection and the inspector's name legibly printed.

FTI's Contingency Plan did not include information addressing the control of hazardous waste or hazardous waste constituents into the environment during an emergency. In addition, the plan did not have an emergency coordinator or an alternate. On January 10, 2014, Ms. Pennington forwarded to FDEP a revised Contingency Plan with the required information specific to the RCRA program.

Pursuant to 40 C.F.R. § 262.34(a)(4), which incorporates 40 C.F.R. § 265.52(a), and as adopted by reference in 62-730.160, F.A.C., a generator may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status provided the facility's contingency plan describes the actions must take in response to fires, explosions, or any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to the environment.

The training program provided during the inspection addressed the PCB program requirements. Nevertheless, it did not address hazardous waste management procedures.

Pursuant to 40 C.F.R. § 262.34(a)(4), which incorporates 40 C.F.R. § 265.16(a)(2), and as adopted by reference in 62-730.160, F.A.C., a generator may accumulate hazardous waste on-site for ninety (90) days or less without a permit or interim status provided the facility's include instruction which teaches facility personnel hazardous waste management procedures (including contingency plan implementation) relevant to the positions in which they are employed.

At the time of the inspection, FTI was registered with FDEP as a small quantity hazardous waste generator. On December 20, 2013, FTI submitted to FDEP a revised hazardous waste notification form indicating that the facility is a large quantity hazardous waste generator. After the inspection, the EPA reviewed FTI's hazardous waste manifests and its "Manifest Continuation Form and Packaging List for Non Bulk Shipments" for shipments since January 1, 2012, to February 13, 2014. Based on the information reviewed, the EPA made the following observations:

- a. From September 2012 to April 2013, it appears that FTI generated between 100 to 1,000 kilograms of hazardous waste per month. FTI stored Redragon residues (D002/D018) for 281 days (9/19/12 - 6/28/13).

Pursuant to 40 C.F.R. § 262.34(f) as adopted by reference in 62-730.160(1), F.A.C., a small quantity hazardous waste generator who accumulates its hazardous waste for more than 180 days is an operator of a storage facility and is subject to the requirements of 40 C.F.R. Parts 264 and 265, as adopted by reference in 62-730.160(1), F.A.C., and the permit requirements of 40 C.F.R. Part 270, as adopted by reference in 62-730.160(1), F.A.C.

- b. Sometime in April 2013 and thereafter, FTI increased its hazardous waste generation rate to more than 1,000 kilograms per month. Therefore, the facility has been a fully regulated large quantity hazardous waste generator since April 2013. After becoming large quantity hazardous waste generator, it appears that FTI stored its hazardous waste for greater than ninety days, as follows:

Paint operations waste (D001/D005/F005/F003) for 128 days (6/6/13 – 10/12/13).

Spent grid blasting media (D007) for 118 days (6/6/2013 – 10/02/13).

Paint operations waste (D001/D005/F005/F003) for 93 days (7/11/13 - 10/12/13).

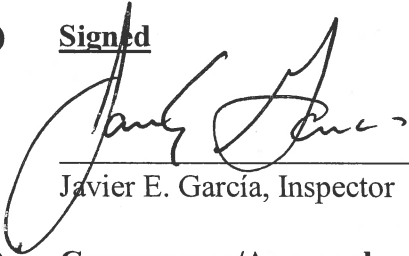
Paint operations waste (D002/D018) for 121 days (10/15/2013 - 2/13/14)

Pursuant to 40 C.F.R. § 262.34(f), as adopted by reference in 62-730.160(1), F.A.C., a generator who accumulates hazardous waste for more than 90 days is an operator of a storage facility and is subject to the requirements of 40 C.F.R. Parts 264 and 265, as adopted by reference in 62-730.160(1), F.A.C., and the permit requirements of 40 C.F.R. Part 270, as adopted by reference in 62-730.160(1), F.A.C.

10) **Out-Briefing**

At the conclusion of the inspection, the inspection team met with Ronald Shaw, Jerome Stuckey, Jessica Pennington and provided a synopsis of the inspection findings.

11) **Signed**

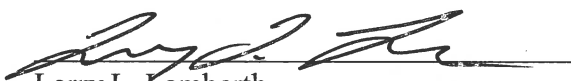


Javier E. García, Inspector

9/12/14

Date

12) **Concurrence/Approval**



Larry L. Lamberth
Chief, South RCRA and OPA Enforcement and
Compliance Section
RCRA and OPA Enforcement and Compliance Branch

09/23/14

Date

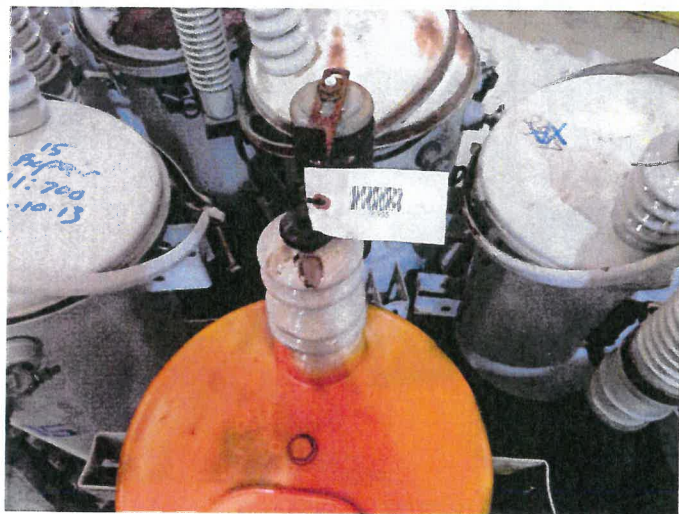
Inspection Report Pictures
December 12, 2013



Picture 1: In-Processing Area Dock



Picture 2: In-Processing Area Dock



Picture 3: PCB contaminated transformer in the In-Processing Area



Picture 4: PCB contaminated transformer (ID #A28995) in the In-Processing Area



Picture 5: Transformers in the In-Processing Area



Picture 6: Transformers in the In-Processing Area



Picture 7: PCB transformers in the In-Processing Area



Picture 8: Redragon hazardous waste sludge containers and spent solvents in the PCB Ancillary Storage Area



Picture 9: Redragon hazardous waste sludge container in the PCB Ancillary Storage Area



Picture 10: View of the label on the Redragon hazardous waste sludge containers in the PCB Ancillary Storage Area



Picture 11: Hazardous waste containers (Redragon sludge and spent solvents) in the PCB Ancillary Storage Area



Picture 12: Hazardous waste containers (Redragon sludge and spent solvents) in the PCB Ancillary Storage Area



Picture 13: Redragon hazardous waste sludge container in the PCB Ancillary Storage Area



Picture 14: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



Picture 15: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



Picture 16: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



Picture 17: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



Picture 18: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



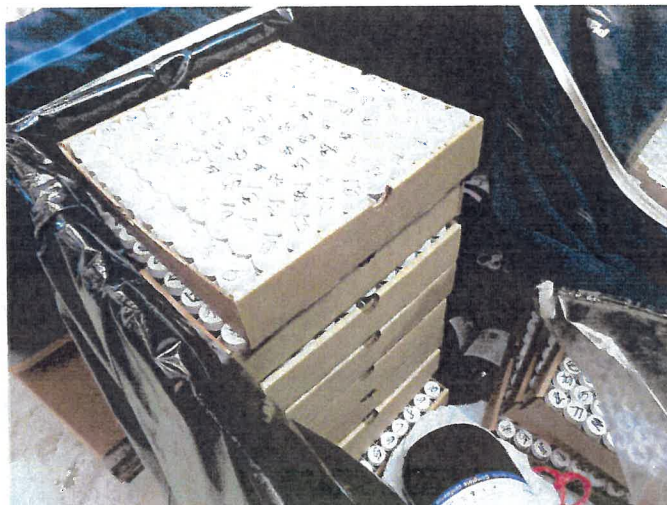
Picture 19: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



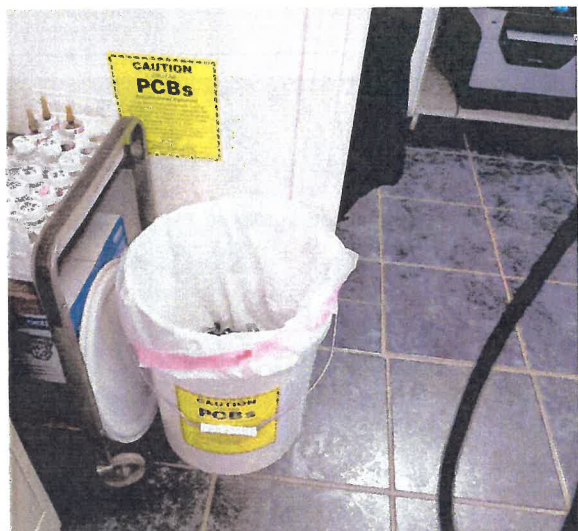
Picture 20: PCB and RCRA regulated hazardous waste containers in the PCB Ancillary Storage Area



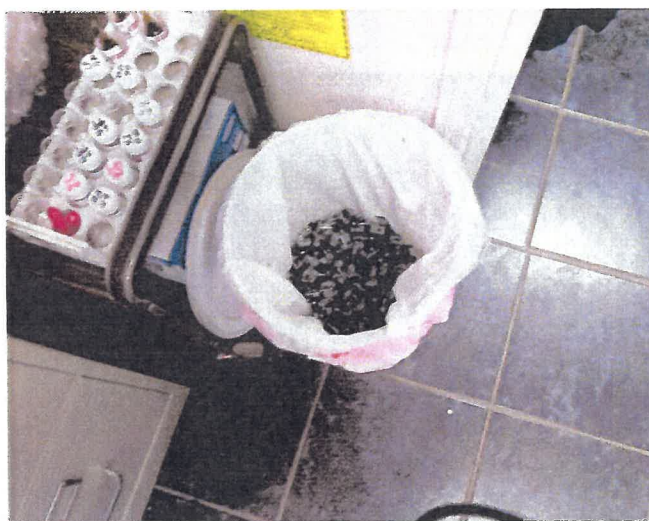
Picture 21: View of the laboratory waste (PCB and RCRA regulated waste) inside the cardboard containers in the PCB Ancillary Storage Area



Picture 22: View of the laboratory waste (PCB and RCRA regulated waste) inside the cardboard containers in the PCB Ancillary Storage Area



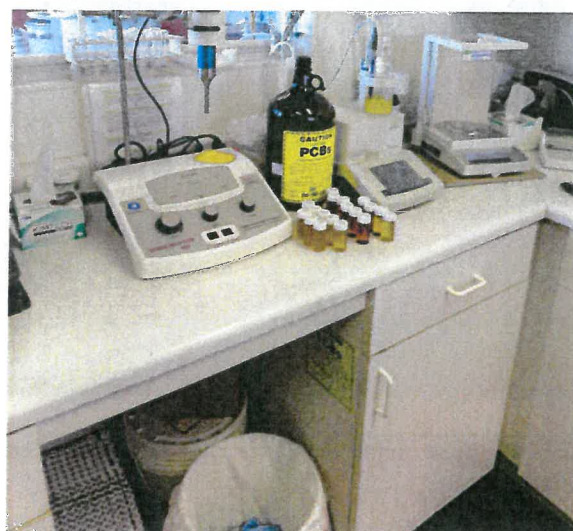
Picture 23: Container for the accumulation of laboratory RCRA regulated waste and PCB regulated waste



Picture 23: Container for the accumulation of laboratory RCRA regulated waste and PCB regulated waste



Picture 24: Container for the accumulation of laboratory RCRA regulated waste and PCB regulated waste



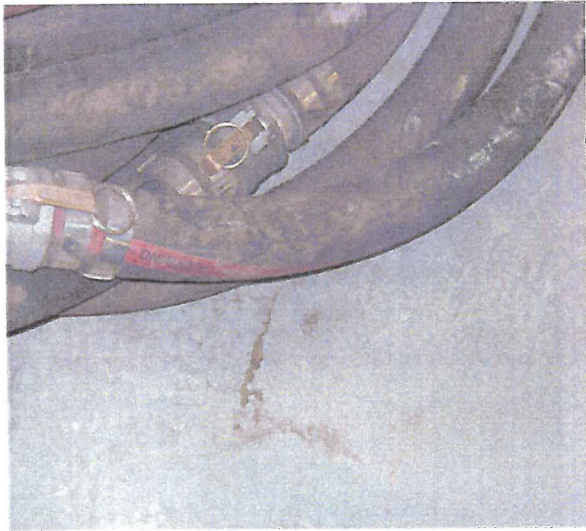
Picture 25: Container for the accumulation of laboratory RCRA regulated waste and PCB regulated waste



Picture 26: View of the PCB storage tanks in the PCB Room



Picture 27: View of the PCB storage tanks in the PCB Room



Picture 24: Cracks on the epoxy coating of the PCB Room concrete floor



Picture 25: Cracks on the epoxy coating of the PCB Room concrete floor



Picture 27: Cracks on the epoxy coating of the PCB Room concrete floor



Picture 28: Cracks on the epoxy coating of the PCB Room concrete floor



Picture 29: PCB transformers stored in the PCB Room



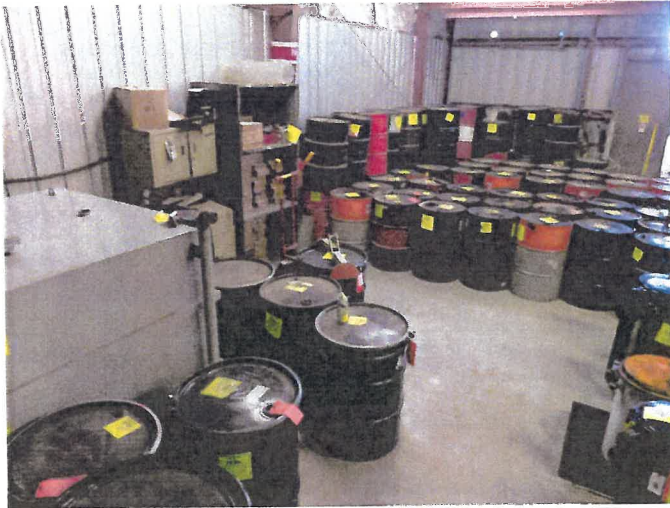
Picture 30: Cracks on the epoxy coating of the PCB Room concrete floor



Picture 31: View of the PCB containers in the PCB Room



Picture 32: View of PCB containers in the PCB Room and wet stain on the concrete floor



Picture 33: View of PCB containers in the PCB Room



Picture 34: PCB signs on the door to access the PCB storage room



SMRO staging area and conveyor



SMRO staging area and conveyor



Picture 33: SRMO unit



Picture 34: PCB signs on the door to access the PCB storage room



SMRO staging area and conveyor



SMRO staging area and conveyor



FTI 57 SMRO dock

Picture 33: SRMO unit



FTI 56 SMRO dock

Picture 34: PCB signs on the door to access the PCB storage room



SMRO dock



SMRO dock

Attachment 1
EPA TSCA Notice of Inspection



US ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

TOXIC SUBSTANCES CONTROL ACT

NOTICE OF INSPECTION

1. INVESTIGATION IDENTIFICATION			3. FACILITY NAME	
DATE 12/12/13	INSPECTOR'S NO. 4240 F 16977	DAILY SEQ. NO. 1	FLORIDA TRANSFORMER, INC.	
2. INSPECTOR'S ADDRESS 1400 Coliseum Boulevard Montgomery, Alabama 36110-2059			4. FACILITY ADDRESS 4509 STATE HIGHWAY 103 NORTH DEERUNIAK SPRINGS, FL 32435	

For Internal EPA Use. Copies may be provided to recipient as acknowledgment of this notice.

REASON FOR INSPECTION

Under the authority of Section 11 of the Toxic Substances Control Act:

Q For the purpose of inspecting (including taking samples, photographs, statements, and other inspection activities) an establishment, facility, or other premises in which chemical substances or mixtures, articles containing same are manufactured, processed, stored or held before or after their distribution in commerce (including records, files, papers, processes, controls, and facilities) and any conveyances being used to transport chemical substances, mixtures, or articles containing same in connection with their distribution in commerce (including records, files, papers, processes, controls, and facilities) bearing on whether the requirements of the Act are applicable to the chemical substances, mixtures, or articles within, or associated with, such premise or conveyance have been complied with.

Q In addition, this inspection extends to (check appropriate blocks):

- | | |
|----------------------------|----------------------------|
| Q A. Financial data | Q D. Personnel data |
| Q B. Sales data | Q E. Research data |
| Q C. Pricing data | |

The nature and extent of inspection of such data specified in A through E above is as follows:

Section 6e

INSPECTOR'S SIGNATURE		RECIPIENT'S SIGNATURE	
NAME Donna Adams		NAME Jessica Pennington	
TITLE Environmental Scientist, Sr.	DATE SIGNED	TITLE Env Compliance mgr	DATE SIGNED 12/12/13

EPA FORM 7740-3 (REVISED JULY 1997) CORE TSCA — PREVIOUS VERSIONS ARE OBSOLETE

Recipient's COPY

Attachment 2

TSCA Inspection of Confidentiality Notice

and

Receipt for Documents



US ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

TOXIC SUBSTANCES CONTROL ACT

TSCA INSPECTION CONFIDENTIALITY NOTICE

1. INVESTIGATION IDENTIFICATION			4. FACILITY NAME
DATE 12/12/13	INSPECTION NO. 121213-1	DAILY SEQ. NO. 1	FLORIDA TRANSFORMERS INC
2. INSPECTOR'S NAME JAVIER GARCIA			5. ADDRESS 4509 STATE HIGHWAY-1 B3 / DE
3. INSPECTOR'S ADDRESS 61 FORSYTH ST SE ATLANTA, GA 30303			6. NAME OF CHIEF EXECUTIVE OFFICER NINA SPRINGS, FL
			7. TITLE

For Internal EPA use. Copies may be provided to recipient as acknowledgment of this notice.

TO ASSERT A TSCA CONFIDENTIAL BUSINESS INFORMATION CLAIM

It is possible that EPA will receive public requests for release of the information obtained during the inspection of the facility cited above. Such requests will be handled by EPA in accordance with provisions of the Freedom of Information Act (FOIA), 5 USC 552; EPA regulations issued thereunder, 40 CFR, Part 2; and the Toxic Substances Control Act (TSCA), Section 14. EPA is required to make inspection data available in response to FOIA requests unless the EPA Administrator determines that the data is entitled to confidential treatment, or may be withheld from release under other exceptions of FOIA.

Any or all information collected by EPA during the inspection may be claimed as confidential if it relates to trade secrets, commercial, or financial matters that you consider to be confidential business information (CBI). If you assert a CBI claim, EPA will disclose the information only to the extent, and by means of the procedures set forth in the regulations (cited above) governing EPA's treatment of CBI. Among other things, the regulations require that EPA notify you in advance of publicly disclosing any information claimed as CBI.

A CBI claim may be asserted at any time prior to, during, or after the information is collected. This notice was developed by EPA to assist you in asserting a CBI claim. If it is more convenient for you to assert a CBI claim on your own stationary or by making the individual documents or samples "TSCA confidential business information," it is not necessary for you to use this notice. The inspector will be glad to answer any questions you may have regarding EPA's CBI procedures.

While you may claim any collected information or sample as CBI, such claims are not likely to be upheld if they are challenged unless the information meets the following criteria:

1. Your company has taken measures to protect the confidentiality of the information and it intends to continue to take such measures.

2. The information is not, and has not been, reasonably obtainable without your company's consent by other persons (other than governmental bodies), or by use of legitimate means (other than discovery based on showing of special need in a judicial or quasi-judicial proceeding).
3. The information is not publicly available elsewhere.
4. Disclosure of the information would cause substantial harm to your company's competitive position.

At the completion of the inspection, you will be given a receipt for all documents, samples, and other materials collected. At that time, you may make claims that some or all of the information is CBI.

If you are not authorized by your company to assert a CBI claim, this notice will be sent by certified mail, along with the receipt for documents, samples, and other materials to the Chief Executive Officer of your company within 2 days of this date. The Chief Executive Officer must return a statement specifying any information which should receive CBI treatment.

The statement from the Chief Executive Officer should be addressed to:

and mailed by registered, return-receipt requested mail within 7 calendar days of receipt of this notice. Claims may be made at any time after the inspection, but the inspection data will not be entered into the TSCA/CBI security system until an official confidentiality claim is made. The data will be handled under EPA's routine security system unless and until a claim is made.

TO BE COMPLETED BY FACILITY OFFICIAL RECEIVING THIS NOTICE

I acknowledge receipt of this notice:

If there is no one on the premise who is authorized to make CBI claims for this facility, a copy of this notice and other inspection materials will be sent to the company's Chief Executive Officer. If there is another official who should also receive this information, please designate below.

SIGNATURE <i>Jessica Hamilton</i>	NAME
NAME Jessica Hamilton	TITLE
TITLE Env Compliance Mgr	DATE SIGNED
	ADDRESS

12/12/13



US ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460
TOXIC SUBSTANCES CONTROL ACT

RECEIPT FOR SAMPLES AND DOCUMENTS

1. INVESTIGATION IDENTIFICATION

DATE 12/12/13 INSPECTION NO. 121213 1 DAILY SEQ. NO. 1

2. COMPANY NAME

FLORIDA TRANSFORMERS, INC

3. INSPECTOR ADDRESS US EPA 4
61 FORSYTH ST.
ATLANTA GA 30303

4. COMPANY ADDRESS

4509 STATE HIGHWAY 83 NOR
DEKUNIAH SPRINGS FL 32435

For internal EPA use. Copies of this form may be provided to recipient as acknowledgment of the documents and samples of chemical substances and/or mixtures described below collected in connection with the administration and enforcement of the Toxic Substances Control Act.

RECEIPT OF DOCUMENT(S) AND/OR SAMPLE(S) DESCRIBED IS HEREBY ACKNOWLEDGED:

NO.	DESCRIPTION
1	FLORIDA TRANSFORMER INC - PCB MANAGEMENT PLAN
2	ASH ANALYSIS RESULTS

OPTIONAL:

DUPLICATE OR SPLIT SAMPLES: REQUESTED AND PROVIDED

☐

NOT REQUESTED

☐

INSPECTOR SIGNATURE

CLAIMANT SIGNATURE

NAME

JAVIER E. GARCIA

NAME

Jessica Pennington

TITLE

ENV. ENG.

DATE SIGNED

TITLE

Env mgr (FBI)

DATE SIGNED

12-12-13