EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1655-AIR-E **TCEQ ID:** RN100209444 **CASE NO.:** 31179

RESPONDENT NAME: Arkema Inc.

ORDER TYPE:

X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__AMENDED ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__SHUTDOWN ORDER	__FINDINGS DEFAULT ORDER	__EMERGENCY ORDER	

CASE TYPE:

__AGRICULTURE	X AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	__PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	__WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: Arkema, 2231 Haden Road, Houston, Harris County

TYPE OF OPERATION: Chemical manufacturing

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on January 29, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Rebecca Johnson, Enforcement Division, Enforcement Section III, MC R-12, (713) 422-8931; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

TCEQ Field Investigator: Mr. Narender Byru, Houston Regional Office, MC R-12, (713) 767-3597

Respondent: Corporation Services Company, Registered Agent, Arkema Inc., 701 Brazos Street, Suite 1050, Austin, Texas 78701
Mr. Scott Schwartz, General Manager, Arkema Inc., 2231 Haden Road, Houston, Texas 77015

Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint __ Routine __ Enforcement Follow-up _X_ Records Review **Date of Complaint Relating to this Case:** None **Date of Investigation Relating to this Case:** June 27, 2006 **Date of NOE Relating to this Case:** August 31, 2006 (NOE) **Background Facts:** This was a routine record review. One violation was documented. **AIR** Failed to prevent unauthorized emissions during a May 29, 2006 emissions event. Specifically, during the May 29, 2006 emissions event 933 pounds ("lbs") of unauthorized hydrogen sulfide emissions and 158 lbs of unauthorized carbon disulfide emissions were released from the unlit Plant flare over a period of nineteen hours and fifty minutes. Since the emissions event was avoidable, Arkema was unable to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE §101.222 [30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 22100, Special Condition Nos. 4 and 31B, 40 CODE OF FEDERAL REGULATIONS § 60.18(c), and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $2,575 **Total Deferred:** $515 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $2,060 **Site Compliance History Classification:** __ High _X_ Avg. __ Poor **Person Compliance History Classification:** __ High _X_ Avg. __ Poor **Major Source:** _X_ Yes __ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** The Executive Director recognizes that Arkema completed employee training and counseled operations personnel on Plant procedures relating to maintaining the flare pilot on June 9, 2006.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) *PCW Revision April 25, 2006*

DATES					
Assigned	05-Sep-2006				
PCW	14-Sep-2006	Screening	13-Sep-2006	EPA Due	28-May-2007

RESPONDENT/FACILITY INFORMATION

Respondent	Arkema Inc.		
Reg. Ent. Ref. No.	RN100209444		
Facility/Site Region	12-Houston	Major/Minor Source	Major Source

CASE INFORMATION

Enf./Case ID No.	31179	No. of Violations	1
Docket No.	2006-1655-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Rebecca Johnson
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $2,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 28% Enhancement *Subtotals 2, 3, & 7* $700

Notes: Penalty enhancement due to two unrelated NOVs, two self-reported effluent violations, and one agreed order containing a denial of liability.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 25% Reduction *Subtotal 5* -$625

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		*(mark with a small x)*

Notes: The respondent completed all corrective measures on June 9, 2006.

Economic Benefit 0% Enhancement* *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$1
Approx. Cost of Compliance	$750

SUM OF SUBTOTALS 1-7 Final Subtotal $2,575

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment $0

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes:

Final Penalty Amount $2,575

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $2,575

DEFERRAL 20% Reduction Adjustment -$515

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: A deferral is recommended for expedited settlement.

PAYABLE PENALTY $2,060

Screening Date 13-Sep-2006 **Docket No.** 2006-1655-AIR-E **PCW**
Respondent Arkema Inc.
Case ID No. 31179
Reg. Ent. Reference No. RN100209444
Media [Statute] Air Quality
Enf. Coordinator Rebecca Johnson

Policy Revision 2 (September 2002)
PCW Revision April 25, 2006

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action *(number of NOVs meeting criteria)*	0	0%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government *(number of judgements or consent decrees meeting criteria)*	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government *(number of counts)*	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) **28%**

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) **0%**

>> Compliance History *Person* Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) **0%**

>> Compliance History Summary

Compliance History Notes Penalty enhancement due to two unrelated NOVs, two self-reported effluent violations, and one agreed order containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **28%**

PCW

Policy Revision 2 (September 2002)
PCW Revision April 25, 2006

Screening Date	13-Sep-2006
Docket No.	2006-1655-AIR-E
Respondent	Arkema Inc.
Case ID No.	31179
Reg. Ent. Reference No.	RN100209444
Media [Statute]	Air Quality
Enf. Coordinator	Rebecca Johnson

Violation Number 1

Primary Rule Cite(s) Air Permit No. 22100, Special Condition Nos. 4 and 31B and 40 Code of Federal Regulations § 60.18(c)

Secondary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failure to prevent unauthorized emissions during a May 29, 2006 emissions event. Specifically, during the May 29, 2006 emissions event 933 pounds ("lbs") of unauthorized hydrogen sulfide emissions and 158 lbs of unauthorized carbon disulfide emissions were released from the unlit plant flare over a period of nineteen hours and fifty minutes. Since the emissions event was avoidable, Arkema Inc. was unable to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one
use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $2,575

This violation Final Assessed Penalty (adjusted for limits) $2,575

Economic Benefit Worksheet

Respondent: Arkema Inc.
Case ID No.: 31179
Reg. Ent. Reference No.: RN100209444
Media [Statute]: Air Quality
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling	$750	29-May-2006	09-Jun-2006	0.0	$1	n/a	$1
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost to conduct employee training. Date required based on the date of the emissions event. Final date based on the compliance date.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $750

TOTAL: $1

Compliance History

Customer/Respondent/Owner-Operator:	CN600124044	Arkema Inc.	Classification: Average	Rating: 1.91
Regulated Entity:	RN100209444	ARKEMA	Classification: Average	Site Rating: 0.86

ID Number(s):			
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0558G
	AIR OPERATING PERMITS	PERMIT	1551
	WASTEWATER	PERMIT	WQ0000445000
	WASTEWATER	PERMIT	TPDES0007064
	WASTEWATER	PERMIT	TX0007064
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD008090011
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30503
	AIR NEW SOURCE PERMITS	PERMIT	22100
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0558G
	AIR NEW SOURCE PERMITS	PERMIT	23123
	AIR NEW SOURCE PERMITS	PERMIT	23349
	AIR NEW SOURCE PERMITS	PERMIT	24464
	AIR NEW SOURCE PERMITS	PERMIT	29970
	AIR NEW SOURCE PERMITS	PERMIT	36752
	AIR NEW SOURCE PERMITS	PERMIT	36551
	AIR NEW SOURCE PERMITS	PERMIT	40122
	AIR NEW SOURCE PERMITS	PERMIT	44542
	AIR NEW SOURCE PERMITS	PERMIT	49110
	AIR NEW SOURCE PERMITS	AFS NUM	0124
	AIR NEW SOURCE PERMITS	PERMIT	51594
	AIR NEW SOURCE PERMITS	PERMIT	72641
	STORMWATER	PERMIT	TXR05N425
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30503
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50214
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50214

Location: 2231 HADEN RD, HOUSTON, TX, 77015 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 11, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 05, 2001 to September 05, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Rebecca Johnson Phone: (713) 422-8931

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Arkema, Inc.
4. if Yes, who was/were the prior owner(s)? Atofina Chemicals Inc.
5. When did the change(s) in ownership occur? 12/5/2001

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 12/15/2005 **ADMINORDER 2005-0858-AIR-E**

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to notify the commission office for the region in which the facility is located, and all appropriate local air pollution control agencies of an emissions event no later than 24 hours after the discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Permit #22100, Special Condition #4 PA
Description: Failure to obtain regulatory authority or to meet the demonstration requirements of 30 Tex. Admin. Code § 101.222 for emissions from the 180 Production Unit that occurred on November 23, 2004 (Incident Number 41765).

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	01/27/2003	(22740)
2	08/23/2002	(1666)
3	01/17/2003	(160128)
4	11/22/2004	(338179)
5	04/28/2006	(457583)
6	02/04/2002	(160127)
7	02/22/2005	(381995)
8	03/17/2005	(381996)
9	09/11/2002	(5836)
10	12/28/2004	(381997)
11	01/21/2005	(381998)
12	12/19/2002	(160124)
13	12/27/2001	(160123)
14	11/21/2002	(160120)
15	11/28/2001	(160119)
16	10/31/2002	(160116)
17	04/26/2006	(463549)
18	10/24/2001	(160115)
19	05/24/2004	(296189)
20	07/05/2005	(393686)
21	09/19/2002	(160113)
22	03/19/2004	(296191)
23	04/23/2004	(296192)
24	09/26/2001	(160112)
25	06/03/2004	(296194)
26	08/17/2005	(405525)
27	08/19/2002	(160110)
28	10/04/2005	(432313)
29	11/17/2005	(403994)
30	06/16/2004	(296196)
31	07/20/2005	(399378)
32	12/15/2004	(341581)
33	07/19/2002	(160107)
34	08/15/2005	(405060)
35	07/21/2003	(296198)
36	08/18/2003	(296200)
37	07/21/2005	(400689)
38	04/21/2005	(348883)
39	12/02/2003	(254097)
40	06/23/2003	(160104)
41	06/19/2002	(160103)
42	09/19/2003	(296202)
43	07/29/2005	(402494)
44	11/01/2005	(405970)
45	10/24/2003	(296204)
46	11/24/2003	(296205)
47	05/20/2003	(160100)
48	12/23/2003	(296206)
49	01/21/2004	(296207)
50	05/20/2002	(160099)
51	08/17/2005	(405215)
52	04/24/2003	(160096)

53	10/31/2004	(289464)
54	04/18/2002	(160095)
55	07/29/2005	(402146)
56	03/27/2003	(160091)
57	03/20/2002	(160090)
58	08/31/2006	(508827)
59	10/24/2003	(248202)
60	02/19/2003	(160088)
61	02/20/2002	(160087)
62	09/17/2001	(79533)
63	12/03/2001	(79534)
64	09/16/2004	(352475)
65	10/04/2005	(432578)
66	12/10/2001	(79535)
67	02/19/2002	(79536)
68	08/23/2004	(352476)
69	02/19/2002	(79537)
70	05/19/2006	(463762)
71	09/20/2004	(352477)
72	11/10/2004	(352478)
73	09/27/2002	(12024)
74	11/26/2004	(352479)
75	06/11/2003	(38136)
76	08/29/2005	(406957)
77	11/17/2005	(407258)
78	07/26/2006	(467248)
79	12/16/2004	(289426)
80	05/05/2005	(374699)
81	07/27/2005	(402044)
82	10/04/2005	(432516)
83	08/22/2005	(406418)
84	08/04/2005	(403416)
85	09/08/2005	(418469)
86	06/09/2005	(380414)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 09/18/2002 (12024)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PA IA

Description: Atofina Chemicals, Inc.'s Houston Plant failed to obtain and maintain certification records of annual leak-tight tests according to EPA Method 27 as required by Special Conditon 17B of TCEQ Air Permit No. 22100.

Date: 12/31/2002 (160128)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 12/31/2004 (381998)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 06/09/2005 (380414)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)

Description: During the investigation and records review, it was noted that the Notice of Registration had several inaccuracies that required updates.

F. Environmental audits.

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
ARKEMA INC.	§	
RN100209444	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1655-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Arkema Inc. ("Arkema") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Arkema appear before the Commission and together stipulate that:

1. Arkema owns and operates a chemical manufacturing plant at 2231 Haden Road in Houston, Harris County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Commission and Arkema agree that the Commission has jurisdiction to enter this Agreed Order, and that Arkema is subject to the Commission's jurisdiction.

4. Arkema received notice of the violations alleged in Section II ("Allegations") on or about September 5, 2006.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Arkema of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Two Thousand Five Hundred Seventy-Five Dollars ($2,575) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Arkema has paid Two Thousand Sixty Dollars ($2,060) of the administrative penalty and Five Hundred Fifteen Dollars ($515) is deferred contingent upon Arkema's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Arkema fails to timely and

satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Arkema to pay all or part of the deferred penalty.

7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and Arkema have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that Arkema completed employee training and counseled operations personnel on Plant procedures relating to maintaining the flare pilot on June 9, 2006.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Arkema has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Arkema is alleged to have failed to prevent unauthorized emissions during a May 29, 2006 emissions event, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 22100, Special Condition Nos. 4 and 31B, 40 CODE OF FEDERAL REGULATIONS § 60.18(c), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 27, 2006. Specifically, during the May 29, 2006 emissions event 933 pounds ("lbs") of unauthorized hydrogen sulfide emissions and 158 lbs of unauthorized carbon disulfide emissions were released from the unlit Plant flare over a period of nineteen hours and fifty minutes. Since the emissions event was avoidable, Arkema was unable to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE §101.222.

III. DENIALS

Arkema generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Arkema pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Arkema's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Arkema Inc., Docket No. 2006-1655-AIR-E" to:

   Financial Administration Division, Revenues Section
   Attention: Cashier's Office, MC 214
   Texas Commission on Environmental Quality
   P.O. Box 13088
   Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon Arkema. Arkema is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

3. This Agreed Order, issued by the Commission, shall not be admissible against Arkema in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Arkema, or three days after the date on which the Commission mails notice of the Order to Arkema, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 2/16/07
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ Scott Schwartz
Signature Date

10/26/06 General Manager
Name (Printed or typed) Title
Authorized Representative of
Arkema Inc.

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.