

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2006-0573-AIR-E **TCEQ ID:** RN100224674 **CASE NO.:** 29333
RESPONDENT NAME: Oxy Vinyls, LP

ORDER TYPE:

<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> EMERGENCY ORDER	

CASE TYPE:

<input type="checkbox"/> AGRICULTURE	<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE	<input type="checkbox"/> MUNICIPAL SOLID WASTE
<input type="checkbox"/> OCCUPATIONAL CERTIFICATION	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> RADIOACTIVE WASTE
<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL	<input type="checkbox"/> USED OIL
<input type="checkbox"/> USED OIL FILTER	<input type="checkbox"/> WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: Oxy Vinyls La Porte Plant, 2400 Miller Cut Off Road, La Porte, Harris County

TYPE OF OPERATION: Chemical manufacturing plant

SMALL BUSINESS: Yes 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 October 2, 2006. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Section III, MCR-12, (713) 767-3629; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

TCEQ Field Investigator: Ms. Sherri Gregg, Houston Regional Office, MC R-12, 713) 767-3558

Respondent: Mr. Ted Brenneman, Environmental Manager, Oxy Vinyls, LP, 2400 Miller Cut Off Road , La Porte, Texas 77571

CT Corporation System, Registered Agent, Oxy Vinyls, LP, 350 North St. Paul Street, Dallas, Texas 75201

Mr. Scott A. King, Vice President, General Counsel and Secretary, Oxy Vinyls, LP, 2400 Miller Cut Off Road , La Porte, Texas 77571

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

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: March 13, 2006</p> <p>Date of NOE Relating to this Case: April 20, 2006 (NOE)</p> <p>Background Facts: This was a routine records review. Five violations were documented.</p> <p>AIR</p> <p>1) Failed to maintain the pH level for scrubbers IND101A and IND101B, above the required minimum permit limit of 8, during March and November 2005. The pH readings ranged from 6.001 to 7.97 during the various incidents [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TCEQ Air Permit No. 3855B and PSD-TX-876, Special Condition 32, Federal Operating Permit O-01324, Special Condition 21, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to maintain the firing rate at the permitted limit of 72 Million (MM) British Thermal Units ("Btu") per hour on August 24, 2005 for furnace IND107 and on September 13, 2005 for furnace IND108. The readings documented were 72.6 MM Btu on September 13, and 72.9 MM Btu on August 24, 2005 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TCEQ Air Permit No. 3855B and PSD-TX-876, Special Condition 10.D, Federal Operating Permit O-01324, Special Condition 21, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failed to limit the operation of emergency diesel pump engine (E1 Pump A) for operation, testing or maintenance purposes within the allowable 52 hours per year, based on a rolling 12-month average during March and April 2005 [30 TEX. ADMIN. CODE § 117.203(a)(6)(D) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$19,425</p> <p>Total Deferred: \$3,885 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$15,540</p> <p>Site Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>1) The Executive Director recognizes that Oxy Vinyls has implemented the following corrective measures at the Plant:</p> <p>a. Retrained operators and made revisions to the incinerator scrubbers to help ensure that the scrubbers are operated within the permitted limits. This work was completed on April 19, 2006;</p> <p>b. Connected audible alarms and modified computer code that activates audible alarms in the distributed control system on September 13, 2005. This will help ensure that furnaces IND107 and 108 are operated according to the limit specified in the permit;</p> <p>c. A new procedure and tracking was implemented on May 1, 2005, to ensure that the allowable run time for emergency diesel pump engine (E1 Pump A) is not exceeded;</p> <p>d. A new procedure was implemented on April 5, 2005, to ensure that the quarterly observation schedule for visible emissions is not missed; and</p> <p>e. All open-ended lines were sealed by Oxy Vinyls by August 30, 2005.</p> <p>Ordering Provisions:</p> <p>2) The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, begin maintaining the level of the pH above 8.0 in the scrubbers;</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.a.</p>

RESPONDENT'S NAME: Oxy Vinyls, LP
DOCKET NO.: 2006-0573-AIR-E

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>4) Failed to monitor visible emissions for A and B catalytic oxidizer catalyst traps and one diesel engine (E5) during the first quarter from January to March 2005 [30 TEX. ADMIN. CODE § 122.143(4), Federal Operating Permit O-01324, Special Condition 3A(iv)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>5) Failed to seal open-ended lines in volatile organic compound ("VOC") service. Oxy Vinyls reported missing components which were discovered in the vinyl chloride monomer ("VCM") unit between February and August 2005 [30 TEX. ADMIN. CODE §§ 116.115(c), 115.352(4) and 122.143(4), TCEQ Air Permit No. 3855B and PSD-TX-876, Special Condition 43.E, Federal Operating Permit O-01324, Special Condition 1A and 21, CODE OF FEDERAL REGULATIONS § 63.167 (a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		

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1. The first part of the report deals with the general situation of the country and the progress of the war. It is a very interesting and informative account of the events of the year.

2. The second part of the report deals with the economic situation of the country. It is a very detailed and thorough analysis of the economic conditions and the measures taken to improve them.

3. The third part of the report deals with the social situation of the country. It is a very comprehensive and up-to-date survey of the social conditions and the efforts to improve them.

4. The fourth part of the report deals with the cultural situation of the country. It is a very interesting and enlightening study of the cultural life and the efforts to promote it.

5. The fifth part of the report deals with the political situation of the country. It is a very clear and concise analysis of the political conditions and the efforts to improve them.

6. The sixth part of the report deals with the military situation of the country. It is a very detailed and thorough account of the military operations and the efforts to improve them.

7. The seventh part of the report deals with the foreign relations of the country. It is a very comprehensive and up-to-date survey of the international situation and the efforts to improve it.

8. The eighth part of the report deals with the internal security of the country. It is a very clear and concise analysis of the internal security conditions and the efforts to improve them.

9. The ninth part of the report deals with the education of the country. It is a very interesting and enlightening study of the educational system and the efforts to improve it.

10. The tenth part of the report deals with the health of the country. It is a very comprehensive and up-to-date survey of the health conditions and the efforts to improve them.

11. The eleventh part of the report deals with the environment of the country. It is a very detailed and thorough analysis of the environmental conditions and the efforts to improve them.

12. The twelfth part of the report deals with the science and technology of the country. It is a very interesting and enlightening study of the scientific and technological progress and the efforts to promote it.

13. The thirteenth part of the report deals with the sports and recreation of the country. It is a very comprehensive and up-to-date survey of the sports and recreational activities and the efforts to improve them.

14. The fourteenth part of the report deals with the arts and culture of the country. It is a very detailed and thorough analysis of the artistic and cultural life and the efforts to promote it.

15. The fifteenth part of the report deals with the labor and industry of the country. It is a very clear and concise analysis of the labor and industrial conditions and the efforts to improve them.

Penalty Calculation Worksheet (PCW)
 Policy Revision 2 (September 2002) PCW Revision May 19, 2005

TCEQ

DATES Assigned 24-Apr-2006
 PCW 10-May-2006 Screening 08-May-2006 EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent Oxy Vinyls, LP
 Reg. Ent. Ref. No. RN100224674
 Facility/Site Region 12-Houston Major/Minor Source Major Source

CASE INFORMATION

Enf./Case ID No. 29333 No. of Violations 5
 Docket No. 2006-0573-AIR-E Order Type 1660
 Media Program(s) Air Quality Enf. Coordinator Nadia Hameed
 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 \$10,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.
Compliance History 35% Enhancement Subtotals 2, 3, & 7 \$3,675

Notes: Penalty enhancements due to 1 same or similar NOV, 7 unrelated NOVs, including 2 self reported DMRs and 1 agreed order containing denial of liability. Reduction due to 4 notices of audits.

Culpability No 0% Enhancement Subtotal 4 \$0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction Subtotal 5 \$0

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

Notes: The respondent has not returned to compliance.

Economic Benefit 50% Enhancement* Subtotal 6 \$5,250

Total EB Amounts \$61,183 *Capped at the Total EB \$ Amount
 Approx. Cost of Compliance \$465,600

SUM OF SUBTOTALS 1-7 Final Subtotal \$19,425

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 \$19,425

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$19,425

DEFERRAL 20% Reduction Adjustment -\$3,885

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY \$15,540

Screening Date	08-May-2006	Docket No.	2006-0573-AIR-E	PCW
Respondent	Oxy Vinyls, LP	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	29333	<i>PCW Revision May 19, 2005</i>		
Reg. Ent. Reference No.	RN100224674			
Media [Statute]	Air Quality			
Enf. Coordinator	Nadia Hameed			

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 <i>(number of NOVs meeting criteria)</i>	1	5%
	Other written NOVs	7	14%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	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 <i>(number of judgements or consent decrees meeting criteria)</i>	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 <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	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 <i>(number of audits for which notices were)</i>	4	-4%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	0	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	0	0%
	Participation in a voluntary pollution reduction program	0	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	0	0%

Adjustment Percentage (Subtotal 2) 35%

>> **Repeat Violator (Subtotal 3)**

<input type="text" value="No"/>	Adjustment Percentage (Subtotal 3) 0%
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>> **Compliance History Person Classification (Subtotal 7)**

<input type="text" value="Average Performer"/>	Adjustment Percentage (Subtotal 7) 0%
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>> **Compliance History Summary**

Compliance History Notes Penalty enhancements due to 1 same or similar NOV, 7 unrelated NOVs, including 2 self reported DMRs and 1 agreed order containing denial of liability. Reduction due to 4 notices of audits.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 35%

Screening Date	08-May-2006	Docket No.	2006-0573-AIR-E	PCW
Respondent	Oxy Vinyls, LP	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	29333	<i>PCW Revision May 19, 2005</i>		
Reg. Ent. Reference No.	RN100224674			
Media [Statute]	Air Quality			
Enf. Coordinator	Nadia Hameed			

Violation Number	1
Primary Rule Cite(s)	TCEQ Air Permit 3855B and PSD-TX-876, Special Condition 32, and 30 Tex. Admin. Code § 116.115(c)
Secondary Rule Cite(s)	30 Tex. Admin. Code § 122.143(4), Federal Operating Permit O-01324, Special Condition 21, and Tex. Health and Safety Code § 382.085(b)
Violation Description	Failure to maintain the pH level for scrubbers IND101A and IND101B, above the required minimum permit limit of 8 during March and November, 2005. The pH readings ranged from 6.001 to 7.97 during the various incidents.
Base Penalty	\$10,000

>> **Environmental, Property and Human Health Matrix**

OR	Harm			Percent <input type="text" value="10%"/>	
	Release	Major	Moderate		Minor
	Actual	<input type="text"/>	<input type="text"/>		<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

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

Adjustment - \$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events

mark only one use a small x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input checked="" type="checkbox"/>

Violation Base Penalty \$2,000

Two single events are recommended.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$61,176"/>	Violation Final Penalty Total <input type="text" value="\$3,700"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$3,700"/>	

Economic Benefit Worksheet

Respondent: Oxy Vinyls, LP
 Case ID No: 29333
 Reg. Ent. Reference No: RN100224674
 Media [Statute]: Air Quality
 Violation No: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs							
Equipment	\$465,000	16-Mar-2005	31-Jan-2007	1.9	\$2,913	\$58,263	\$61,176
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				0.0	\$0	n/a	\$0
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 costs of upgrades and modifications to incinerator scrubbers designed to prevent recurrence of this violation. Date required based on the initial date of non-compliance cited. Final date based on the date the changes are expected to be completed.

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 **\$465,000**

TOTAL **\$61,176**

Screening Date 08-May-2006 **Docket No.** 2006-0573-AIR-E **PCW**
Respondent Oxy Vinyls, LP *Policy Revision 2 (September 2002)*
Case ID No. 29333 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN100224674
Media [Statute] Air Quality
Enf. Coordinator Nadia Hameed

Violation Number 2
Primary Rule Cite(s) TCEQ Air Permit 3855B and PSD-TX-876, Special Condition 10.D, and 30 Tex. Admin. Code § 116.115(c)
Secondary Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Federal Operating Permit O-01324, Special Condition 21, and Tex. Health and Safety Code § 382.085(b)
Violation Description Failed to maintain the firing rate at the permitted limit of 72 Million (MM) British Thermal Units ("Btu") per hour on August 24, 2005 for furnace IND107 and on September 13, 2005 for furnace IND108. The readings documented were 72.6 MM Btu on September 13, and 72.9 MM Btu on August 24, 2005.

Base Penalty \$10,000

>> **Environmental, Property and Human Health Matrix**

		Harm			
Release		Major	Moderate	Minor	
OR	Actual				Percent <input type="text" value="10%"/>
	Potential			X	

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
					<input type="text"/>

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

Adjustment -\$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events

mark only one use a small x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	X

Violation Base Penalty \$2,000

Two single events are recommended.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$0"/>	Violation Final Penalty Total <input type="text" value="\$3,700"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$3,700"/>	

Economic Benefit Worksheet

Respondent: Oxy Vinyls, LP
 Case ID No: 29333
 Reg. Ent. Reference No: RN100224674
 Media [Statute]: Air Quality
 Violation No: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$100	24-Aug-2005	13-Sep-2005	0.1	\$0	n/a	\$0

Notes for DELAYED costs: There were two incidents where the permit limit was exceeded on August 24 and September 13, 2005. The cost involved connecting audible alarms and modifying the computer code that activates audible alarms in the distributed control system. Date required is based on the date of the initial non-compliance and final date is based on the date when the computer code was modified.

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 \$100

TOTAL \$0

Screening Date	08-May-2006	Docket No.	2006-0573-AIR-E	PCW
Respondent	Oxy Vinyls, LP	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	29333	<i>PCW Revision May 19, 2005</i>		
Reg. Ent. Reference No.	RN100224674			
Media [Statute]	Air Quality			
Enf. Coordinator	Nadia Hameed			
Violation Number	3			
Primary Rule Cite(s)	30 Tex. Admin. Code § 117.203(a)(6)(D)			
Secondary Rule Cite(s)	Tex. Health and Safety Code § 382.085(b)			
Violation Description	Failed to limit the operation of the emergency diesel pump engine (E1 Pump A) for operation, testing or maintenance purposes within the allowable 52 hours per year, based on a rolling 12-month average during March and April 2005.			
Base Penalty	\$10,000			

>> **Environmental, Property and Human Health Matrix**

		Harm			
Release		Major	Moderate	Minor	
OR	Actual			X	Percent <input type="text" value="25%"/>
	Potential				

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	
						Percent <input type="text"/>

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

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

mark only one use a small x	daily	<input type="checkbox"/>
	monthly	<input type="checkbox"/>
	quarterly	X
	semiannual	<input type="checkbox"/>
	annual	<input type="checkbox"/>
	single event	<input type="checkbox"/>

Violation Base Penalty

One quarterly event is recommended.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent: Oxy Vinyls, LP
 Case ID No: 29333
 Reg. Ent. Reference No: RN100224674
 Media [Statute]: Air Quality
 Violation No: 3

Percent Interest	Years of Depreciation
5.0	15
Onetime Costs	EB Amount

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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	\$200	01-Mar-2005	01-May-2005	0.2	\$2	n/a	\$2
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 of implementing procedures to ensure that the engine is not operated outside the limits specified in the permit based on procedural changes. Date required is based on the date of the initial non-compliance and final date is based on the date when the new procedure was implemented.

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

Approx. Cost of Compliance \$200

TOTAL \$2

Screening Date	08-May-2006	Docket No.	2006-0573-AIR-E	PCW
Respondent	Oxy Vinyls, LP	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	29333	<i>PCW Revision May 19, 2005</i>		
Reg. Ent. Reference No.	RN100224674			
Media [Statute]	Air Quality			
Enf. Coordinator	Nadia Hameed			
Violation Number	4			
Primary Rule Cite(s)	Federal Operating Permit O-01324, Special Condition 3A(iv)(1), 30 Tex. Admin. Code § 122.143(4)			
Secondary Rule Cite(s)	Tex. Health and Safety Code § 382.085(b)			
Violation Description	Failed to monitor visible emissions for A and B catalytic oxidizer catalyst traps and one diesel engine (E5) during the first quarter from January to March 2005.			
Base Penalty				\$10,000

>> **Environmental, Property and Human Health Matrix**

		Harm			
Release		Major	Moderate	Minor	
OR	Actual				Percent <input type="text" value="10%"/>
	Potential			X	

>> **Programmatic Matrix**

		Major	Moderate	Minor	
Falsification					Percent <input type="text"/>

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

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

mark only one use a small x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	X

Violation Base Penalty

Three single events are recommended.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent: Oxy Vinyls, LP
 Case ID No: 29333
 Reg. Ent. Reference No: RN100224674
 Media [Statute]: Air Quality
 Violation No: 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	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				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$100	31-Mar-2006	01-Apr-2006	0.0	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost of establishing a schedule for observing all vent points with the potential for visible emissions. Date required is based on the date of the initial non-compliance and final date is based on the date when the new procedure was implemented.

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 \$100 TOTAL \$0

Screening Date 08-May-2006 **Docket No.** 2006-0573-AIR-E **PCW**
Respondent Oxy Vinyls, LP *Policy Revision 2 (September 2002)*
Case ID No. 29333 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN100224674
Media [Statute] Air Quality
Enf. Coordinator Nadia Hameed

Violation Number 5
Primary Rule Cite(s) TCEQ Air Permit 3855B and PSD-TX-876, Special Condition 43.E, 30 Tex. Admin. Code §§ 116.115(c) and 115.352(4), 40 Code of Federal Regulations § 63.167(a)(1)
Secondary Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Federal Operating Permit O-01324, Special Condition 1A, and 21, and Tex. Health and Safety Code § 382.085(b)
Violation Description Failed to seal open-ended lines in volatile organic compound (VOC) service. Oxy Vinyls reported missing components which were discovered in the vinyl chloride monomer (VCM) unit between February and August, 2005.

Base Penalty \$10,000

>> **Environmental, Property and Human Health Matrix**

		Harm			
Release		Major	Moderate	Minor	
OR	Actual				Percent 10%
	Potential			X	

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	Percent

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

Adjustment -\$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events 1

mark only one use a small x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$1,000

One single event is recommended.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$5

Violation Final Penalty Total \$1,850

This violation Final Assessed Penalty (adjusted for limits) \$1,850

Economic Benefit Worksheet

Respondent: Oxy Vinyls, LP
 Case ID No: 29333
 Reg. Ent. Reference No: RN100224674
 Media [Statute]: Air Quality
 Violation No: 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	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				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$200	21-Feb-2005	30-Aug-2005	0.5	\$5	n/a	\$5

Notes for DELAYED costs: The open ended lines were sealed the day after they were discovered between February and August, 2005. The cost is minimal as the work completed is a part of the on going fugitive monitoring program at the site. Date required is based on the date of the initial non-compliance and final date is based on the date when the last component was replaced.

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 \$200 **TOTAL** \$5

Compliance History

Customer/Respondent/Owner-Operator:	CN600129126 Oxy Vinyls, LP	Classification: AVERAGE	Rating: 1.79
Regulated Entity:	RN100224674 OXY VINYLs LA PORTE PLANT	Classification: AVERAGE	Site Rating: 2.40
ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0193B
	AIR OPERATING PERMITS	PERMIT	1324
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD070133319
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31077
	WASTEWATER	PERMIT	WQ0002097000
	WASTEWATER	PERMIT	TPDES0070416
	WASTEWATER	PERMIT	TX0070416
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	12124
	AIR NEW SOURCE PERMITS	PERMIT	3855B
	AIR NEW SOURCE PERMITS	PERMIT	6913B
	AIR NEW SOURCE PERMITS	PERMIT	31148
	AIR NEW SOURCE PERMITS	PERMIT	40916
	AIR NEW SOURCE PERMITS	PERMIT	41432
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0193B
	AIR NEW SOURCE PERMITS	PERMIT	52249
	AIR NEW SOURCE PERMITS	REGISTRATION	55409
	AIR NEW SOURCE PERMITS	AFS NUM	0320
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX876
	AIR NEW SOURCE PERMITS	PERMIT	54263
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	31077
Location:	2400 MILLER CUT OFF RD, LA PORTE, TX, 77571	Rating Date: September 01 05	Repeat Violator: NO
TCEQ Region:	REGION 12 - HOUSTON		
Date Compliance History Prepared:	May 03, 2006		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	May 02, 2001 to May 02, 2006		

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

Name: Nhameed Phone: 713-767-3629

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? | No |
| 3. If Yes, who is the current owner? | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

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

N/A Effective Date: 08/13/2004 ADMINORDER-2003-0441-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 4.C. PERMIT
 Description: Failure to submit 40CFR Subpart H semi annual reports.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 43F PERMIT

Description: Failure to maintain fugitive monitoring records for 2,302 accessible valves in the Crack-Pu

Unit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Part 63, Subpart H 63.181(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 4.C. PERMIT

Description: Failure to maintain annual fugitive monitoring records for connectors in gas/vapor or light liquid service.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter B 116.115(b)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(i)(3)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 4.C. PERMIT

Description: Failure to provide a written plan for the monitoring of Difficult to Monitor components.

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 09/20/2001 (196707)
N/A

2 08/21/2002 (196705)

3 08/21/2001 (196704)

4 07/22/2003 (196702)

5 07/22/2002 (196701)

6 07/24/2001 (196700)

7 04/02/2003 (28984)

8 10/23/2003 (311759)

9 06/23/2003 (196698)

10 07/12/2001 (103069)

11 02/23/2005 (385515)

12 11/24/2003 (311760)

13 07/16/2001 (103070)

14 06/24/2002 (196697)

15 04/20/2006 (460418)

16 03/22/2005 (385516)

17 12/29/2003 (311761)

18 06/18/2001 (196696)

19 01/26/2004 (311762)

20 07/16/2001 (103071)

21 05/23/2003 (196694)

22 02/26/2002 (103072)

23 05/20/2002 (196693)

24	07/01/2004	(274250)
25	05/22/2001	(196692)
26	03/18/2002	(283985)
27	04/14/2003	(196690)
28	02/28/2006	(457156)
29	04/19/2002	(196689)
30	08/23/2005	(404921)
31	02/28/2006	(457174)
32	07/15/2005	(444346)
33	04/01/2003	(196685)
34	07/08/2005	(395131)
35	03/20/2002	(196684)
36	08/22/2005	(444347)
37	09/20/2005	(444348)
38	02/24/2003	(196682)
39	02/21/2002	(196681)
40	05/06/2004	(265013)
41	07/08/2005	(394840)
42	02/27/2006	(456938)
43	08/31/2005	(418946)
44	12/17/2002	(15398)
45	03/30/2004	(332991)
46	03/20/2003	(26019)
47	11/20/2002	(247255)
48	02/22/2006	(455182)
49	08/25/2005	(406044)
50	05/10/2002	(247254)
51	02/28/2006	(457147)
52	04/13/2005	(377233)
53	02/24/2005	(348525)
54	08/31/2005	(418950)
55	07/20/2004	(358707)
56	08/24/2004	(358708)
57	04/18/2005	(423530)
58	09/23/2004	(358709)
59	05/23/2005	(423531)
60	10/22/2004	(358710)
61	06/20/2005	(423532)
62	11/23/2004	(358711)
63	12/20/2004	(358712)
64	09/18/2004	(358713)
65	08/23/2005	(401982)
66	10/11/2002	(12434)
67	03/04/2005	(371341)
68	08/31/2005	(418878)
69	01/21/2003	(196723)
70	01/22/2002	(196722)
71	02/25/2006	(455900)
72	02/23/2004	(311744)
73	05/27/2004	(273904)
74	08/23/2005	(404446)

75 09/28/2005 (418665)
 76 12/18/2002 (196719)
 77 03/22/2004 (311747)
 78 12/19/2001 (196718)
 79 04/23/2004 (311748)
 80 12/09/2004 (339090)
 81 05/24/2004 (311750)
 82 11/26/2002 (196715)
 83 11/19/2001 (196714)
 84 11/09/2004 (339927)

85 06/22/2004 (311752)
 86 03/04/2005 (371799)
 87 02/25/2006 (456977)
 88 08/22/2003 (311755)
 89 10/21/2002 (196711)
 90 11/01/2001 (196710)
 91 09/22/2003 (311757)
 92 06/04/2004 (258033)
 93 09/23/2002 (196708)

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

Date: 06/30/2002 (196701)
 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: 07/16/2001 (103070)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
 Description: NESHAP STANDARDS

Date: 04/30/2003 (196694)
 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: 07/16/2001 (103071)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: OP IA
 Description: PERMIT SPECIAL CONDITI

Date: 06/07/2004 (258033)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: PA IA
 Description: Failure to maintain hourly average pH of scrubbing solution above 8.0.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(E)(I)
 Rqmt Prov: PA IA
 Description: Failure to maintain data sufficient to demonstrate compliance with the permit.

Date: 11/20/2002 (247255)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date: 05/10/2002 (247254)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date: 03/30/2004 (332991)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 30 TAC Chapter 305, SubChapter F 305.125(17)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE

F. Environmental audits.

Notice of Intent Date: 12/01/2003 (263135)
 No DOV Associated

Notice of Intent Date: 02/25/2004 (265138)
 No DOV Associated

Notice of Intent Date: 04/21/2004 (274330)
 No DOV Associated

Notice of Intent Date: 01/09/2003 (33136)
 No DOV Associated

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
ENFORCEMENT ACTION
CONCERNING
OXY VINYLs, LP
RN100224674**

§
§
§
§
§
§

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2006-0573-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 Oxy Vinyls, LP ("Oxy Vinyls") 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 Oxy Vinyls appear before the Commission and together stipulate that:

1. Oxy Vinyls owns and operates a chemical manufacturing plant at 2400 Miller Cut Off Road in La Porte, 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 Oxy Vinyls agree that the Commission has jurisdiction to enter this Agreed Order, and that Oxy Vinyls is subject to the Commission's jurisdiction.
4. Oxy Vinyls received notice of the violations alleged in Section II ("Allegations") on or about April 25, 2006.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Oxy Vinyls of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Nineteen Thousand Four Hundred Twenty-Five Dollars (\$19,425) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Oxy Vinyls has paid Fifteen Thousand Five Hundred Forty Dollars (\$15,540) of the administrative penalty and Three Thousand Eight Hundred Eighty-Five Dollars (\$3,885) is deferred contingent upon Oxy Vinyls' 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

CHIEF CLERKS OFFICE

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TERMS
ON
NO
CONFIDENTIAL

- Agreed Order. If Oxy Vinyls fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Oxy Vinyls 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 Oxy Vinyls 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 Oxy Vinyls has implemented the following corrective measures at the Plant:
 - a. Retrained operators and made revisions to the incinerator scrubbers to help ensure that the scrubbers are operated within the permitted limits. This work was completed on April 19, 2006;
 - b. Connected audible alarms and modified computer code that activates audible alarms in the distributed control system on September 13, 2005. This will help ensure that furnaces IND107 and 108 are operated according the limit specified in the permit;
 - c. A new procedure and tracking was implemented on May 1, 2005, to ensure that the allowable run time for emergency diesel pump engine (E1 Pump A) is not exceeded;
 - d. A new procedure was implemented on April 5, 2005, to ensure that the quarterly observation schedule for visible emissions is not missed; and
 - e. All open-ended lines were sealed by Oxy Vinyls by August 30, 2005.
 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 Oxy Vinyls 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, Oxy Vinyls is alleged to have:

1. Failed to maintain the pH level for scrubbers IND101A and IND101B, above the required minimum permit limit of 8, during March and November 2005. The pH readings ranged from 6.001 to 7.97 during the various incidents, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TCEQ Air Permit No. 3855B and PSD-TX-876, Special Condition 32, Federal Operating Permit O-01324, Special Condition 21, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 13, 2006.
2. Failed to maintain the firing rate at the permitted limit of 72 Million (MM) British Thermal Units ("Btu") per hour on August 24, 2005 for furnace IND107 and on September 13, 2005 for furnace IND108. The readings documented were 72.6 MM Btu on September 13, and 72.9 MM Btu on August 24, 2005, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TCEQ Air Permit No. 3855B and PSD-TX-876, Special Condition 10.D, Federal Operating Permit O-01324, Special Condition 21, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 13, 2006.
3. Failed to limit the operation of emergency diesel pump engine (E1 Pump A) for operation, testing or maintenance purposes within the allowable 52 hours per year, based on a rolling 12-month average during March and April 2005, in violation of 30 TEX. ADMIN. CODE § 117.203(a)(6)(D) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 13, 2006.
4. Failed to monitor visible emissions for A and B catalytic oxidizer catalyst traps and one diesel engine (E5) during the first quarter from January to March 2005, in violation of 30 TEX. ADMIN. CODE § 122.143(4), Federal Operating Permit O-01324, Special Condition 3A(iv)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 13, 2006.
5. Failed to seal open-ended lines in volatile organic compound ("VOC") service, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 115.352(4) and 122.143(4), TCEQ Air Permit No. 3855B and PSD-TX-876, Special Condition 43.E, Federal Operating Permit O-01324, Special Condition 1A and 21, CODE OF FEDERAL REGULATIONS § 63.167 (a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 13, 2006. Oxy Vinyls reported missing components which were discovered in the vinyl chloride monomer ("VCM") unit between February and August 2005.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Oxy Vinyls pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Oxy Vinyls' 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: Oxy Vinyls, LP, Docket No. 2006-0573-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. It is further ordered that Oxy Vinyls shall undertake the following technical requirements:
- a. Within 30 days after the effective date of this Agreed Order, begin maintaining the level of the pH above 8.0 in the scrubbers;
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.a. as described below:

The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Manager, Air Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023

3. The provisions of this Agreed Order shall apply to and be binding upon Oxy Vinyls. Oxy Vinyls 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.
4. If Oxy Vinyls fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Oxy Vinyls' failure to comply is not a violation of this Agreed Order. Oxy Vinyls shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Oxy Vinyls shall notify the Executive Director within seven days after Oxy Vinyls becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Oxy Vinyls shall be made in writing to the Executive Director. Extensions are not effective until Oxy Vinyls receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Oxy Vinyls 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.
7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Oxy Vinyls, or three days after the date on which the Commission mails notice of the Order to Oxy Vinyls, 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



For the Executive Director

9/22/06

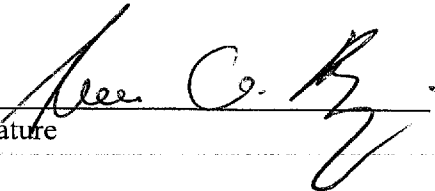
Date

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.



Signature

August 1, 2006

Date

Scott A. King

Name (Printed or typed)
Authorized Representative of
Oxy Vinyls, LP

Vice President, General Counsel and
Secretary

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.

1/10/19

1/10/19

Dear Sir,
I am writing to you regarding the matter of the...

I have been advised that the information you require is available in the records of the Department of Health and Social Security. I have therefore arranged for the relevant documents to be prepared for you. These documents will be ready for collection by you on the 15th of the month.

I am sure that this information will be of great value to you in your current research. If you have any further queries, please do not hesitate to contact me.

Yours faithfully,
[Signature]

Director of Research
Department of Health and Social Security