EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1532-AIR-E **TCEQ ID:** RN100219815 **CASE NO.:** 31037

RESPONDENT NAME: Eastman Chemical Company

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: Eastman Chemical Company, Kodak Boulevard off Highway 149, Longview, Harrison County

TYPE OF OPERATION: Chemical manufacturing plant

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is one pending enforcement action regarding this facility location, Docket No. 2007-0013-AIR-E.

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 March 19, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, Enforcement Division, MC 219, (512) 239-1768

TCEQ Enforcement Coordinator: Mr. Bryan Elliott, Enforcement Division, Enforcement Section III, MC 149, (512) 239-6162; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Ms. Stancy Simpson, Environmental Affairs Manager, Eastman Chemical Company, P.O. Box 7444, Longview, Texas 75607
Mr. James Ray, Vice President and General Manager, Eastman Chemical Company, P.O. Box 7444, Longview, Texas 75607

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 _X_ Routine __ Enforcement Follow-up __ Records Review **Date of Complaint Relating to this Case:** None **Date of Investigation Relating to this Case:** August 8, 2006 **Date of NOE Relating to this Case:** August 18, 2006 (NOE) **Background Facts:** This was a routine investigation. Four violations were documented. **AIR** 1) Failed to have each open-ended valve or line equipped with a cap, blind flange, plug or a second valve. Specifically, four plugs were discovered missing, two in January 2005 and two in May 2005 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 20567, Special Condition 6(E), and Federal Operating Permit No. O-01978, Special Terms and Conditions No. 6(A), and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to obtain authorization for emissions sources and their associated fugitive emissions prior to operation. Specifically, Emission Point Nos. ("EPNs") 025B1, 025B2, 025VS1, 025VS2, 065LR1, F025FG4, 025D103SS, and 065GRAN were operating prior to their inclusion as an amendment to Air Permit No. 18104 and EPNs 025D10, 025D15, 025D8, 025D803, 025D803BX, 025MU10, F065FG5, 025PL10, 025RS23, 065D801, and 065D802 were operating prior to their inclusion as an amendment to Air Permit No. 48592 [30 TEX. ADMIN. CODE §§ 116.110(a)(1) and 122.143(4), and Federal Operating Permit No. O-01978, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a)]. 3) Failed to maintain a minimum water supply pressure of 15 pounds per square inch gauge ("psig") for water supplied to the Beringer Jet Cleaning Oven. Specifically, on four occasions (May 7, 2005, twice on May 8, 2005, and May 10, 2005) the water supply pressure fell below 15 psig [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 18104, Special Condition 10, Federal Operating Permit No. O-01978, Special Terms and Conditions No. 6(A), and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $32,035 **Total Deferred:** $6,407 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $12,814 **Total Paid to General Revenue:** $12,814 **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:** 1) The Executive Director recognizes that Eastman has implemented the following corrective measures at the Plant: a. Replaced the four missing plugs by May 5, 2005; b. Amended Air Permit Nos. 18104 and 48592 on February 3, 2006; c. Garnered additional water supply to provide supplemental water to allow for proper pressure to be supplied to the Beringer Jet Cleaning Oven during high usage periods by November 22, 2005; and d. Adjusted the assist gas flow controller and revised the control scheme of the flare to address the inadequate gas flow which caused the decrease in the heat content by November 22, 2005. **Ordering Provisions:** 2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A).

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
4) Failed to maintain a net heating value of 200 British thermal units per standard cubic foot ("Btu/scf") or greater for the gases being combusted in a flare. Specifically, on August 19 and 20, 2005, the heat content of the combusted gas in the Amorphous Polymer Production Facility flare fell below 200 Btu/scf for 8 hours 40 minutes [30 TEX. ADMIN. CODE §§ 116.115(c), 101.20(1), and 122.143(4), Air Permit No. 20567, Special Condition 3, Federal Operating Permit No. O-01978, Special Terms and Conditions Nos. 1(A) and 6(A), 40 CODE OF FEDERAL REGULATIONS §§ 60.112b(a)(3)(ii) and 60.18(c)(3)(ii) and 60.562-1(a)(1)(i)(C), and TEX. HEALTH & SAFETY CODE § 382.085(b)].		

Attachment A
Docket Number: 2006-1532-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Eastman Chemical Company**
Payable Penalty Amount:	**Twenty-Five Thousand Six Hundred Twenty-Eight Dollars ($25,628)**
SEP Amount:	**Twelve Thousand Eight Hundred Fourteen Dollars ($12,814)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Gregg County-Purchase of Alternative Fueled Equipment**
Location of SEP:	**Gregg County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Gregg County to purchase alternative fueled equipment. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between Gregg County and the Texas Commission on Environmental Quality***. SEP monies will be used to purchase alternative fueled equipment such as propane powered lawn mowers, propane powered heavy equipment or alternative fueled vehicles to be used by the county instead of gasoline or diesel powered equipment. The county will also use SEP dollars to convert current gasoline powered equipment used by the county to alternative powered equipment.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing air emissions that are generated by gasoline powered lawn mowers, heavy equipment, and vehicles which contribute to ozone problems.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Linda Bailey, County Auditor
Gregg County
101 East Methvin
Longview, Texas 75601

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

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

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES					
Assigned	21-Aug-2006				
PCW	30-Aug-2006	Screening	30-Aug-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Eastman Chemical Company		
Reg. Ent. Ref. No.	RN100219815		
Facility/Site Region	5-Tyler	Major/Minor Source	Major Source

CASE INFORMATION

Enf./Case ID No.	31037	No. of Violations	4
Docket No.	2006-1532-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Bryan Elliott
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $21,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 74% Enhancement *Subtotals 2, 3, & 7* $15,910

Notes: The Penalty was enhanced due to ten NOVs for similar violations and twelve NOVs for dissimilar violations.

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* -$5,375

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

Notes: The Respondent came into compliance by February 3, 2006.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$127
Approx. Cost of Compliance	$4,250

SUM OF SUBTOTALS 1-7 Final Subtotal $32,035

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 $32,035

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $32,035

DEFERRAL 20% Reduction Adjustment -$6,407

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $25,628

Screening Date 30-Aug-2006 **Docket No.** 2006-1532-AIR-E **PCW**
Respondent Eastman Chemical Company *Policy Revision 2 (September 2002)*
Case ID No. 31037 *PCW Revision April 25, 2006*
Reg. Ent. Reference No. RN100219815
Media [Statute] Air Quality
Enf. Coordinator Bryan Elliott

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)*	10	50%
	Other written NOVs	12	24%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	0	0%
	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) **74%**

>> **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 The Penalty was enhanced due to ten NOVs for similar violations and twelve NOVs for dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **74%**

Screening Date 30-Aug-2006 **Docket No.** 2006-1532-AIR-E **PCW**

Respondent Eastman Chemical Company *Policy Revision 2 (September 2002)*

Case ID No. 31037 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 1

Primary Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Air Permit No. 20567, Special Condition ("S.C.") 6(E), and Federal Operating Permit ("FOP") No. O-01978, Special Terms and Conditions ("STC") No. 6(A)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to have each open-ended valve or line equipped with a cap, blind flange, plug or a second valve. Specifically, four plugs were discovered missing, two in January 2005 and two in May 2005.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

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

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 2 | 4 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $5,000

Two quarterly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $7,450

This violation Final Assessed Penalty (adjusted for limits) $7,450

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31037
Reg. Ent. Reference No. RN100219815
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				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)	$250	05-May-2005	05-May-2005	0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated cost for additional oversight to ensure that all necessary plugs are in place. Date Required is date of discovery. Final date is date of compliance.

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: $250

TOTAL: $0

Screening Date 30-Aug-2006 **Docket No.** 2006-1532-AIR-E **PCW**

Respondent Eastman Chemical Company *Policy Revision 2 (September 2002)*

Case ID No. 31037 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 2

Primary Rule Cite(s) 30 Tex. Admin. Code §§ 116.110(a)(1) and 122.143(4), and Federal Operating Permit ("FOP") No. O-01978, General Terms and Conditions

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b) and 382.0518(a)

Violation Description Failed to obtain authorization for emissions sources and their associated fugitive emissions prior to operation. Specifically, Emission Point Nos. ("EPNs") 025B1, 025B2, 025VS1, 025VS2, 065LR1, F025FG4, 025D103SS, and 065GRAN were operating prior to their inclusion as an amendment to Air Permit No. 18104 and EPNs 025D10, 025D15, 025D8, 025D803, 025D803BX, 025MU10, F065FG5, 025PL10, 025RS23, 065D801, and 065D802 were operating prior to their inclusion as an amendment to Air Permit No. 48592.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events: 4

95 Number of violation days

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

Violation Base Penalty $10,000

Four monthly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $63

Statutory Limit Test

Violation Final Penalty Total $14,900

This violation Final Assessed Penalty (adjusted for limits) $14,900

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31037
Reg. Ent. Reference No. RN100219815
Media [Statute] Air Quality
Violation No. 2

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				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs	$1,000	01-Nov-2004	03-Feb-2006	1.3	$63	n/a	$63
Other (as needed)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated cost to amend the permits. Date Required is the date the emissions sources should have been authorized when the initial permit was issued. Final Date is the date amended permits were issued (date of compliance).

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: $1,000

TOTAL $63

Screening Date 30-Aug-2006 **Docket No.** 2006-1532-AIR-E **PCW**

Respondent Eastman Chemical Company *Policy Revision 2 (September 2002)*

Case ID No. 31037 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Air Permit No. 18104, S.C. No. 10, and FOP No. O-01978, STC No. 6(A)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain a minimum water supply pressure of 15 pounds per square inch gauge ("psig") for water supplied to the Beringer Jet Cleaning Oven. Specifically, on four occasions (May 7, 2005, twice on May 8, 2005, and May 10, 2005) the water supply pressure fell below 15 psig.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

OR

Percent 10%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment could have been exposed to insignificant emissions which would not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 4 | 3 Number of violation days

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

Violation Base Penalty $4,000

Four single events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $27

Statutory Limit Test

Violation Final Penalty Total $5,960

This violation Final Assessed Penalty (adjusted for limits) $5,960

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31037
Reg. Ent. Reference No. RN100219815
Media [Statute] Air Quality
Violation No. 3

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	$1,000	07-May-2005	22-Nov-2005	0.5	$27	n/a	$27
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 train personnel on maintaining proper pressures during injection. Date required is based on the earliest documentation of the deviation. Final date is based on the end of the deviation reporting period during which compliance was achieved.

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: $1,000

TOTAL $27

Screening Date 30-Aug-2006 **Docket No.** 2006-1532-AIR-E **PCW**

Respondent Eastman Chemical Company *Policy Revision 2 (September 2002)*

Case ID No. 31037 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 4

Primary Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 101.20(1), and 122.143(4), Air Permit No. 20567, S.C. No. 3, FOP No. O-01978, STC Nos. 1(A) and 6(A), and 40 Code of Federal Regulations §§ 60.112b(a)(3)(ii) and 60.18(c)(3)(ii) and 60.562-1(a)(1)(i)(C)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain a net heating value of 200 British thermal units per standard cubic foot ("Btu/scf") or greater for the gases being combusted in a flare. Specifically, on August 19 and 20, 2005, the heat content of the combusted gas in the Amorphous Polymer Production Facility flare fell below 200 Btu/scf for 8 hours 40 minutes.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment have been exposed to insignificant emissions which do not exceed levels that are protective of human health or environmental receptors as a result of this 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 $36

Statutory Limit Test

Violation Final Penalty Total $3,725

This violation Final Assessed Penalty (adjusted for limits) $3,725

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31037
Reg. Ent. Reference No. RN100219815
Media [Statute] Air Quality
Violation No. 4

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)	$2,000	19-Aug-2005	22-Nov-2005	0.3	$2	$35	$36
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 cost to add supplemental fuel to the flares to ensure that the flares are operated with a combustible gas that has 200 Btu/scf or greater. Date required is based on the earliest documentation of the deviation. Final date is based on the end of the deviation reporting period during which compliance was achieved.

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: $2,000

TOTAL $36

Compliance History

Customer/Respondent/Owner-Operator:	CN601214406	Eastman Chemical Company	Classification: AVERAGE	Rating: 2.03
Regulated Entity:	RN100219815	EASTMAN CHEMICAL	Classification: AVERAGE	Site Rating: 0.28

ID Number(s):			
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HH0042M
	AIR OPERATING PERMITS	PERMIT	1436
	AIR OPERATING PERMITS	PERMIT	1967
	AIR OPERATING PERMITS	PERMIT	1968
	AIR OPERATING PERMITS	PERMIT	1969
	AIR OPERATING PERMITS	PERMIT	1970
	AIR OPERATING PERMITS	PERMIT	1971
	AIR OPERATING PERMITS	PERMIT	1972
	AIR OPERATING PERMITS	PERMIT	1973
	AIR OPERATING PERMITS	PERMIT	1974
	AIR OPERATING PERMITS	PERMIT	1975
	AIR OPERATING PERMITS	PERMIT	1976
	AIR OPERATING PERMITS	PERMIT	1977
	AIR OPERATING PERMITS	PERMIT	1978
	AIR OPERATING PERMITS	PERMIT	1979
	AIR OPERATING PERMITS	PERMIT	1981
	AIR OPERATING PERMITS	PERMIT	1982
	AIR OPERATING PERMITS	PERMIT	1983
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	AIR NEW SOURCE PERMITS	PERMIT	908
	AIR NEW SOURCE PERMITS	PERMIT	1105
	AIR NEW SOURCE PERMITS	PERMIT	1143
	AIR NEW SOURCE PERMITS	PERMIT	1329
	AIR NEW SOURCE PERMITS	PERMIT	2102
	AIR NEW SOURCE PERMITS	PERMIT	5283
	AIR NEW SOURCE PERMITS	PERMIT	5888
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	AIR NEW SOURCE PERMITS	PERMIT	7752
	AIR NEW SOURCE PERMITS	PERMIT	8522
	AIR NEW SOURCE PERMITS	PERMIT	8539
	AIR NEW SOURCE PERMITS	PERMIT	9167
	AIR NEW SOURCE PERMITS	PERMIT	9301
	AIR NEW SOURCE PERMITS	PERMIT	9309
	AIR NEW SOURCE PERMITS	PERMIT	9552
	AIR NEW SOURCE PERMITS	PERMIT	9631
	AIR NEW SOURCE PERMITS	PERMIT	11243
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	AIR NEW SOURCE PERMITS	PERMIT	18528

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WASTEWATER	PERMIT	WQ0000471000
WASTEWATER	PERMIT	TPDES0000949
INDUSTRIAL AND HAZARDOUS WASTE DISPOSAL	EPA ID	TXD007330202
INDUSTRIAL AND HAZARDOUS WASTE DISPOSAL	SOLID WASTE REGISTRATION # (SWR)	30137
WASTEWATER LICENSING	LICENSE	WQ0000471000
STORMWATER	PERMIT	TXR05M879
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1020092
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30137
INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS	PERMIT	50043
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD007330202
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30137
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50043
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50043
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50043
USED OIL	REGISTRATION	A85413

Location: KODAK BLVD OFF HWY 149, LONGVIEW, TX, Rating Date: September 01 05 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: August 22, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 22, 2001 to August 22, 2006

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

Name: Bryan Elliott Phone: 239-6162

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? N/A
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

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	12/17/2001	(82731)
2	12/17/2001	(82730)
3	12/17/2001	(82729)
4	12/11/2001	(82728)
5	12/11/2001	(82727)
6	07/23/2002	(153777)
7	12/11/2001	(82726)
8	12/04/2001	(82725)
9	07/23/2003	(153778)
10	12/04/2001	(82724)
11	12/04/2001	(82723)
12	12/04/2001	(82722)
13	12/04/2001	(82721)
14	12/04/2001	(82720)
15	03/12/2003	(23773)
16	08/29/2001	(153780)
17	11/28/2001	(82719)
18	10/04/2001	(82718)
19	08/30/2002	(9169)
20	08/23/2002	(153781)
21	07/14/2006	(486416)
22	08/22/2005	(405030)
23	04/05/2004	(267733)
24	08/30/2001	(82717)
25	08/23/2002	(153782)
26	09/28/2005	(432883)
27	08/30/2002	(9121)
28	07/31/2003	(38151)
29	08/28/2002	(9186)
30	01/30/2006	(453414)
31	09/27/2001	(153784)
32	04/22/2005	(440481)
33	04/04/2006	(461183)
34	05/23/2005	(440482)
35	05/30/2003	(61647)
36	09/23/2002	(153785)
37	06/24/2005	(440483)
38	04/20/2005	(377304)
39	01/03/2005	(345829)
40	07/22/2005	(440484)
41	03/12/2003	(23831)
42	08/22/2005	(440485)
43	10/19/2004	(351421)
44	07/05/2005	(393234)
45	11/01/2001	(153787)
46	08/22/2005	(406138)
47	09/23/2005	(440486)
48	10/21/2002	(153788)
49	08/26/2005	(407430)
50	02/13/2006	(455134)
51	06/03/2003	(61798)
52	08/19/2003	(150726)
53	11/23/2004	(351422)
54	05/01/2006	(464398)
55	11/26/2001	(153791)
56	03/12/2003	(24524)
57	07/19/2006	(456505)
58	06/17/2004	(275984)
59	10/10/2005	(433239)
60	02/24/2004	(293669)
61	11/25/2002	(153792)

62	05/02/2003	(24169)
63	12/07/2004	(341048)
64	07/21/2006	(486831)
65	03/22/2003	(293672)
66	09/28/2005	(432759)
67	05/01/2006	(464451)
68	12/27/2001	(153795)
69	03/13/2006	(458807)
70	08/11/2005	(402307)
71	02/27/2006	(455387)
72	04/23/2004	(293673)
73	12/30/2002	(153796)
74	07/20/2006	(456662)
75	10/10/2005	(433286)
76	05/01/2006	(464369)
77	07/13/2005	(399882)
78	01/29/2004	(250443)
79	02/08/2006	(454581)
80	05/25/2004	(293675)
81	01/29/2002	(153799)
82	02/22/2006	(467772)
83	08/31/2005	(405967)
84	01/24/2003	(153800)
85	06/22/2004	(293677)
86	03/20/2006	(467773)
87	07/13/2005	(399771)
88	05/14/2003	(36483)
89	01/03/2005	(345817)
90	04/19/2006	(467774)
91	05/02/2006	(464527)
92	04/19/2006	(467775)
93	10/25/2005	(467776)
94	08/25/2003	(293680)
95	07/21/2006	(486838)
96	01/29/2004	(258924)
97	08/22/2005	(405683)
98	11/28/2005	(467777)
99	03/12/2003	(24677)
100	09/23/2003	(293682)
101	03/17/2005	(373696)
102	12/27/2005	(467778)
103	07/25/2005	(401376)
104	03/23/2006	(459327)
105	03/18/2004	(266121)
106	10/24/2003	(293684)
107	07/25/2005	(400970)
108	01/29/2004	(257722)
109	06/30/2005	(379775)
110	11/21/2003	(293685)
111	01/25/2006	(467779)
112	08/26/2005	(407396)
113	12/29/2003	(293686)
114	03/11/2005	(373876)
115	05/09/2006	(464557)
116	04/20/2005	(378314)
117	01/23/2004	(293688)
118	03/18/2004	(266071)
119	02/06/2006	(454518)
120	09/28/2005	(432012)
121	02/06/2006	(454506)
122	02/03/2004	(261420)
123	11/29/2005	(437568)
124	07/25/2005	(401412)
125	05/09/2006	(464558)
126	05/30/2003	(61604)

127	08/30/2002	(7499)
128	02/22/2005	(381482)
129	02/06/2006	(454558)
130	05/02/2003	(29894)
131	03/21/2005	(381483)
132	12/20/2004	(381484)
133	07/01/2004	(277715)
134	03/12/2003	(24100)
135	01/31/2005	(381485)
136	01/03/2005	(345910)
137	02/06/2006	(454503)
138	03/17/2005	(373783)
139	04/04/2006	(461191)
140	02/03/2004	(261617)
141	07/28/2003	(146866)
142	12/22/2003	(258006)
143	10/28/2004	(293068)
144	03/12/2003	(24554)
145	02/06/2006	(454563)
146	06/09/2006	(480874)
147	02/13/2006	(455099)
148	07/22/2005	(395173)
149	11/19/2002	(14466)
150	06/01/2006	(480902)
151	03/11/2005	(373995)
152	01/29/2004	(257791)
153	03/13/2003	(25973)
154	04/19/2006	(462369)
155	04/19/2005	(377228)
156	03/22/2005	(374488)
157	08/22/2005	(405448)
158	07/29/2005	(395158)
159	02/27/2002	(153757)
160	07/25/2005	(399922)
161	03/13/2003	(25944)
162	02/24/2003	(153758)
163	07/20/2006	(456664)
164	03/27/2002	(153760)
165	03/25/2003	(153761)
166	05/31/2006	(480290)
167	02/13/2006	(455070)
168	02/06/2006	(454496)
169	12/06/2002	(16366)
170	04/29/2002	(153765)
171	04/21/2003	(153766)
172	07/25/2005	(401361)
173	06/03/2002	(82757)
174	05/07/2002	(82756)
175	03/17/2005	(373560)
176	05/07/2002	(82755)
177	03/22/2005	(17025)
178	04/18/2002	(82754)
179	07/25/2005	(401537)
180	08/13/2003	(146622)
181	02/06/2006	(454560)
182	03/22/2002	(82753)
183	05/28/2002	(153769)
184	03/22/2002	(82752)
185	03/22/2002	(82751)
186	07/20/2006	(497799)
187	05/23/2003	(153770)
188	08/18/2006	(497255)
189	03/22/2002	(82750)
190	06/19/2006	(497800)
191	03/22/2002	(82749)

192 07/17/2006 (486545)
193 04/26/2006 (455671)
194 07/21/2006 (486842)
195 03/22/2002 (82748)
196 07/20/2006 (497801)
197 08/30/2002 (9134)
198 03/22/2002 (82747)
199 06/09/2006 (481015)
200 03/22/2002 (82746)
201 03/13/2002 (82745)
202 07/26/2004 (332755)
203 03/13/2002 (82744)
204 10/10/2005 (433189)
205 03/13/2002 (82743)
206 08/28/2003 (150648)

207 03/13/2002 (82742)
208 07/26/2004 (351418)
209 03/13/2002 (82741)
210 06/24/2002 (153773)
211 03/13/2002 (82740)
212 12/20/2004 (344802)
213 03/13/2002 (82739)
214 02/06/2006 (454553)
215 01/03/2005 (345805)
216 07/11/2006 (484680)
217 03/13/2002 (82738)
218 08/28/2003 (150745)
219 06/24/2003 (153774)
220 03/07/2002 (82737)
221 03/07/2006 (458253)
222 08/24/2004 (351419)
223 03/07/2002 (82736)
224 12/16/2003 (257911)
225 02/06/2002 (82735)
226 02/06/2002 (82734)
227 08/31/2005 (418706)
228 02/06/2002 (82733)
229 01/10/2002 (82732)
230 09/23/2004 (351420)
231 04/20/2005 (377429)

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

Date: 08/31/2004 (351420)
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: 09/30/2002 (153788)
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: 04/20/2006 (462369)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter T 106.454(1)(F)
30 TAC Chapter 106, SubChapter T 106.454(3)(B)[G]
30 TAC Chapter 122, SubChapter B 122.143(4)
Rqmt Prov: OP IA
Description: Failure to maintain the cover in a closed position when parts were not being handled in the degreaser. On April 9, 2005, Eastman personnel discovered the open lid, closed it and reported the deviation in the January 1, 2005 through June 30, 2005 Deviation Report.

Date: 01/31/2004 (293669)

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: 06/09/2006 (480874)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.130

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)

Rqmt Prov: OP IA

Description: Failure to equip 11 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Date: 02/29/2004 (293672)

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: 02/27/2006 (455387)

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.349(a)(2)(i)(C)

Rqmt Prov: OP IA

Description: Failure to meet a minimum temperature of 1400 degrees Fahrenheit in the combustion chamber in the Rotary Kiln Incinerator (RKI) while burning hazardous waste. The minimum temperature was not met on the following dates: October 18, 2004 (2 minutes), November 4, 2004 (19 minutes), and December 6, 2004 (22 minutes).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.130

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)

Rqmt Prov: OP IA

PA IA

Description: Failure to equip 3 open-ended lines and valves with a cap, blind flange, plug, or second valve. Eastman reported that during the month of October 2004, 1 plug was found missing and was replaced. Also, it was reported that during the month of February 2005, 2 plugs were found missing and were replaced. HON components

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

PA IA

Description: Failure to equip 2 open-ended lines and valves with a cap, blind flange, plug, or second valve. Eastman reported that during the month of November 2004, 1 plug was found missing and was replaced. Also, it was reported that during the month of January 2005, 1 plug was found missing and was replaced. Not HON compon

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

PA IA

Description: Failure to maintain a minimum pH of 7.3 at the caustic scrubber liquid outlet while waste is being feed to the scrubber. On February 20, 2005, the pH dropped below 7.3 from 07:21 hours to 08:51 hours and waste was still fed to the scrubber.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.110

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.104(b)(4)

Rqmt Prov: OP IA

Description: Failure to sample at the entrance and exit of each heat exchange system to detect leaks on a quarterly basis. The HON Subpart F Analyses supplied indicates the cooling tower returns from Acetaldehyde Plants 1 and 2 were sampled, but the supplies were not sampled.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

Rqmt Prov: OP IA

Description: Failure to report each instance of a deviation in the submitted deviation reports. Deviation Reports were submitted covering the periods of July 1, 2004 through December 31, 2004 and January 1, 2005 through June 30, 2005.

Date: 06/09/2006 (481015)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

Rqmt Prov: OP IA

PA IA

Description: Failure to equip 28 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-8(c)(2)

Rqmt Prov: OP IA

PA IA

Description: Failure to make the first attempt at repair within 5 days of discovering a seal leak on pump P-135.

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

PA IA

Description: Failure to maintain a net heating value of 200 Btu/scf or greater for the gases being combusted in the mixed esters flare.

Date: 03/31/2004 (293673)

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: 01/05/2004 (258924)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)

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

Description: Failure to notify the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office of a reportable emissions event within 24 hours after discovery of the event.

Date: 05/31/2004 (293677)

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: 09/30/2005 (467776)

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: 08/23/2005 (406138)

Self Report? NO Classification: Moderate

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

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

PA IA

Description: Failure to maintain the time weighted average vacuum pressure below 105 mm Hg.

Date: 11/30/2005 (467778)

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: 11/30/2003 (293686)

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: 08/19/2005 (405030)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter K 106.262[G]

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

Description: Failure to notify the TCEQ within 10 days of the installation or modification of the facility. The notification should have been submitted on September 20, 2004, but was not submitted until October 8, 2004. 30 TAC 106.262(a)(3) requires that the notification be submitted within 10 days.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.562-2(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

Rqmt Prov: OP IA

Description: Failure to equip 94 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Date: 08/31/2005 (405967)

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Part 61, Subpart V 61.242-6(a)(1)

Rqmt Prov: OP IA

Description: Failure to equip 37 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

40 CFR Part 61, Subpart V 61.242-1(a)

Rqmt Prov: OP IA

Description: Failure to monitor 135 components in benzene service.

Date: 11/30/2004 (381484)

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: 08/19/2005 (405448)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

Rqmt Prov: OP IA

PA IA

Description: Failure to equip 41 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

PA IA

Description: Failure to equip 1 open-ended line/valve with a cap, blind flange, plug, or second valve.

Date: 03/18/2005 (373696)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(8)(A)

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

Description: Failure to prevent unauthorized emissions during an excess opacity event (Incident # 52751).

Date: 08/19/2005 (405683)

Self Report? NO Classification: Moderate

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

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)

Rqmt Prov: OP IA

PA IA

Description: Failure to equip 30 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Date: 07/26/2004 (332755)

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.

N/A

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**
EASTMAN CHEMICAL COMPANY	§	
RN100219815	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1532-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 Eastman Chemical Company ("Eastman") 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 Eastman appear before the Commission and together stipulate that:

1. Eastman owns and operates a chemical manufacturing plant at Kodak Boulevard off Highway 149 in Longview, Harrison 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 Eastman agree that the Commission has jurisdiction to enter this Agreed Order, and that Eastman is subject to the Commission's jurisdiction.

4. Eastman received notice of the violations alleged in Section II ("Allegations") on or about August 23, 2006.

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

6. An administrative penalty in the amount of Thirty-Two Thousand Thirty-Five Dollars ($32,035) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Eastman has paid Twelve Thousand Eight Hundred Fourteen Dollars ($12,814) of the administrative penalty and Six Thousand Four Hundred Seven Dollars ($6,407) is deferred contingent upon Eastman'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 Eastman fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive

Director may require Eastman to pay all or part of the deferred penalty. Twelve Thousand Eight Hundred Fourteen Dollars ($12,814) shall be conditionally offset by Eastman's completion of a Supplemental Environmental Project.

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 Eastman 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 Eastman has implemented the following corrective measures at the Plant:

   a. Replaced the four missing plugs by May 5, 2005;

   b. Amended Air Permit Nos. 18104 and 48592 on February 3, 2006;

   c. Garnered additional water supply to provide supplemental water to allow for proper pressure to be supplied to the Beringer Jet Cleaning Oven during high usage periods by November 22, 2005; and

   d. Adjusted the assist gas flow controller and revised the control scheme of the flare to address the inadequate gas flow which caused the decrease in the heat content by November 22, 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 Eastman 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, Eastman is alleged to have:

1. Failed to have each open-ended valve or line equipped with a cap, blind flange, plug or a second valve, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 20567, Special Condition 6(E), and Federal Operating Permit No. O-01978, Special Terms and Conditions No. 6(A), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation

conducted on August 8, 2006. Specifically, four plugs were discovered missing, two in January 2005 and two in May 2005.

2. Failed to obtain authorization for emissions sources and their associated fugitive emissions prior to operation, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a)(1) and 122.143(4), and Federal Operating Permit No. O-01978, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a), as documented during an investigation conducted on August 8, 2006. Specifically, Emission Point Nos. ("EPNs") 025B1, 025B2, 025VS1, 025VS2, 065LR1, F025FG4, 025D103SS, and 065GRAN were operating prior to their inclusion as an amendment to Air Permit No. 18104 and EPNs 025D10, 025D15, 025D8, 025D803, 025D803BX, 025MU10, F065FG5, 025PL10, 025RS23, 065D801, and 065D802 were operating prior to their inclusion as an amendment to Air Permit No. 48592.

3. Failed to maintain a minimum water supply pressure of 15 pounds per square inch gauge ("psig") for water supplied to the Beringer Jet Cleaning Oven, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 18104, Special Condition 10, Federal Operating Permit No. O-01978, Special Terms and Conditions No. 6(A), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on August 8, 2006. Specifically, on four occasions (May 7, 2005, twice on May 8, 2005, and May 10, 2005) the water supply pressure fell below 15 psig.

4. Failed to maintain a net heating value of 200 British thermal units per standard cubic foot ("Btu/scf") or greater for the gases being combusted in a flare, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 101.20(1), and 122.143(4), Air Permit No. 20567, Special Condition 3, Federal Operating Permit No. O-01978, Special Terms and Conditions Nos. 1(A) and 6(A), 40 CODE OF FEDERAL REGULATIONS §§ 60.112b(a)(3)(ii) and 60.18(c)(3)(ii) and 60.562-1(a)(1)(i)(C), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on August 8, 2006. Specifically, on August 19 and 20, 2005, the heat content of the combusted gas in the Amorphous Polymer Production Facility flare fell below 200 Btu/scf for 8 hours 40 minutes.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Eastman pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Eastman'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: Eastman Chemical Company, Docket No. 2006-1532-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. Eastman shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Twelve Thousand Eight Hundred Fourteen Dollars ($12,814) of the assessed administrative penalty shall be offset with the condition that Eastman implement the SEP defined in Attachment A, incorporated herein by reference. Eastman's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. The provisions of this Agreed Order shall apply to and be binding upon Eastman. Eastman 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 Eastman 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, Eastman's failure to comply is not a violation of this Agreed Order. Eastman shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Eastman shall notify the Executive Director within seven days after Eastman 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 Eastman shall be made in writing to the Executive Director. Extensions are not effective until Eastman 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 Eastman 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 Eastman, or three days after the date on which the Commission mails notice of the Order to Eastman, 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

4/3/07
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

Dec. 7, 2006
Date

James Ray
Name (Printed or typed)
Authorized Representative of
Eastman Chemical Company

Vice President and General Manager
Eastman Chemical Company
Title

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.

Attachment A
Docket Number: 2006-1532-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Eastman Chemical Company**
Payable Penalty Amount:	**Twenty-Five Thousand Six Hundred Twenty-Eight Dollars ($25,628)**
SEP Amount:	**Twelve Thousand Eight Hundred Fourteen Dollars ($12,814)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Gregg County-Purchase of Alternative Fueled Equipment**
Location of SEP:	**Gregg County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Gregg County to purchase alternative fueled equipment. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between Gregg County and the Texas Commission on Environmental Quality***. SEP monies will be used to purchase alternative fueled equipment such as propane powered lawn mowers, propane powered heavy equipment or alternative fueled vehicles to be used by the county instead of gasoline or diesel powered equipment. The county will also use SEP dollars to convert current gasoline powered equipment used by the county to alternative powered equipment.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing air emissions that are generated by gasoline powered lawn mowers, heavy equipment, and vehicles which contribute to ozone problems.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Linda Bailey, County Auditor
Gregg County
101 East Methvin
Longview, Texas 75601

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

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

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.