EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1923-AIR-E **TCEQ ID:** RN100219815 **CASE NO.:** 31620

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, Kodak Boulevard off Highway 149, Longview, Harrison County

TYPE OF OPERATION: Chemical plant

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There are four additional pending enforcement actions regarding this facility location, Docket Nos. 2005-0168-AIR-E, 2005-1498-AIR-E, 2006-1532-AIR-E and 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 26, 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: Ms. Kimberly Morales, Enforcement Division, Enforcement Section III, MC R-12, (713) 422-8938; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

TCEQ Field Investigator: Ms. Celeste Lane, Tyler Regional Office, MC R-05, (903) 535-5100

Respondent: Mr. Stancy Simpson, Manager, Environmental Affairs, Eastman Chemical Company, P.O. Box 7444, Longview, Texas 75607
Corporation Service Company, Registered Agent for Eastman Chemical Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701
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 INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___ Complaint ___ Routine ___ Enforcement Follow-up _X_ Records Review **Date of Complaint Relating to this Case:** None **Date of Investigation Relating to this Case:** October 10 - 20, 2006 **Date of NOE Relating to this Case:** October 27, 2006 (NOE) **Background Facts:** This was a routine record review conducted in response to two emissions events that began on July 25 and August 4, 2006. Four violations were documented. **AIR** 1) Failed to properly notify the agency within 24 hours ("hr") of the discovery of a reportable emissions event. On July 25, 2006, at 11:22 AM an emissions event was discovered at Emissions Point Number ("EPN") 042FL2, but not reported until July 27, 2006, at 12:48 PM [30 TEX. ADMIN. CODE §§ 101.201(a)(1) and 122.143(4), Federal Operating Permit ("FOP") No. 1979, Special Terms and Conditions ("STC") 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to prevent unauthorized emissions. During an event that began on July 25, 2006, and continued for 27 hr and 38 minutes ("min"), approximately 2,935 pounds ("lb") of carbon monoxide ("CO"), 4,093 lb of volatile organic compounds ("VOC"), and 406 lb of oxides of nitrogen ("NO_x") were released from EPN 042FL2. Since the emissions event was not properly reported, Eastman failed to meet the demonstrations for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 908, Special Provision 1, FOP No. 1979, STC 10, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failed to properly notify the agency of all reportable pollutants in the initial notification of an emissions event discovered on August 4, 2006, at EPN 225FL1 [30 TEX. ADMIN. CODE §§ 101.201(a)(2)(F) and 122.143(4), FOP No. 1973, STC 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $15,708 **Total Deferred:** $3,142 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $6,283 **Total Paid to General Revenue:** $6,283 **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	**Ordering Provisions:** 1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A) 2) The Order will also require the Respondent to: a. Within 30 days after the effective date of this Agreed Order: i. Address the reporting events that occurred on and after July 25, 2006 and August 4, 2006,respectively, by drafting and implementing improvements in applicable emissions event reporting procedures; and ii. Address the emissions events that occurred on July 25, 2006, and August 4, 2006, respectively, by drafting and implementing improvements as necessary. b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions 2.a.i. through 2.a.ii.

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
4) Failed to prevent unauthorized emissions. During an event that began on August 4, 2006, and continued for 25 hr and 35 min, approximately 6,880 lb of CO, 10,189 lb of VOC, and 953 lb of NO_x were released from EPN 225FL1. Since the emissions event was not properly reported, Eastman failed to meet the demonstrations for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 8539, Special Condition 1, FOP No. 1973, STC 10, and TEX. HEALTH & SAFETY CODE § 382.085(b)].		

Attachment A
Docket Number: 2006-1923-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Eastman Chemical Company**
Payable Penalty Amount:	**Twelve Thousand Five Hundred Sixty-Six Dollars ($12,566)**
SEP Amount:	**Six Thousand Two Hundred Eighty-Three Dollars ($6,283)**
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	30-Oct-2006				
PCW	10-Nov-2006	Screening	02-Nov-2006	EPA Due	24-Jul-2007

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.	31620	No. of Violations	4
Docket No.	2006-1923-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	John Barry
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* $7,700

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 104% Enhancement *Subtotals 2, 3, & 7* $8,008

Notes: Enhancement is due to 12 same or similar NOVs and 22 other NOVs, including 10 that are self reported.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: Culpability criteria was not met.

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 good faith effort criteria was not met.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$132
Approx. Cost of Compliance	$2,500

SUM OF SUBTOTALS 1-7 Final Subtotal $15,708

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 $15,708

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $15,708

DEFERRAL 20% Reduction Adjustment -$3,142

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

Notes: A deferral is offered for expedited settlement.

PAYABLE PENALTY $12,566

Screening Date 02-Nov-2006 **Docket No.** 2006-1923-AIR-E **PCW**
Respondent Eastman Chemical Company *Policy Revision 2 (September 2002)*
Case ID No. 31620 *PCW Revision April 25, 2006*
Reg. Ent. Reference No. RN100219815
Media [Statute] Air Quality
Enf. Coordinator John Barry

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)*	12	60%
	Other written NOVs	22	44%
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) **104%**

>> **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 Enhancement is due to 12 same or similar NOVs and 22 other NOVs, including 10 that are self reported.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **104%**

Screening Date 02-Nov-2006 **Docket No.** 2006-1923-AIR-E **PCW**

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

Case ID No. 31620 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator John Barry

Violation Number 1

Primary Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)

Secondary Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Federal Operating Permit ("FOP") No. 1979, Special Terms and Conditions ("STC") 2F, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failure to properly notify the agency within 24 hours ("hr") of the discovery of a reportable emissions event. On July 25, 2006, at 11:22 AM an emissions event was discovered at Emissions Point Number ("EPN") 042FL2 , but not reported until July 27, 2006, at 12:48 PM.

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 1%

Matrix Notes: 70% or more of the rule was met.

Adjustment -$9,900

Base Penalty Subtotal $100

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 $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $13

Statutory Limit Test

Violation Final Penalty Total $204

This violation Final Assessed Penalty (adjusted for limits) $204

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31620
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)	$250	25-Jul-2006	01-May-2007	0.8	$1	$13	$13
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 procedurally seeking to assure proper reporting of emission events; the date required is the date of the emission; the final date is the estimated date of procedure implementation.

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 $13

Screening Date 02-Nov-2006 **Docket No.** 2006-1923-AIR-E **PCW**

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

Case ID No. 31620 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator John Barry

Violation Number 2

Primary Rule Cite(s)	Air Permit No. 908, Special Provision 1
Secondary Rule Cite(s)	30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), FOP No. 1979, STC 10, and Tex. Health & Safety Code § 382.085(b)
Violation Description	Failure to prevent unauthorized emissions. During an event that began on July 25, 2006, and continued for 27 hr and 38 minutes ("min"), approximately 2,935 pounds ("lb") of carbon monoxide ("CO"), 4,093 lb of volatile organic compounds ("VOC"), and 406 lb of oxides of nitrogen ("NO_x") were released from EPN 042FL2. Since the emissions event was not properly reported, Eastman failed to meet the demonstrations for an affirmative defense under 30 Tex. Admin. Code § 101.222.

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 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 -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1 | 2 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 $54

Statutory Limit Test

Violation Final Penalty Total $5,100

This violation Final Assessed Penalty (adjusted for limits) $5,100

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31620
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)	$1,000	25-Jul-2006	01-May-2007	0.8	$3	$51	$54
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 of addressing the emissions event that occurred on July 25, 2006, by drafting and implementing improvements in applicable operations and maintenance procedures; the date required was the date of start of event; the final date is the estimated 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 $54

Screening Date 02-Nov-2006 **Docket No.** 2006-1923-AIR-E **PCW**

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

Case ID No. 31620 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator John Barry

Violation Number 3

Primary Rule Cite(s)	30 Tex. Admin. Code § 101.201(a)(2)(F)
Secondary Rule Cite(s)	30 Tex. Admin. Code § 122.143(4), FOP No. 1973, STC 2F, and Tex. Health & Safety Code § 382.085(b)
Violation Description	Failure to properly notify the agency of all reportable pollutants in the initial notification of an emissions event discovered on August 4, 2006, at EPN 225FL1.

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 1%

Matrix Notes: 70% or more of the rule was met.

Adjustment -$9,900

Base Penalty Subtotal $100

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 $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $13

Statutory Limit Test

Violation Final Penalty Total $204

This violation Final Assessed Penalty (adjusted for limits) $204

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31620
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)	$250	04-Aug-2006	01-May-2007	0.7	$1	$12	$13
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 procedurally seeking to assure proper reporting of emission events; the date required is the date of the emissions event; the final date is the estimated date of procedure implementation.						
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 $13

Screening Date 02-Nov-2006 **Docket No.** 2006-1923-AIR-E **PCW**

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

Case ID No. 31620 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100219815

Media [Statute] Air Quality

Enf. Coordinator John Barry

Violation Number 4

Primary Rule Cite(s)	Air Permit No. 8539, Special Condition 1
Secondary Rule Cite(s)	30 Tex. Admin. Code §§ 116.115(c), and 122.143(4), FOP No. 1973, STC 10, and Tex. Health & Safety Code § 382.085(b)
Violation Description	Failure to prevent unauthorized emissions. During an event that began on August 4, 2006, and continued for 25 hr and 35 min, approximately 6,880 lb of CO, 10,189 lb of VOC, and 953 lb of NO_x were released from EPN 225FL1. Since the emissions event was not properly reported, Eastman failed to meet the demonstrations for an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual		x	
Potential			

OR

Percent 50%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

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

Adjustment -$5,000

Base Penalty Subtotal $5,000

Violation Events

Number of Violation Events 1 | 2 Number of violation days

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

Violation Base Penalty $5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $52

Statutory Limit Test

Violation Final Penalty Total $10,200

This violation Final Assessed Penalty (adjusted for limits) $10,200

Economic Benefit Worksheet

Respondent Eastman Chemical Company
Case ID No. 31620
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)	$1,000	04-Aug-2006	01-May-2007	0.7	$2	$49	$52
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 of addressing the emissions event that occurred on August 4, 2006, by drafting and implementing improvements in applicable operations and maintenance procedures; the date required was the date of start of event; the final date is the estimated 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 $52

Compliance History

Customer/Respondent/Owner-Operator:	CN601214406	Eastman Chemical Company	Classification: AVERAGE	Rating: 1.95
Regulated Entity:	RN100219815	EASTMAN CHEMICAL	Classification: AVERAGE	Site Rating: 0.97

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
	AIR NEW SOURCE PERMITS	PERMIT	208
	AIR NEW SOURCE PERMITS	PERMIT	626
	AIR NEW SOURCE PERMITS	PERMIT	681
	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
	AIR NEW SOURCE PERMITS	PERMIT	6419
	AIR NEW SOURCE PERMITS	PERMIT	6509
	AIR NEW SOURCE PERMITS	PERMIT	6772
	AIR NEW SOURCE PERMITS	PERMIT	6777
	AIR NEW SOURCE PERMITS	PERMIT	7022
	AIR NEW SOURCE PERMITS	PERMIT	7023
	AIR NEW SOURCE PERMITS	PERMIT	7416
	AIR NEW SOURCE PERMITS	PERMIT	7695
	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
	AIR NEW SOURCE PERMITS	PERMIT	12367
	AIR NEW SOURCE PERMITS	PERMIT	13510
	AIR NEW SOURCE PERMITS	PERMIT	13743
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	AIR NEW SOURCE PERMITS	PERMIT	17578
	AIR NEW SOURCE PERMITS	PERMIT	17579
	AIR NEW SOURCE PERMITS	PERMIT	17833
	AIR NEW SOURCE PERMITS	PERMIT	18104
	AIR NEW SOURCE PERMITS	PERMIT	18528

AIR NEW SOURCE PERMITS	PERMIT	19230
AIR NEW SOURCE PERMITS	PERMIT	19959
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AIR NEW SOURCE PERMITS	PERMIT	20505
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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 06 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: November 02, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 02, 2001 to November 02, 2006

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

Name: John Barry Phone: (409) 899-8781

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.)

N/A

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	11/28/2001	(82719)
17	08/30/2002	(9169)
18	08/23/2002	(153781)
19	07/14/2006	(486416)
20	08/22/2005	(405030)
21	04/05/2004	(267733)
22	08/23/2002	(153782)
23	09/28/2005	(432883)
24	08/30/2002	(9121)
25	07/31/2003	(38151)
26	08/28/2002	(9186)
27	01/30/2006	(453414)
28	04/22/2005	(440481)
29	04/04/2006	(461183)
30	08/28/2006	(509675)
31	05/23/2005	(440482)
32	05/30/2003	(61647)
33	09/23/2002	(153785)
34	06/24/2005	(440483)
35	04/20/2005	(377304)
36	01/03/2005	(345829)
37	07/22/2005	(440484)
38	10/18/2006	(513967)
39	03/12/2003	(23831)
40	08/22/2005	(440485)
41	10/19/2004	(351421)
42	07/05/2005	(393234)
43	08/22/2005	(406138)
44	09/23/2005	(440486)
45	10/21/2002	(153788)
46	08/26/2005	(407430)
47	02/13/2006	(455134)
48	06/03/2003	(61798)
49	08/19/2003	(150726)
50	11/23/2004	(351422)
51	05/01/2006	(464398)
52	11/26/2001	(153791)
53	03/12/2003	(24524)
54	07/19/2006	(456505)
55	06/17/2004	(275984)
56	10/10/2005	(433239)
57	02/24/2004	(293669)
58	10/19/2006	(514234)

59	11/25/2002	(153792)
60	05/02/2003	(24169)
61	11/01/2006	(517231)
62	12/07/2004	(341048)
63	09/22/2006	(513659)
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	10/18/2006	(515895)
81	05/25/2004	(293675)
82	01/29/2002	(153799)
83	02/22/2006	(467772)
84	08/31/2005	(405967)
85	01/24/2003	(153800)
86	06/22/2004	(293677)
87	03/20/2006	(467773)
88	07/13/2005	(399771)
89	05/14/2003	(36483)
90	01/03/2005	(345817)
91	04/19/2006	(467774)
92	05/02/2006	(464527)
93	04/19/2006	(467775)
94	10/25/2005	(467776)
95	08/25/2003	(293680)
96	10/18/2006	(515038)
97	07/21/2006	(486838)
98	01/29/2004	(258924)
99	08/22/2005	(405683)
100	11/28/2005	(467777)
101	03/12/2003	(24677)
102	09/23/2003	(293682)
103	03/17/2005	(373696)
104	12/27/2005	(467778)
105	07/25/2005	(401376)
106	03/23/2006	(459327)
107	03/18/2004	(266121)
108	10/24/2003	(293684)
109	07/25/2005	(400970)
110	01/29/2004	(257722)
111	06/30/2005	(379775)
112	11/21/2003	(293685)
113	08/31/2006	(510752)
114	08/28/2006	(509315)
115	01/25/2006	(467779)
116	08/26/2005	(407396)
117	12/29/2003	(293686)
118	03/11/2005	(373876)
119	05/09/2006	(464557)
120	04/20/2005	(378314)
121	01/23/2004	(293688)
122	10/19/2006	(514010)

123	03/18/2004	(266071)
124	02/06/2006	(454518)
125	09/28/2005	(432012)
126	02/06/2006	(454506)
127	02/03/2004	(261420)
128	11/29/2005	(437568)
129	07/25/2005	(401412)
130	05/09/2006	(464558)
131	10/18/2006	(515798)
132	05/30/2003	(61604)
133	08/30/2002	(7499)
134	02/22/2005	(381482)
135	02/06/2006	(454558)
136	05/02/2003	(29894)
137	03/21/2005	(381483)
138	08/31/2006	(510444)
139	12/20/2004	(381484)
140	07/01/2004	(277715)
141	08/31/2006	(509748)
142	03/12/2003	(24100)
143	01/31/2005	(381485)
144	01/03/2005	(345910)
145	02/06/2006	(454503)
146	03/17/2005	(373783)
147	04/04/2006	(461191)
148	02/03/2004	(261617)
149	07/28/2003	(146866)
150	12/22/2003	(258006)
151	10/28/2004	(293068)
152	08/31/2006	(510445)
153	03/12/2003	(24554)
154	02/06/2006	(454563)
155	06/09/2006	(480874)
156	02/13/2006	(455099)
157	11/01/2006	(517290)
158	07/22/2005	(395173)
159	11/19/2002	(14466)
160	06/01/2006	(480902)
161	03/11/2005	(373995)
162	10/18/2006	(515875)
163	01/29/2004	(257791)
164	03/13/2003	(25973)
165	04/19/2006	(462369)
166	04/19/2005	(377228)
167	03/22/2005	(374488)
168	10/18/2006	(515827)
169	10/18/2006	(515002)
170	08/22/2005	(405448)
171	08/31/2006	(510674)
172	07/29/2005	(395158)
173	02/27/2002	(153757)
174	07/25/2005	(399922)
175	03/13/2003	(25944)
176	02/24/2003	(153758)
177	10/18/2006	(515910)
178	11/01/2006	(517576)
179	07/20/2006	(456664)
180	03/27/2002	(153760)
181	03/25/2003	(153761)
182	05/31/2006	(480290)
183	02/13/2006	(455070)
184	02/06/2006	(454496)
185	12/06/2002	(16366)
186	04/29/2002	(153765)

187	04/21/2003	(153766)
188	07/25/2005	(401361)
189	06/03/2002	(82757)
190	05/07/2002	(82756)
191	03/17/2005	(373560)
192	05/07/2002	(82755)
193	03/22/2005	(17025)
194	04/18/2002	(82754)
195	07/25/2005	(401537)
196	08/13/2003	(146622)
197	02/06/2006	(454560)
198	10/18/2006	(514945)
199	03/22/2002	(82753)
200	05/28/2002	(153769)
201	03/22/2002	(82752)
202	08/22/2006	(497545)
203	03/22/2002	(82751)
204	07/20/2006	(497799)
205	05/23/2003	(153770)
206	08/18/2006	(497255)
207	03/22/2002	(82750)
208	06/19/2006	(497800)
209	03/22/2002	(82749)
210	07/17/2006	(486545)
211	04/26/2006	(455671)
212	07/21/2006	(486842)
213	03/22/2002	(82748)
214	07/20/2006	(497801)
215	08/30/2002	(9134)
216	03/22/2002	(82747)
217	06/09/2006	(481015)
218	03/22/2002	(82746)
219	03/13/2002	(82745)
220	07/26/2004	(332755)
221	03/13/2002	(82744)
222	10/10/2005	(433189)
223	03/13/2002	(82743)
224	08/28/2003	(150648)
225	03/13/2002	(82742)
226	07/26/2004	(351418)
227	03/13/2002	(82741)
228	06/24/2002	(153773)
229	08/22/2006	(497635)
230	03/13/2002	(82740)
231	12/20/2004	(344802)
232	03/13/2002	(82739)
233	02/06/2006	(454553)
234	01/03/2005	(345805)
235	07/11/2006	(484680)
236	03/13/2002	(82738)
237	08/28/2003	(150745)
238	06/24/2003	(153774)
239	10/27/2006	(516004)
240	03/07/2002	(82737)
241	03/07/2006	(458253)
242	08/24/2004	(351419)
243	03/07/2002	(82736)
244	12/16/2003	(257911)
245	02/06/2002	(82735)
246	02/06/2002	(82734)
247	08/31/2005	(418706)
248	02/06/2002	(82733)
249	01/10/2002	(82732)
250	09/23/2004	(351420)

251 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: 08/22/2006 (497545)

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 V 61.242-6(a)

Rqmt Prov:

OP IA

Description: Failure to equip 17 open-ended lines, valves, or flanges with a cap, blind flange, plug, or second valve. These components only have federal applicability.

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 5 open-ended lines, valves, or flanges with a cap, blind flange, plug, or second valve. These components only have state applicability.

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 repair a valve during a shutdown that had been placed on delay of repair.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.560

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT YY 63.1103(e)(3)

Rqmt Prov: OP IA

Description: Failure to equip 10 open-ended lines, valves, or flanges with a cap, blind flange, plug, or second valve. These components only have federal applicability under 40 CFR 63, Subpart YY.

Date: 08/31/2006 (510674)

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 15 open-ended lines and valves with a cap, blind flange, plug, or second valve.

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: 09/28/2006 (514010)

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 2 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 repair two leaking components within 15 days of discovering the leaks.

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 61.242-8(c)

Rqmt Prov: OP IA

PA IA

Description: Failure to repair a leaking connector within 15 days of discovering the leaking connector.

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: 08/31/2006 (510752)

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.

Self Report? NO Classification: Moderate

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

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

30 TAC Chapter 122, SubChapter B 122.146(2)

Rqmt Prov: OP IA

Description: Failure to submit an annual compliance certification and deviation report within 30 days after the end of the reporting period.

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: 09/29/2006 (514234)

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 V 61.242-6(a)

Rqmt Prov: OP IA

Description: Failure to equip 7 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.560

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT YY 63.1103(e)(3)

Rqmt Prov: OP IA

Description: Failure to equip 113 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.560

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT SS 63.982(b)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT SS 63.999(a)(1)(iv)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT YY 63.1103(e)(3)

Rqmt Prov: OP IA

Description: Failure to submit prior flare test reports 90 days prior to the compliance date of January 6, 2006.

Date: 08/30/2006 (510444)

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 34 open-ended lines and valves with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

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

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

30 TAC Chapter 122, SubChapter B 122.146(2)

Rqmt Prov: OP IA

Description: Failure to submit an annual compliance certification and deviation report within 30 days after the end of the reporting period.

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: 08/28/2006 (509675)

Self Report? NO Classification: Moderate

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

Rqmt Prov: OP IA

Description: Failure to conduct quarterly opacity observations on 18 stationary combustion source vents.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter K 106.261(a)(7)(A)

30 TAC Chapter 106, SubChapter K 106.262(3)

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

Description: Failure to submit a PBR notification within 10 days of the modification.

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 conduct quarterly sampling for VOCs from the pellets on C-Line from November 1, 2004 through September 30, 2005.

Date: 08/22/2006 (497635)

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 V 61.242-6(a)

Rqmt Prov: OP IA

Description: Failure to equip 6 open-ended lines, valves, or flanges 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)

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

Rqmt Prov: OP IA

Description: Failure to maintain the combustion chamber of the Rotary Kiln Incinerator (RKI) above the minimum temperature of 1400 degrees Fahrenheit while waste tanks were

being vented to the RKI.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.620

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT EEE 63.1206(c)(3)(viii)

Rqmt Prov: OP IA

Description: Failure to conduct one weekly AWFCO test and failure to include % oxygen as an OPL during the weekly AWFCO test.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.620

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT EEE 63.1209(b)(2)(i)

Rqmt Prov: OP IA

Description: Failure to conduct annual calibrations on the Fluid Bed and Rotary Kiln Incinerators' 21 total instruments.

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: 08/30/2006 (509748)

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 V 61.242-6(a)

Rqmt Prov: OP IA

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

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.560

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT YY 63.1103(e)(3)

Rqmt Prov: OP IA

Description: Failure to equip 2 open-ended lines, valves, or flanges with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.110

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 F 63.100(b)

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

Rqmt Prov: OP IA

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

Date: 08/25/2006 (509315)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.110

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 F 63.100(b)

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

Rqmt Prov: OP IA

Description: Failure to equip 4 open-ended lines, valves, or flanges 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 a flange with a blind flange.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.110

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 F 63.100(b)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.174(d)

Rqmt Prov: OP IA

PA IA

Description: Failure to repair a leaking component (connector) within 15 days of discovering the leak.

Date: 11/01/2006 (517576)

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 one open-ended line with a blind flange.

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 one open-ended line with a blind flange.

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 four open-ended line with a cap, blind flange, or plug.

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

Date: 08/31/2006 (510445)

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 8 open-ended lines and valves with a cap, blind flange, plug, or second valve.

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. 2006-1923-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 plant on 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 November 1, 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 Fifteen Thousand Seven Hundred Eight Dollars ($15,708) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Eastman has paid Six Thousand Two Hundred Eighty-Three Dollars ($6,283) of the administrative penalty and Three Thousand One Hundred Forty-Two Dollars ($3,142) 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. Six Thousand Two Hundred Eighty-Three Dollars ($6,283) shall be conditionally offset by Eastman's completion of a Supplemental Environmental Project ("SEP").

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 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.

10. 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.

11. 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 properly notify the agency within 24 hours ("hr") of the discovery of a reportable emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1) and 122.143(4), Federal Operating Permit ("FOP") No. 1979, Special Terms and Conditions ("STC") 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 10 - 20, 2006. On July 25, 2006, at 11:22 AM an emissions event was discovered at Emissions Point Number ("EPN") 042FL2, but not reported until July 27, 2006, at 12:48 PM.

2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 908, Special Provision 1, FOP No. 1979, STC 10, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 10 - 20, 2006. During an event that began on July 25, 2006, and continued for 27 hr and 38 minutes ("min"), approximately 2,935 pounds ("lb") of carbon monoxide ("CO"), 4,093 lb of volatile organic compounds ("VOC"), and 406 lb of oxides of nitrogen ("NO_x") were released from EPN 042FL2. Since the emissions event was not properly reported, Eastman failed to meet the demonstrations for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

3. Failed to properly notify the agency of all reportable pollutants in the initial notification of an emissions event discovered on August 4, 2006, at EPN 225FL1, in violation of 30 TEX. ADMIN.

CODE §§ 101.201(a)(2)(F) and 122.143(4), FOP No. 1973, STC 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 10 - 20, 2006.

4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 8539, Special Condition 1, FOP No. 1973, STC 10, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 10 - 20, 2006. During an event that began on August 4, 2006, and continued for 25 hr and 35 min, approximately 6,880 lb of CO, 10,189 lb of VOC, and 953 lb of NO_x were released from EPN 225FL1. Since the emissions event was not properly reported, Eastman failed to meet the demonstrations for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

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. 2006-1923-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 SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Six Thousand Two Hundred Eighty-Three Dollars ($6,283) 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. It is further ordered that Eastman shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order,

i. Address the reporting events that occurred on and after July 25, 2006, and August 4, 2006, respectively, by drafting and implementing improvements in applicable emissions event reporting procedures; and

ii. Address the emissions events that occurred on July 25, 2006, and August 4, 2006, respectively, by drafting and implementing improvements as necessary.

b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision nos. 3.a.i. through 3.a.ii.

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
Tyler Regional Office
Texas Commission on Environmental Quality
2916 Teague Drive
Tyler, Texas 75701-3756

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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

5/25/07
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

JAN. 11, 2007
Date

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

Vice President and
General Manager of
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: 2006-1923-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Eastman Chemical Company**
Payable Penalty Amount:	**Twelve Thousand Five Hundred Sixty-Six Dollars ($12,566)**
SEP Amount:	**Six Thousand Two Hundred Eighty-Three Dollars ($6,283)**
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.