EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1988-AIR-E **TCEQ ID:** RN100224450 **CASE NO.:** 31755

RESPONDENT NAME: Millennium Petrochemicals Inc.

ORDER TYPE:		
__1660 AGREED ORDER	X FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Millennium Petrochemicals La Porte Plant, 1350 Miller Cut Off Road, La Porte, Harris County

TYPE OF OPERATION: Chemical manufacturing

SMALL BUSINESS: ___ Yes __X__ No

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

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

COMMENTS RECEIVED: The *Texas Register* comment period expired on April 23, 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. Roshondra Lowe, Enforcement Division, Enforcement Section III, MC R-12, (713) 767-3553; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896
Respondent: Mr. Marcus W. Gaddy, Plant Manager, Millennium Petrochemicals Inc., P.O. Drawer D, Deer Park, Texas 77536
CT Corporation System, Registered Agent, Millennium Petrochemicals Inc., 350 North St. Paul Street, Dallas, Texas 75201
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(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** December 29, 2005 **Date of NOE Relating to this Case:** November 7, 2006 (NOE) **Background Facts:** This was a routine investigation. One violation was documented. **AIR** Failed to prevent unauthorized emissions on December 16, 2005. Since the emissions event was avoidable and excessive the respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE §101.222 [30 TEX. ADMIN. CODE §116.115(c), TEX. HEALTH & SAFETY CODE §382.085(b), and Air Permit No. 4751, Special Condition No. 5].	**Total Assessed:** $10,000 **Total Deferred:** $0 __Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $5,000 **Total Paid to General Revenue:** $5,000 **Site Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** _X_ Yes __ No **Applicable Penalty Policy:** September 2002 **Findings Orders Justification:** The Respondent has three repeated enforcement actions for the same violation over the prior five year period.	**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. Comply with the TCEQ request dated November 7, 2006 for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred December 16, 2005; b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by other deadline specified in writing; c. Upon Commission approval, implement the CAP; and d. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 2.a. through 2.c.

Attachment A
Docket Number: 2006-1988-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Millennium Petrochemicals Inc.**
Payable Penalty Amount:	**Ten Thousand Dollars ($10,000)**
SEP Amount:	**Five Thousand Dollars ($5,000)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program**
Location of SEP:	**Harris 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 Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

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 particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

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:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

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)

Policy Revision 2 (September 2002) — *PCW Revision November 17, 2006*

TCEQ

DATES					
Assigned	13-Nov-2006				
PCW	20-Nov-2006	Screening	16-Nov-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Millennium Petrochemicals Inc.		
Reg. Ent. Ref. No.	RN100224450		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	31755	No. of Violations	1
Docket No.	2006-1988-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Roshondra Lowe
Multi-Media		EC's Team	EnforcementTeam 6
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $10,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 129% Enhancement — *Subtotals 2, 3, & 7* $12,900

Notes: The penalty was enhanced due to four NOVs for same or similar violations, eight NOVs issued for unrelated violations, fifteen unrelated effluent discharge violations, two 1660-style Agreed Orders, and one Findings Order. Penalty reduction due to two Notices of Audits submitted.

Culpability: No — 0% Enhancement — *Subtotal 4* $0

Notes: Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — 0% Reduction — *Subtotal 5* $0

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

Notes: The respondent does not meet the good faith criteria.

0% Enhancement* — *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$136
Approx. Cost of Compliance	$1,500

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $22,900

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 $22,900

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $10,000

DEFERRAL — 0% Reduction — *Adjustment* $0

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

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY $10,000

Screening Date 16-Nov-2006 **Docket No.** 2006-1988-AIR-E **PCW**

Respondent Millennium Petrochemicals Inc.

Case ID No. 31755

Reg. Ent. Reference No. RN100224450

Media [Statute] Air Quality

Enf. Coordinator Roshondra Lowe

Policy Revision 2 (September 2002)
PCW Revision November 17, 2006

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	4	20%
	Other written NOVs	23	46%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	2	40%
	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	1	25%
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 submitted*)	2	-2%
	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) 129%

>> 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 four NOVs for same or similar violations, eight NOVs issued for unrelated issues, fifteen unrelated effluent discharge violations, two 1660-style Agreed Orders with denial of liability, and one Findings Order without denial of liability. Penalty reduction due to two Notices of Audits submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 129%

Screening Date	16-Nov-2006	**Docket No.** 2006-1988-AIR-E	**PCW**
Respondent	Millennium Petrochemicals Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31755		*PCW Revision November 17, 2006*
Reg. Ent. Reference No.	RN100224450		
Media [Statute]	Air Quality		
Enf. Coordinator	Roshondra Lowe		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §116.115(c) , Tex. Health & Safety Code §382.085(b), and Air Permit No. 4751, Special Condition No. 5.

Violation Description Failed to prevent unauthorized emissions. Specifically, 26,130 pounds of unauthorized emissions of vinyl acetate monomer were released at the rail and truck loading operations. The emissions event which began on December 16, 2005 lasted three hours. Since the emissions event was avoidable and excessive the respondent failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code §101.222.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment in the Houston-Galveston-Brazoria nonattainment area has been exposed to significant amounts of pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $0

$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $136

Statutory Limit Test

Violation Final Penalty Total $22,900

This violation Final Assessed Penalty (adjusted for limits) $10,000

Economic Benefit Worksheet

Respondent Millennium Petrochemicals Inc.
Case ID No. 31755
Reg. Ent. Reference No. RN100224450
Media Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or $						
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)	$1,500	16-Dec-2005	10-Oct-2007	1.8	$136	n/a	$136

Notes for DELAYED costs Estimated cost to implement measures designed to prevent an emissions event due to improper communication between technicians during operations. Date required based on the date of the emissions event. Final date based on the projected compliance date.

Avoided Costs ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $1,500

TOTAL $136

Compliance History

Customer/Respondent/Owner-Operator:	CN602625402	Millennium Petrochemicals Inc.	Classification: AVERAGE	Rating: 2.03
Regulated Entity:	RN100224450	MILLENNIUM PETROCHEMICALS LA PORTE PLANT	Classification: AVERAGE	Site Rating: 2.03

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HX1726J
	AIR OPERATING PERMITS	PERMIT	1375
	AIR OPERATING PERMITS	PERMIT	2326
	WASTEWATER	PERMIT	WQ0000534000
	WASTEWATER	PERMIT	TPDES0002836
	WASTEWATER	PERMIT	TX0002836
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD058276130
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30049
	AIR NEW SOURCE PERMITS	PERMIT	4751
	AIR NEW SOURCE PERMITS	PERMIT	5040
	AIR NEW SOURCE PERMITS	PERMIT	4773A
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HX1726J
	AIR NEW SOURCE PERMITS	REGISTRATION	72031
	AIR NEW SOURCE PERMITS	REGISTRATION	76037
	AIR NEW SOURCE PERMITS	AFS NUM	1487
	AIR NEW SOURCE PERMITS	PERMIT	80295
	IHW CORRECTIVE ACTION	PERMIT	50231

Location: 1350 MILLER CUT OFF RD, LA PORTE, TX, 77571 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: November 30, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 13, 2001 to November 13, 2006

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

Name: Roshondra Lowe Phone: (713) 767-3553

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? Millennium Petrochemicals Inc.
4. if Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

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

Effective Date: 11/03/2006 ADMINORDER 2006-0477-AIR-E

Classification: Moderate

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

Rqmt Prov: TCEQ Permit #5040, SC #1 PERMIT
Description: Millennium failed to properly prepare for an unplanned maintenance event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)

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

Rqmt Prov: Permit No. 5040, Special Condition No. 1 PERMIT
Description: RE failed to meet the emissions limitations in the MAER Table.

Effective Date: 10/24/2005 ADMINORDER 2005-0053-AIR-E

Classification: Moderate

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

Rqmt Prov: TCEQ AIR PERMIT 4751, SC#5 PERMIT
Description: Millennium failed to prevent the CO2 Oxidizer's emergency vent from opening and releasing

unauthorized pollutants.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

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

Description: Millennium failed to notify the TCEQ Regional Office of a reportable emissions event within 24 hours of discovery.

Effective Date: 03/23/2006 ADMINORDER 2005-1303-AIR-E

Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 5040, Special Condition #1 PERMIT
Description: Millennium failed to maintain a pilot light on the Acetic Acid Flare.

Classification: Moderate

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

Rqmt Prov: Air Quality Permit No. 5040 OP
Description: Failed to prevent unauthorized emissions of 25,180 pounds of carbon monoxide from the Acetic Acid Flare during a January 25, 2005 emissions event

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 03/24/2003 (232855)
N/A
2 08/23/2002 (232857)
3 05/20/2003 (155616)
4 03/24/2003 (232858)
5 05/31/2002 (155615)
6 09/24/2002 (232860)
7 03/24/2003 (232861)
8 11/07/2006 (450812)
9 08/31/2004 (290908)
10 04/25/2005 (419451)
11 04/15/2003 (155612)
12 06/17/2003 (33832)
13 10/22/2002 (232864)
14 02/28/2006 (457031)
15 01/21/2005 (346375)
16 04/15/2002 (155611)
17 09/30/2003 (249081)
18 11/26/2001 (232866)
19 11/14/2002 (232867)
20 07/27/2005 (400416)
21 06/16/2003 (155608)
22 12/27/2001 (232869)
23 12/27/2002 (232870)
24 04/15/2003 (155606)
25 02/24/2006 (438236)
26 01/23/2002 (232872)
27 02/22/2006 (468064)
28 04/01/2002 (155605)
29 03/23/2006 (468065)
30 01/21/2003 (232873)
31 05/13/2002 (84674)
32 05/17/2004 (271842)
33 10/26/2005 (468066)
34 12/28/2001 (84673)
35 03/06/2003 (20957)
36 11/28/2005 (468067)
37 05/25/2004 (270272)
38 02/09/2005 (468068)
39 02/14/2003 (155603)
40 12/21/2005 (468069)
41 08/18/2006 (519975)

42 03/06/2003 (20716)
43 02/28/2002 (155602)
44 01/23/2006 (468070)
45 07/19/2002 (4392)
46 02/24/2006 (451102)
47 09/19/2006 (519976)

48	09/19/2006	(519977)
49	04/03/2003	(23723)
50	12/28/2004	(342439)
51	08/10/2005	(404193)
52	12/16/2004	(340290)
53	03/17/2004	(264175)
54	04/28/2006	(457893)
55	10/25/2004	(292317)
56	04/23/2003	(27530)
57	03/16/2005	(371396)
58	05/03/2006	(463915)
59	07/22/2005	(440604)
60	11/11/2004	(290731)
61	08/23/2005	(440605)
62	09/23/2005	(440606)
63	08/25/2005	(405911)
64	01/04/2005	(343933)
65	08/31/2004	(271438)
66	11/01/2004	(334136)
67	01/21/2003	(155645)
68	01/03/2003	(16135)
69	01/22/2002	(155644)
70	07/19/2005	(394171)
71	05/30/2003	(60872)
72	07/24/2006	(481150)
73	12/18/2002	(155641)
74	08/22/2003	(150385)
75	03/16/2004	(294413)
76	12/14/2001	(155640)
77	02/25/2002	(232837)
78	03/16/2004	(294415)
79	02/24/2003	(232838)
80	04/16/2004	(294416)
81	11/18/2002	(155637)
82	03/27/2002	(232840)
83	02/23/2005	(381661)
84	11/16/2001	(155636)
85	03/21/2005	(381662)
86	02/25/2005	(350765)
87	03/24/2003	(232841)
88	08/20/2004	(351683)
89	05/17/2004	(294419)
90	10/15/2002	(12322)
91	04/23/2002	(232843)
92	12/16/2004	(339733)
93	09/16/2004	(351684)
94	10/21/2002	(155633)
95	06/21/2004	(294421)
96	04/25/2003	(232844)
97	04/24/2006	(497961)
98	03/24/2003	(232845)
99	06/21/2004	(294423)
100	01/13/2004	(256687)
101	10/07/2002	(155630)
102	05/25/2006	(497962)
103	10/29/2004	(351685)
104	05/21/2002	(232847)
105	06/26/2006	(497963)
106	08/18/2003	(294425)
107	04/22/2003	(25932)
108	03/16/2005	(336328)
109	08/28/2002	(155627)
110	11/17/2004	(351686)
111	09/17/2003	(294427)
112	03/24/2003	(232849)
113	12/27/2004	(351687)
114	10/21/2003	(294429)
115	07/14/2003	(155624)
116	11/27/2002	(13161)
117	10/15/2004	(337886)
118	10/16/2002	(12239)
119	06/25/2002	(232851)
120	11/20/2003	(294430)
121	07/24/2002	(155623)
122	03/24/2003	(232852)
123	12/19/2003	(294431)

124 08/30/2005 (405287)
125 12/27/2004 (351688)
126 10/21/2003 (294433)
127 04/25/2005 (419448)
128 05/02/2006 (453212)
129 06/16/2003 (155620)
130 05/24/2005 (419449)
131 07/25/2002 (232854)
132 06/21/2005 (392880)
133 06/17/2002 (155619)
134 06/23/2005 (419450)

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

Date: 06/30/2002 (232854)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 07/31/2002 (232857)
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: 05/31/2005 (419450)
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: 02/21/2003 (25932)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Description: Millennium failed to comply with the MAER Table for permit #4571 SC 5
Date: 09/30/2002 (232864)
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: 01/13/2004 (256687)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: The facility failed to control unauthorized emissions during a maintenance activity.
Date: 11/05/2002 (16135)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Millennium failed to comply with the MAER Table for permit #4571 SC 5
Date: 07/31/2005 (440605)
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: 10/31/2002 (232867)
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: 08/31/2005 (440606)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 12/31/2001 (232872)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

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

Date: 12/16/2004 (340290)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)

Description: Failed to identify the authorized emissions limits for the individually listed compounds or mixtures of air contaminants.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

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

Rqmt Prov: PERMIT IA

Description: Failed to prevent the loading arm from falling, causing the loading arm to strike a barge which sheared off the 1" bleed valve located on the loading arm.

Date: 01/11/2006 (451102)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter E 335.112(a)(21)

40 CFR Chapter 265, SubChapter I, PT 265, SubPT CC 265.1090(b)(2)(i)

Description: Subpart CC records were incomplete for emission monitoring level determination,

Date: 04/22/2003 (27530)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter A 305.1(a)

Description: Failure to maintain compliance with the permitted effluent limits at External Outfalls 001 and 002, and Internal Outfall 201. See Attachments Nos. 1, 2, 3 and 4 for details.

Date: 02/25/2005 (350765)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.206(i)

Description: Failure to comply with the conditions of 30 TAC 117.206(i).

Date: 08/31/2004 (271438)

Self Report? NO Classification: Moderate

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

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

Description: Exceeded permit limits.

Date: 02/28/2003 (20716)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

30 TAC Chapter 101, SubChapter F 101.222(b)(1)

30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failed to submit Initial Notification within 24 hours.

Date: 01/11/2006 (438236)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.62

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(a)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(b)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(c)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(c)(1)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(c)(2)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(c)[G]

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(d)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11[G]

Description: Hazardous waste determination was incomplete.

Self Report? NO Classification: Moderate

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

Description: NOR was not updated.

Date: 01/31/2002 (232837)

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: 05/30/2003 (60872)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.193(e)(1)(iii)

Description: Failure to meet the secondary containment system requirements

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)

40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191(a)

Description: Failure to provide Assessment of Existing Tank Systems' Integrity for review

Date: 02/28/2002 (232840)

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: 02/28/2003 (232841)

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: 11/03/2004 (334136)

Self Report? NO Classification: Moderate

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

Rqmt Prov: OP IA

PA IA

Description: Failure to maintain the water flow above 4 Gallons Per Minute (GPM) as required by the permit to the scrubbers.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.203(a)(6)(D)

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA

Description: Failure to maintain records of weekly run time of emergency pumps (PWW5206 and PWW5207) to verify that pumps did not run more than 52 hours during the 12 month period.

Self Report? NO Classification: Minor

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

Description: Failure to report 19 emission events as deviations within 30 days after the end of deviation reporting period.

Self Report? NO Classification: Moderate

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

30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)

Rqmt Prov: OP IA

PA IA

Description: Failure to maintain the fuel net heating value of the flare (AAFLARE) at 300 Btu/scf or above.

Self Report? NO Classification: Minor

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

30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(5)

Rqmt Prov: OP IA

PA IA

Description: Fire-eye (thermocouple equivalent device) showed out of range. Therefore flame presence could not be verified for flare (AAFLARE).

Self Report? NO Classification: Moderate

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

Rqmt Prov: OP IA

PA IA

Description: RE failed to maintain the water flow rate 40 GPM to the scrubber AARTSC.

Self Report? NO Classification: Minor

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

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(b)(5)(viii)

Rqmt Prov: OP IA

Description: RE does not have records of tank inspection to verify that tank (AAV5312) meets the requirements of 40 CFR 63.119(b)(5)(i) through(vii).

Self Report? NO Classification: Minor

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

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(2)(ii)

Rqmt Prov: OP IA

Description: RE does not have records of tanks inspections for floating roof tanks (AAV5209 and AAV5210).

Self Report? NO Classification: Minor

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

Rqmt Prov: OP IA

Description: RE failed to demonstrate compliance with the monitoring requirements for degreaser station.

Date: 03/31/2002 (232843)

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: 03/31/2006 (497961)

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: 04/30/2002 (232847)

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: 05/31/2006 (497963)

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

F. Environmental audits.

Notice of Intent Date: 12/16/2004 (347278)

No DOV Associated

Notice of Intent Date: 01/24/2006 (454399)

No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
MILLENNIUM PETROCHEMICALS INC.	§	
RN100224450	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1988-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Millennium Petrochemicals Inc. ("Millennium") 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 Millennium presented this agreement to the Commission.

Millennium understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Millennium agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon Millennium.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. Millennium owns and operates a chemical manufacturing plant at 1350 Miller Cut Off Road in La Porte, Harris County, Texas (the "Plant").

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

3. During an investigation on December 29, 2005, TCEQ staff documented that Millennium released 26,130 pounds of unauthorized emissions of vinyl monomer from the rail and truck loading operations. The emissions event which began on December 16, 2005 lasted three hours.

4. Millennium received notice of the violations on November 12, 2006.

II. CONCLUSIONS OF LAW

1. Millennium is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.

2. As evidenced by Findings of Fact No. 3, Millennium failed to prevent unauthorized emissions on December 16, 2005, in violation of 30 TEX. ADMIN. CODE §116.115(c), TEX. HEALTH & SAFETY CODE §382.085(b), and Air Permit No. 4751, Special Condition No. 5. Since the emissions event was avoidable and excessive the respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE §101.222.

3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Millennium for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

4. An administrative penalty in the amount of Ten Thousand Dollars ($10,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. Millennium has paid Five Thousand Dollars ($5,000) of the administrative penalty. Five Thousand Dollars ($5,000) shall be conditionally offset by Millennium's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Millennium is assessed an administrative penalty in the amount of Ten Thousand Dollars ($10,000) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Millennium's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Millennium Petrochemicals Inc., Docket No. 2006-1988-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. Millennium shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 4 above, Five Thousand Dollars ($5,000) of the assessed administrative penalty shall be offset with the condition that Millennium implement the SEP defined in Attachment A, incorporated herein by reference. Millennium'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. Millennium shall undertake the following technical requirements:

   a. Comply with the TCEQ request dated November 7, 2006 for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred December 16, 2005, in accordance with 30 TEX. ADMIN. CODE §101.223(A)(1);

   b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by other deadline specified in writing;

   c. Upon Commission approval, implement the CAP, in accordance with the approved schedule; and

   d. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 3.a. through 3.c. as described below:

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

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

      The certification shall be submitted to:

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

with a copy to:

Air Quality Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

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

5. If Millennium 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, Millennium's failure to comply is not a violation of this Agreed Order. Millennium shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Millennium shall notify the Executive Director within seven days after Millennium 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 Millennium shall be made in writing to the Executive Director. Extensions are not effective until Millennium receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

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

8. 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.

9. This Agreed Order, issued by the Commission, shall not be admissible against Millennium 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.

10. 0This 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.

11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 5/21/07
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Millennium Petrochemicals Inc. I am authorized to agree to the attached Agreed Order on behalf of Millennium Petrochemicals Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Millennium Petrochemicals Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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.

_____ 2-6-07
Signature Date

Marcus W. Gaddy _____
Name (Printed or typed)
Authorized Representative of
Millennium Petrochemicals Inc.

Plant Manager
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: 2006-1988-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Millennium Petrochemicals Inc.**
Payable Penalty Amount:	**Ten Thousand Dollars ($10,000)**
SEP Amount:	**Five Thousand Dollars ($5,000)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program**
Location of SEP:	**Harris 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 Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

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 particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

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:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

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.