

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2008-0792-AIR-E **TCEQ ID:** RN100209444 **CASE NO.:** 35890
RESPONDENT NAME: Arkema Inc.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

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

TYPE OF OPERATION: Chemical manufacturing plant

SMALL BUSINESS: Yes No

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

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

COMMENTS RECEIVED: The *Texas Register* comment period expired on October 13, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None
TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC Region 12, (713) 767-3629; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171
Respondent: Mr. Derrick B. Stanley, Manager HES, Arkema Inc., P.O. Box 1427, Beaumont, Texas 77704
 Mr. Wendal R. Turley, Plant Manager, Arkema Inc., 2231 Haden Road, Houston, Texas 77015
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 9, 2008</p> <p>Date of NOV/NOE Relating to this Case: April 29, 2008 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>AIR</p> <p>1) Failure to prevent unauthorized emissions. Specifically, 2,045 pounds ("lbs") of sulfur dioxide and 21 lbs of hydrogen sulfide were released when the Respondent failed to maintain a pilot on the boiler which produced an accumulation of excess pressure, resulting in an emissions event which began on December 31, 2007, and lasted for two hours and twenty minutes (Incident No. 101877). Since the emissions event was avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 22100, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failure to respond to a request for additional information with regard to emissions event Incident No. 101877 which occurred on December 31, 2007. The deadline for receipt of requested information was March 24, 2008, and the information was not received until April 16, 2008 [30 TEX. ADMIN. CODE § 101.201(f) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$3,874</p> <p>Total Deferred: \$774 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$3,100</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. On May 30, 2008, completed operator training on the procedures to follow in response to boiler flame out, replaced valves and evaluated the computer logic associated with the boiler in order to prevent the recurrence of emissions events due to the same cause; and</p> <p>b. On May 12, 2008, completed training and added another engineer to ensure that any additional information requests from the TCEQ are handled in a timely manner.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 29, 2008

TCEQ

DATES	Assigned	12-May-2008	Screening	14-May-2008	EPA Due	24-Jan-2009
	PCW	15-May-2008				

RESPONDENT/FACILITY INFORMATION

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

CASE INFORMATION

Enf./Case ID No.	35890	No. of Violations	2	
Docket No.	2008-0792-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Nadia Hameed	
Multi-Media		EC's Team	Enforcement Team 5	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **Subtotals 2, 3, & 7**

Notes

Culpability **Subtotal 4**

Notes

Good Faith Effort to Comply **Subtotal 5**

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>
Ordinary	<input checked="" type="checkbox"/>
N/A	(mark with x)

Notes

0.0% Enhancement* **Subtotal 6**

Total EB Amounts	\$266	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$13,000	

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL **Reduction** **Adjustment**

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

Notes

PAYABLE PENALTY

Screening Date 14-May-2008

Docket No. 2008-0792-AIR-E

PCW

Respondent Arkema Inc.

Policy Revision 2 (September 2002)

Case ID No. 35890

PCW Revision April 29, 2008

Reg. Ent. Reference No. RN100209444

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	1	5%
	Other written NOVs	7	14%
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	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 judgments 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)	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) 59%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Penalty enhancement due to two agreed orders with a denial of liability, one same or similar NOV, and seven non-similar NOVs of which six were self-reported effluent violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 59%

Screening Date 14-May-2008 **Docket No.** 2008-0792-AIR-E **PCW**
Respondent Arkema Inc. *Policy Revision 2 (September 2002)*
Case ID No. 35890 *PCW Revision April 29, 2008*
Reg. Ent. Reference No. RN100209444
Media [Statute] Air
Enf. Coordinator Nadia Hameed
Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Air Permit No. 22100, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 2,045 pounds ("lbs") of sulfur dioxide and 21 lbs of hydrogen sulfide, were released when the Respondent failed to maintain a pilot on the boiler which produced an accumulation of excess pressure, resulting in an emissions event which began on December 31, 2007 and lasted for two hours and twenty minutes (Incident No. 101877). Since the emissions event was avoidable, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual				X	25%
Potential					

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

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

\$2,500

Violation Events

Number of Violation Events Number of violation days

<i>mark only one with an x</i>	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	X
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$248

Violation Final Penalty Total \$3,725

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

Economic Benefit Worksheet

Respondent Arkema Inc.
Case ID No. 35890
Reg. Ent. Reference No. RN100209444
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$2,000	31-Dec-2007	30-May-2008	0.41	\$41	n/a	\$41
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	31-Dec-2007	30-May-2008	0.41	\$207	n/a	\$207

Notes for DELAYED costs: Cost for operator training, replacing valves on boiler and for evaluating the computer logic associated with the boiler. Date required based on the date of the emissions event. Final date based on the date the corrective actions were completed.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$12,000

TOTAL \$248

Screening Date	14-May-2008	Docket No.	2008-0792-AIR-E	PCW
Respondent	Arkema Inc.			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	35890			<i>PCW Revision April 29, 2008</i>
Reg. Ent. Reference No.	RN100209444			
Media [Statute]	Air			
Enf. Coordinator	Nadia Hameed			
Violation Number	<input type="text" value="2"/>			
Rule Cite(s)	<input type="text" value="30 Tex. Admin. Code § 101.201(f) and Tex. Health & Safety Code § 382.085(b)"/>			
Violation Description	<input type="text" value="Failed to respond to a request for additional information with regard to emissions event Incident No. 101877 which occurred on December 31, 2007. The deadline for receipt of requested information was March 24, 2008, and the information was not received until April 16, 2008."/>			
		Base Penalty	<input type="text" value="\$10,000"/>	

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	Percent <input type="text" value="1%"/>
Matrix Notes	<input type="text" value="At least 70% of the rule requirement was met."/>				

Adjustment

Violation Events

Number of Violation Events Number of violation days

<i>mark only one with an x</i>	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>	

Violation Base Penalty

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Arkema Inc.
Case ID No. 35890
Reg. Ent. Reference No. RN100209444
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,000	31-Dec-2007	12-May-2008	0.36	\$18	n/a	\$18
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs: Cost for training and adding an additional person who will be responsible for ensuring that information requested by the agency is submitted in a timely manner. Date required based on the date of the emissions event. Final date based on the date corrective actions were completed.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,000

TOTAL \$18

Compliance History

Customer/Respondent/Owner-Operator: CN600124044 Arkema Inc. Classification: AVERAGE Rating: 1.45
 Regulated Entity: RN100209444 ARKEMA Classification: AVERAGE Site Rating: 1.25

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0558G
	AIR OPERATING PERMITS	PERMIT	1551
	WASTEWATER	PERMIT	WQ0000445000
	WASTEWATER	PERMIT	TPDES0007064
	WASTEWATER	PERMIT	TX0007064
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD008090011
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30503
	AIR NEW SOURCE PERMITS	PERMIT	22100
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0558G
	AIR NEW SOURCE PERMITS	PERMIT	23123
	AIR NEW SOURCE PERMITS	PERMIT	23349
	AIR NEW SOURCE PERMITS	PERMIT	24464
	AIR NEW SOURCE PERMITS	PERMIT	29970
	AIR NEW SOURCE PERMITS	PERMIT	36752
	AIR NEW SOURCE PERMITS	PERMIT	40122
	AIR NEW SOURCE PERMITS	PERMIT	44542
	AIR NEW SOURCE PERMITS	PERMIT	49110
	AIR NEW SOURCE PERMITS	AFS NUM	4820100124
	AIR NEW SOURCE PERMITS	PERMIT	51594
	AIR NEW SOURCE PERMITS	PERMIT	72641
	STORMWATER	PERMIT	TXR05N425
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50214
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50214

Location: 2231 HADEN RD, HOUSTON, TX, 77015 Rating Date: 9/1/2007 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: May 12, 2008

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 12, 2003 to May 12, 2008

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

Name: NHameed Phone: 713-767-3629

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? 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.

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

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

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

Classification: Moderate

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

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

Rqmt Prov: Permit #22100, Special Condition #4 PA

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

Effective Date: 04/13/2007

ADMINORDER 2006-1655-AIR-E

Classification: Moderate

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

40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)

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

Rqmt Prov: 22100 Special Condition 31B PERMIT

22100 Special Condition 4 PERMIT

Description: Failed to prevent unauthorized emissions during a May 29, 2006 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	05/20/2003	(160100)
2	06/11/2003	(38136)
3	06/23/2003	(160104)
4	07/21/2003	(296198)
5	08/18/2003	(296200)
6	09/19/2003	(296202)
7	10/24/2003	(296204)
8	10/24/2003	(248202)
9	11/24/2003	(296205)
10	12/02/2003	(254097)
11	12/23/2003	(296206)
12	01/21/2004	(296207)
13	03/19/2004	(296191)
14	04/23/2004	(296192)
15	05/24/2004	(296189)
16	06/03/2004	(296194)
17	06/16/2004	(296196)
18	08/23/2004	(352476)
19	09/16/2004	(352475)
20	09/20/2004	(352477)
21	10/31/2004	(289464)
22	11/10/2004	(352478)
23	11/22/2004	(338179)
24	11/26/2004	(352479)
25	12/15/2004	(341581)
26	12/16/2004	(289426)
27	12/28/2004	(381997)
28	01/21/2005	(381998)
29	02/22/2005	(381995)
30	03/17/2005	(381996)
31	04/21/2005	(348883)
32	05/05/2005	(374699)
33	05/06/2005	(575622)
34	05/18/2005	(575625)
35	06/09/2005	(380414)
36	06/20/2005	(575628)
37	07/05/2005	(393686)
38	07/20/2005	(575631)
39	07/20/2005	(399378)
40	07/21/2005	(400689)
41	07/27/2005	(402044)
42	07/29/2005	(402494)

43 07/29/2005 (402146)
 44 08/04/2005 (403416)
 45 08/15/2005 (405060)
 46 08/17/2005 (405525)
 47 08/17/2005 (405215)
 48 08/22/2005 (575634)
 49 08/22/2005 (406418)
 50 08/29/2005 (406957)
 51 09/08/2005 (418469)
 52 09/19/2005 (575636)
 53 10/04/2005 (432313)
 54 10/04/2005 (432578)
 55 10/04/2005 (432516)
 56 10/24/2005 (575638)
 57 11/01/2005 (405970)
 58 11/17/2005 (575641)
 59 11/17/2005 (403994)
 60 11/17/2005 (407258)
 61 12/20/2005 (575643)
 62 01/23/2006 (575646)
 63 02/21/2006 (575618)
 64 03/21/2006 (575620)
 65 04/24/2006 (575623)
 66 04/26/2006 (463549)
 67 04/28/2006 (457583)
 68 05/19/2006 (463762)
 69 05/23/2006 (575626)
 70 06/20/2006 (575629)
 71 07/21/2006 (575632)
 72 07/26/2006 (467248)
 73 08/01/2006 (575645)
 74 08/23/2006 (575635)
 75 08/31/2006 (508827)
 76 09/08/2006 (509261)
 77 09/20/2006 (575637)
 78 10/12/2006 (512491)
 79 11/20/2006 (575642)
 80 11/21/2006 (518705)
 81 12/08/2006 (531592)
 82 12/13/2006 (518566)
 83 12/19/2006 (532874)
 84 12/19/2006 (575644)
 85 02/20/2007 (575619)
 86 03/20/2007 (575621)
 87 04/23/2007 (575624)
 88 04/23/2007 (554727)
 89 05/15/2007 (575627)
 90 06/14/2007 (575630)
 91 06/21/2007 (575639)
 92 06/21/2007 (575640)
 93 07/17/2007 (575633)
 94 08/29/2007 (573382)
 95 09/18/2007 (607585)
 96 12/10/2007 (595550)
 97 12/19/2007 (596788)
 98 01/30/2008 (519549)
 99 04/29/2008 (641859)

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

Date	12/31/2004	(381998)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			
	TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date	03/31/2005	(575622)		
Self Report?	YES		Classification	Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 06/09/2005 (380414)
 Self Report? NO Classification Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)
 Description: During the investigation and records review, it was noted that the Notice of Registration had several inaccuracies that required updates.
 Date: 07/31/2005 (575634)
 Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 11/30/2005 (575643)
 Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 06/30/2006 (575632)
 Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/31/2006 (575646)
 Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/11/2007 (595550)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: PERMIT 22100, SC 1
 OP O-01551, SC 10
 Description: Failure to comply with the MAERT limits for sulfur dioxide hourly emissions from the thermal oxidizer.
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: OP O-01551, SC 9
 Description: Failure to conduct and document visual inspections of CPI (oil-water separator).
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(1)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: OP O-01551, SC 6
 Description: Failure to submit pre-construction notification to TCEQ and EPA within 30 days.
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.345(b)(1)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: OP O-01551, SC 1A
 Description: Failure to provide advance verbal and subsequent written notification of testing conducted under 30 TAC 117.335.

F. Environmental audits.

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
ARKEMA INC.
RN100209444

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2008-0792-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Arkema Inc. ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant at 2231 Haden Road in Houston, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about May 4, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Three Thousand Eight Hundred Seventy-Four Dollars (\$3,874) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Three Thousand One Hundred Dollars (\$3,100) of the administrative penalty and Seven Hundred Seventy-Four Dollars (\$774) is deferred contingent

- upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
 8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
 9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On May 30, 2008, completed operator training on the procedures to follow in response to boiler flame out, replaced valves and evaluated the computer logic associated with the boiler in order to prevent the recurrence of emissions events due to the same cause; and
 - b. On May 12, 2008, completed training and added another engineer to ensure that any additional information requests from the TCEQ are handled in a timely manner.
 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 22100, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 9, 2008. Specifically, 2,045 pounds ("lbs") of sulfur dioxide and 21 lbs of hydrogen sulfide, were released when the Respondent failed to maintain a pilot on the boiler which produced an accumulation of excess pressure, resulting in an emissions event which began on December 31, 2007, and lasted for two hours and twenty minutes (Incident No. 101877). Since the emissions event was avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

2. Failed to respond to a request for additional information with regard to emissions event Incident No. 101877 which occurred on December 31, 2007, in violation of 30 TEX. ADMIN. CODE § 101.201(f) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 9, 2008. The deadline for receipt of requested information was March 24, 2008, and the information was not received until April 16, 2008.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Arkema Inc., Docket No. 2008-0792-AIR-E" to:

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

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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

John S. Sullivan
For the Executive Director

9/26/2008
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

Wendal R. Turley
Signature

July 31, 2008
Date

WENDAL R. TURLEY
Name (Printed or typed)
Authorized Representative of
Arkema 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.

