

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-1422-AIR-E **TCEQ ID:** RN100215169 **CASE NO.:** 34536

RESPONDENT NAME: Louisiana-Pacific Corporation

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
<p>SITE WHERE VIOLATION(S) OCCURRED: Jasper Oriented Strandboard OSB Mill, 5152 United States Highway 190 East, Jasper, Jasper County</p> <p>TYPE OF OPERATION: Oriented strandboard mill</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on February 25, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Daniel Siringi, Enforcement Division, Enforcement Team 5, MC R-10, (409) 899-8799; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Shane Drake, Plant Manager, Louisiana-Pacific Corporation, RR 1, Box 283, Jasper, Texas 75951 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

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: July 23, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 23, 2007 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>AIR</p> <p>Failed to submit a deviation report by October 30, 2006. Specifically, the semi-annual deviation report was due by October 30, 2006, but was not received until December 29, 2006 [30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(c), Federal Operating Permit No. O-01198, General Terms and Conditions and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$1,900</p> <p>Total Deferred: \$380 <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: \$1,520</p> <p>Site Compliance History Classification <input checked="" type="checkbox"/> High <input 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 on December 29, 2006, the Respondent submitted a deviation report to the Beaumont Regional Office which was due on October 30, 2006. Also on August 3, 2007, a compliance calendar was developed which establishes reporting periods and due dates for all compliance reports.</p>

Additional ID No(s): JC00581



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

DATES	Assigned	28-Aug-2007	Screening	29-Aug-2007	EPA Due	
	PCW	10-Sep-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Louisiana-Pacific Corporation		
Reg. Ent. Ref. No.	RN100215169		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	34536	No. of Violations	1
Docket No.	2007-1422-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Daniel Siringi
Multi-Media		EC's Team	Enforcement Team 3
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: Enhancement for one NOV with same or similar violation and one NOV without same or similar violation in the past five years at this plant. Reduction for one notice of audit and participation in a voluntary pollution reduction program.

Culpability **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply **Subtotal 5**

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

Notes: The Respondent completed all corrective actions on August 3, 2007.

0% Enhancement* **Subtotal 6**
*Capped at the Total EB \$ Amount

Total EB Amounts	\$57
Approx. Cost of Compliance	\$1,500

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

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL **Adjustment**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 29-Aug-2007

Docket No. 2007-1422-AIR-E

PCW

Respondent Louisiana-Pacific Corporation

Policy Revision 2 (September 2002)

Case ID No. 34536

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100215169

Media [Statute] Air

Enf. Coordinator Daniel Siringi

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	1	2%
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 submitted)	1	-1%
	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%
<i>Please Enter Yes or No</i>			
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	Yes	-5%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 1%

>> 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 for one NOV with same or similar violation and one NOV without same or similar violation in the past five years at this plant. Reduction for one notice of audit and participation in a voluntary pollution reduction program.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 1%

Screening Date 29-Aug-2007	Docket No. 2007-1422-AIR-E	PCW												
Respondent Louisiana-Pacific Corporation		<small>Policy Revision 2 (September 2002)</small>												
Case ID No. 34536		<small>PCW Revision June 26, 2007</small>												
Reg. Ent. Reference No. RN100215169														
Media [Statute] Air														
Enf. Coordinator Daniel Siringi														
Violation Number <input type="text" value="1"/>														
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4), 122.145(2)(c), Federal Operating Permit ("FOP") No. O-01198, General Terms and Conditions and Tex. Health & Safety Code § 382.085(b)													
Violation Description	Failed to submit a semi-annual deviation report by October 30, 2006. Specifically, a deviation report was due by October 30, 2006, but was not received until December 29, 2006.													
	Base Penalty	<input type="text" value="\$10,000"/>												
>> Environmental, Property and Human Health Matrix														
OR	Harm													
	Release Major Moderate Minor													
	Actual <input type="text"/>	Percent <input type="text" value="0%"/>												
	Potential <input type="text"/>													
>> Programmatic Matrix														
	Falsification Major Moderate Minor													
	<input type="text"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Percent <input type="text" value="25%"/>												
Matrix Notes	100% of the rule requirement was not met.													
	Adjustment	<input type="text" value="\$7,500"/>												
		<input type="text" value="\$2,500"/>												
Violation Events														
	Number of Violation Events <input type="text" value="1"/>	<input type="text" value="60"/> Number of violation days												
<small>mark only one with an x</small>	<table border="1" style="border-collapse: collapse;"> <tr><td>daily</td><td><input type="text"/></td></tr> <tr><td>monthly</td><td><input type="text"/></td></tr> <tr><td>quarterly</td><td><input type="text"/></td></tr> <tr><td>semiannual</td><td><input type="text"/></td></tr> <tr><td>annual</td><td><input type="text"/></td></tr> <tr><td>single event</td><td><input checked="" type="checkbox"/></td></tr> </table>	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 <input type="text" value="\$2,500"/>
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"/>													
	One single event is recommended.													
Economic Benefit (EB) for this violation		Statutory Limit Test												
Estimated EB Amount <input type="text" value="\$57"/>	Violation Final Penalty Total <input type="text" value="\$1,900"/>													
This violation Final Assessed Penalty (adjusted for limits)		<input type="text" value="\$1,900"/>												

Economic Benefit Worksheet

Respondent Louisiana-Pacific Corporation
Case ID No. 34536
Reg. Ent. Reference No. RN100215169
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
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	30-Oct-2006	3-Aug-2007	0.8	\$57	n/a	\$57

Notes for DELAYED costs

Estimated cost of submitting a deviation report in a timely manner. Date required is the date the deviation report should have been submitted and final date is the date the Respondent completed all the corrective actions.

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

\$57

Compliance History

Customer/Respondent/Owner-Operator:	CN600127534 Louisiana-Pacific Corporation	Classification: AVERAGE	Rating: 2.05
Regulated Entity:	RN100215169 JASPER ORIENTED STRANDBOARD OSB MILL	Classification: HIGH	Site Rating: 0.00
ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	JC00581
	AIR OPERATING PERMITS	PERMIT	1198
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000017392
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	84717
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	70190
	AIR NEW SOURCE PERMITS	PERMIT	22377
	AIR NEW SOURCE PERMITS	PERMIT	49610
	AIR NEW SOURCE PERMITS	PERMIT	49871
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JC00581
	AIR NEW SOURCE PERMITS	PERMIT	51969
	AIR NEW SOURCE PERMITS	REGISTRATION	55107
	AIR NEW SOURCE PERMITS	REGISTRATION	75599
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX832M3
	AIR NEW SOURCE PERMITS	AFS NUM	4824100024
	AIR NEW SOURCE PERMITS	PERMIT	70895
	AIR NEW SOURCE PERMITS	REGISTRATION	72873
	AIR NEW SOURCE PERMITS	PERMIT	P832M3
	AIR NEW SOURCE PERMITS	REGISTRATION	78164
	AIR NEW SOURCE PERMITS	REGISTRATION	79621
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX832M4
Location:	5152 US HIGHWAY 190 E, JASPER, TX, 75951	Rating Date: September 01 06	Repeat Violator: NO
TCEQ Region:	REGION 10 - BEAUMONT		
Date Compliance History Prepared:	August 29, 2007		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	August 29, 2002 to August 29, 2007		

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

Name: Daniel Siringi Phone: (409) 899-8799

Site Compliance History Components

- | | |
|--|------------|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)? | <u>N/A</u> |
| 5. When did the change(s) in ownership occur? | <u>N/A</u> |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- | | | |
|---|------------|----------|
| 1 | 09/26/2002 | (8303) |
| 2 | 09/26/2002 | (8380) |
| 3 | 03/20/2003 | (21831) |
| 4 | 11/06/2003 | (252770) |
| 5 | 11/06/2003 | (252756) |
| 6 | 11/06/2003 | (252799) |
| 7 | 11/06/2003 | (252774) |

8	11/06/2003	(252811)
9	08/27/2004	(290903)
10	11/08/2004	(336146)
11	01/04/2005	(345670)
12	01/04/2005	(345318)
13	04/28/2005	(378652)
14	04/28/2005	(377780)
15	04/28/2005	(378657)
16	04/28/2005	(377848)
17	04/28/2005	(377859)
18	05/12/2005	(376978)
19	05/12/2005	(377306)
20	05/12/2005	(376976)
21	05/12/2005	(377312)
22	05/12/2005	(377100)
23	05/12/2005	(377296)
24	05/12/2005	(376968)
25	06/13/2005	(394500)
26	06/14/2005	(379318)
27	06/16/2005	(380718)
28	07/18/2005	(397317)
29	08/01/2005	(399364)
30	08/12/2005	(403027)
31	12/05/2005	(435502)
32	01/05/2006	(440397)
33	01/12/2006	(438292)
34	01/12/2006	(437699)
35	01/27/2006	(452933)
36	01/27/2006	(439558)
37	03/23/2006	(453350)
38	03/31/2006	(455366)
39	04/07/2006	(455115)
40	04/21/2006	(461346)
41	05/01/2006	(459832)
42	05/01/2006	(460677)
43	05/11/2006	(464044)
44	05/22/2006	(466830)
45	05/22/2006	(464087)
46	05/22/2006	(464924)
47	07/17/2006	(480926)
48	07/17/2006	(484573)
49	07/17/2006	(482768)
50	09/20/2006	(511087)
51	11/13/2006	(513335)
52	12/01/2006	(519471)
53	12/12/2006	(508820)
54	12/22/2006	(518449)
55	01/19/2007	(533194)
56	01/23/2007	(535599)
57	02/15/2007	(535520)
58	02/24/2007	(539647)
59	02/28/2007	(537364)
60	02/28/2007	(537225)
61	03/15/2007	(543707)
62	03/15/2007	(542618)
63	03/19/2007	(538496)
64	04/19/2007	(537361)
65	04/20/2007	(535768)
66	04/26/2007	(537138)
67	07/06/2007	(564125)
68	07/06/2007	(560671)
69	08/23/2007	(571049)

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

Date: 11/13/2006 (513335)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)

30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Rqmt Prov: PERMIT 22377 and PSD-TX-832M3, SC 4
 Description: Failure to prevent unauthorized opacity emissions from the Dryer RTO 1 during Incident 79761.
 Date: 08/23/2007 (571051)
 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)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Rqmt Prov: OP FOP O-01198 General Terms and Conditions
 Description: Failure to report the occurrence of deviations in semi-annual deviation reports.
 EIC B(3) MOD 2(B)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.146(1)
 30 TAC Chapter 122, SubChapter B 122.146(5)(C)(v)
 30 TAC Chapter 122, SubChapter B 122.146(5)(D)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Rqmt Prov: OP FOP O-01198 General Terms and Conditions
 Description: Failure to accurately certify compliance in the Annual Compliance Certification for the period of March 29, 2006, through March 30, 2007. EIC B(3) MOD 2(B)

F. Environmental audits.

Notice of Intent Date: 12/28/2005 (452474)
 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.

Type	Tier	Certification Date
CLEAN TEXAS PROGRAM	PARTNERSHIP	02/07/2003
CLEAN TEXAS PROGRAM	PARTNER	02/07/2003

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
LOUISIANA-PACIFIC
CORPORATION
RN100215169

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-1422-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 Louisiana-Pacific Corporation ("L-P") 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 L-P appear before the Commission and together stipulate that:

1. L-P owns and operates an oriented strandboard ("OSB") mill producing structural panels for construction applications at 5152 United States Highway 190 East in Jasper, Jasper 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 L-P agree that the Commission has jurisdiction to enter this Agreed Order, and that L-P is subject to the Commission's jurisdiction.
4. L-P received notice of the violations alleged in Section II ("Allegations") on or about August 28, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by L-P of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of One Thousand Nine Hundred Dollars (\$1,900) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). L-P has paid One Thousand Five Hundred Twenty Dollars (\$1,520) of the administrative penalty and Three Hundred Eighty Dollars (\$380) is deferred contingent upon L-P'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 L-P fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require L-P 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 L-P 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 on December 29, 2006, L-P submitted a deviation report to the Beaumont Regional Office which was due on October 30, 2006. Also on August 3, 2007, a compliance calendar was developed which establishes reporting periods and due dates for all compliance reports.
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 L-P 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, L-P is alleged to have failed to submit a deviation report by October 30, 2006, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(c), Federal Operating Permit ("FOP") No. O-01198, General Terms and Conditions and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 23, 2007. Specifically, the deviation report was due by October 30, 2006, but was not received until December 29, 2006.

III. DENIALS

L-P generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that L-P pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and L-P'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: Louisiana-Pacific Corporation, Docket No. 2007-1422-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 L-P. L-P 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 L-P 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 L-P, or three days after the date on which the Commission mails notice of the Order to L-P, 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

3/5/2008
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.



Signature

12/10/07
Date

Shane Drake
Name (Printed or typed)
Authorized Representative of
Louisiana-Pacific Corporation

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.

