

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2009-1417-AIR-E **TCEQ ID:** RN100210582 **CASE NO.:** 38284

RESPONDENT NAME: Cabot 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: Cabot Corporation Development and Manufacturing Center, located five miles west of Pampa, on the north side of the Burlington Northern Santa Fe Railroad and United States Highway 60, Pampa, Gray County</p> <p>TYPE OF OPERATION: Carbon black manufacturing plant</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 January 18, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Kirk Schoppe, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-0489; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Carson L. Christie, Environmental Manager, Cabot Corporation, P.O. Box 5001, Pampa, Texas 79066 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 checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input 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, 2009</p> <p>Date of NOV/NOE Relating to this Case: August 18, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to submit a complete semi-annual deviation report for the February 8, 2007 through August 8, 2007 reporting period. Specifically, the Respondent failed to include the deviations regarding the emission events on February 21 and August 6, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") O-01666, General Terms and Conditions].</p> <p>2) Failure to submit a complete semi-annual deviation report for the August 8, 2007 through February 8, 2008 reporting period. Specifically, the Respondent failed to include the deviation regarding the emission event on January 16, 2008 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP O-01666, General Terms and Conditions].</p> <p>3) Failure to submit a semi-annual deviation report for the August 9, 2008 through February 8, 2009 reporting period when violations were known to occur [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(B), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP O-01666, General Terms and Conditions].</p>	<p>Total Assessed: \$2,430</p> <p>Total Deferred: \$486 <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: \$1,944</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. By August 31, 2009, submitted a revised semi-annual deviation report covering the February 8, 2007 through August 8, 2007, the August 8, 2007 through February 8, 2008, and the August 9, 2008 through February 8, 2009 reporting periods; and</p> <p>b. By August 31, 2009, implemented a reporting procedure to ensure non-reportable events will be included on deviation reports and added that requirement into the Plant's internal Compliance Calendar.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	24-Aug-2009	Screening	27-Aug-2009	EPA Due	14-May-2010
	PCW	27-Aug-2009				

RESPONDENT/FACILITY INFORMATION	
Respondent	Cabot Corporation
Reg. Ent. Ref. No.	RN100210582
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	38284	No. of Violations	3
Docket No.	2009-1417-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kirk Schoppe
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** \$2,700

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 0.0% Enhancement **Subtotals 2, 3, & 7** \$0

Notes: No adjustment due to compliance history.

Culpability No 0.0% Enhancement **Subtotal 4** \$0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** \$270

Economic Benefit 0.0% Enhancement **Subtotal 6** \$0

Total EB Amounts \$49
Approx. Cost of Compliance \$750
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** \$2,430

OTHER FACTORS AS JUSTICE MAY REQUIRE 0.0% **Adjustment** \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$2,430

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** \$2,430

DEFERRAL 20.0% Reduction **Adjustment** -\$486

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 \$1,944

Screening Date 27-Aug-2009

Docket No. 2009-1417-AIR-E

PCW

Respondent Cabot Corporation

Policy Revision 2 (September 2002)

Case ID No. 38284

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100210582

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

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)	0	0%
	Other written NOVs	0	0%
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)	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) 0%

>> 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

No adjustment due to compliance history.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 27-Aug-2009 **Docket No.** 2009-1417-AIR-E **PCW**
Respondent Cabot Corporation *Policy Revision 2 (September 2002)*
Case ID No. 38284 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100210582
Media [Statute] Air
Enf. Coordinator Kirk Schoppe
Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") O-01686, General Terms and Conditions
Violation Description Failed to submit a complete semi-annual deviation report for the February 8, 2007 through August 8, 2007 reporting period, as documented during an investigation conducted on July 23, 2009. Specifically, the Respondent failed to include the deviations regarding the emissions events on February 21 and August 6, 2007.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Harm			Percent	
	Release	Major	Moderate		Minor
	Actual				
Potential					

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			X	1%

Matrix Notes: More than 70% of the rule requirement was met.

Adjustment: \$9,900

\$100

Violation Events

Number of Violation Events: 1 720 Number of violation days

- mark only one with an x
- daily
 - weekly
 - monthly
 - quarterly
 - semiannual
 - annual
 - single event

Violation Base Penalty: \$100

One single event is recommended.

Good Faith Efforts to Comply

10.0% Reduction

\$10

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

Notes: The Respondent returned to compliance on August 31, 2009, and the NOE is dated August 18, 2009.

Violation Subtotal: \$90

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount: \$25

Violation Final Penalty Total: \$90

This violation Final Assessed Penalty (adjusted for limits): \$90

Economic Benefit Worksheet

Respondent Cabot Corporation
Case ID No. 38284
Reg. Ent. Reference No. RN100210582
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	\$250	7-Sep-2007	31-Aug-2009	1.98	\$25	n/a	\$25
Training/Sampling				0.00	\$0	n/a	\$0
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

Estimated cost of preparation and submittal of a semi-annual deviation report. The date required is the date a complete report should have been submitted. The final date is the date of compliance.

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

\$250

TOTAL

\$25

Screening Date 27-Aug-2009	Docket No. 2009-1417-AIR-E	PCW			
Respondent Cabot Corporation	<small>Policy Revision 2 (September 2002)</small>				
Case ID No. 38284	<small>PCW Revision October 30, 2008</small>				
Reg. Ent. Reference No. RN100210582					
Media [Statute] Air					
Enf. Coordinator Kirk Schoppe					
Violation Number 2					
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and FOP O-01668, General Terms and Conditions				
Violation Description	Failed to submit a complete semi-annual deviation report for the August 8, 2007 through February 8, 2008 reporting period, as documented during an investigation conducted on July 23, 2009. Specifically, the Respondent failed to include the deviation regarding the emissions event on January 18, 2008.				
Base Penalty		\$10,000			
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
		Percent	0%		
>> Programmatic Matrix					
		Falsification	Major	Moderate	Minor
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>
		Percent	1%		
Matrix Notes	More than 70% of the rule requirement was met.				
		Adjustment	\$9,900		
		\$100			
Violation Events					
Number of Violation Events		1	536 Number of violation days		
<small>mark only one with an x</small>	daily	<input type="text"/>			
	weekly	<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			
		\$100			
One single event is recommended.					
Good Faith Efforts to Comply		10.0% Reduction		\$10	
		Before NOV	NOV to EDPRP/Settlement Offer		
Extraordinary		<input type="text"/>	<input type="text"/>		
Ordinary		<input type="text"/>	<input checked="" type="checkbox"/>		
N/A		<small>(mark with x)</small>			
Notes	The Respondent returned to compliance on August 31, 2009, and the NOE is dated August 18, 2009.				
		Violation Subtotal			
		\$90			
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount		\$18		Violation Final Penalty Total	
				\$90	
This violation Final Assessed Penalty (adjusted for limits)				\$90	

Economic Benefit Worksheet

Respondent Cabot Corporation
Case ID No. 38284
Reg. Ent. Reference No. RN100210582
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$250	9-Mar-2009	31-Aug-2009	1.48	\$18	n/a	\$18
Training/Sampling				0.00	\$0	n/a	\$0
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

Estimated cost of preparation and submittal of a semi-annual deviation report. The date required is the date a complete report should have been submitted. The final date is the date of compliance.

Avoided Costs

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

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

\$250

TOTAL

\$18

Screening Date 27-Aug-2009	Docket No. 2009-1417-AIR-E	PCW			
Respondent Cabot Corporation		<small>Policy Revision 2 (September 2002)</small>			
Case ID No. 38284		<small>PCW Revision October 30, 2008</small>			
Reg. Ent. Reference No. RN100210582					
Media [Statute] Air					
Enf. Coordinator Kirk Schoppe					
Violation Number 3					
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(B), Tex. Health & Safety Code § 382.085(b), and FOP O-01666, General Terms and Conditions				
Violation Description	Failed to submit a semi-annual deviation report for the August 9, 2008 through February 8, 2009 reporting period when violations were known to occur, as documented during an investigation conducted on July 23, 2009.				
	Base Penalty	\$10,000			
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
		Percent		0%	
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
	<input type="text"/>	x	<input type="text"/>	<input type="text"/>	
		Percent		25%	
Matrix Notes	100% of the rule requirement was not met.				
	Adjustment		\$7,500		
			\$2,500		
Violation Events					
	Number of Violation Events	1	Number of violation days	170	
<small>mark only one with an x</small>	daily	<input type="text"/>			
	weekly	<input type="text"/>			
	monthly	<input type="text"/>			
	quarterly	<input type="text"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	x			
	One single event is recommended.			Violation Base Penalty	\$2,500
Good Faith Efforts to Comply		10.0% Reduction	\$250		
	Before NOV	NOV to EDRP/Settlement Offer			
Extraordinary	<input type="text"/>	<input type="text"/>			
Ordinary	<input type="text"/>	x			
N/A	(mark with x)				
Notes	The Respondent returned to compliance on August 31, 2009, and the NOE is dated August 18, 2009.				
	Violation Subtotal		\$2,250		
Economic Benefit (EB) for this violation			Statutory Limit Test		
	Estimated EB Amount	\$0	Violation Final Penalty Total	\$2,250	
			This violation Final Assessed Penalty (adjusted for limits)	\$2,250	

Economic Benefit Worksheet

Respondent Cabot Corporation
Case ID No. 38284
Reg. Ent. Reference No. RN100210582
Media Air
Violation No. 3

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	\$250	10-Mar-2009	31-Aug-2009	0.48	\$6	n/a	\$6
Training/Sampling				0.00	\$0	n/a	\$0
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

Estimated cost of preparation and submittal of a semi-annual deviation report. The date required is the date the report should have been submitted. The final date is the date of compliance.

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

\$250

TOTAL

\$6

Compliance History Report

Customer/Respondent/Owner-Operator:	CN600124911 Cabot Corporation	Classification: AVERAGE	Rating: 3.74
Regulated Entity:	RN100210582 CABOT CORPORATION DEVELOPMENT AND MANUFACTURING CENTER	Classification: AVERAGE	Site Rating: 0.25

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	GH0047T
	AIR OPERATING PERMITS	PERMIT	1666
	WASTEWATER	PERMIT	WQ0004226000
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD039031828
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30055
	AIR NEW SOURCE PERMITS	PERMIT	42233
	AIR NEW SOURCE PERMITS	PERMIT	43640
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GH0047T
	AIR NEW SOURCE PERMITS	AFS NUM	4817900019
	AIR NEW SOURCE PERMITS	PERMIT	70263
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX956

Location: 5 MI WEST OF PAMPA NORTH SIDE OF BNSF RAILROAD
AND US HWY 60

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: August 27, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 27, 2004 to August 27, 2009

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

Name: Kirk Schoppe Phone: 239 - 0489

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2008 Repeat Violator: NO

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	11/24/2004	(269903)
N/A	2	02/10/2005	(348519)
	3	07/11/2005	(399076)
	4	10/03/2005	(433401)
	5	10/14/2005	(434411)
	6	02/23/2006	(456572)
	7	11/01/2006	(516661)
	8	11/20/2007	(608792)
	9	02/15/2008	(614954)
	10	03/18/2008	(639098)
	11	08/17/2009	(765517)

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

N/A

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CABOT CORPORATION
RN100210582

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2009-1417-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 Cabot Corporation ("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 carbon black manufacturing plant five miles west of Pampa, on the north side of the Burlington Northern Santa Fe Railroad and United States Highway 60 near Pampa, Gray 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 August 23, 2009.
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 Two Thousand Four Hundred Thirty Dollars (\$2,430) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Nine Hundred Forty-Four Dollars (\$1,944) of the administrative penalty and Four Hundred Eighty-Six Dollars (\$486) 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. By August 31, 2009, submitted a revised semi-annual deviation report covering the February 8, 2007 through August 8, 2007, the August 8, 2007 through February 8, 2008, and the August 9, 2008 through February 8, 2009 reporting periods; and
 - b. By August 31, 2009, implemented a reporting procedure to ensure non-reportable events will be included on deviation reports and added that requirement into the Plant's internal Compliance Calendar.
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 submit a complete semi-annual deviation report for the February 8, 2007 through August 8, 2007 reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") O-01666, General Terms and Conditions, as documented during an investigation conducted on July 23, 2009. Specifically, the Respondent failed to include the deviations regarding the emission events on February 21 and August 6, 2007.
2. Failed to submit a complete semi-annual deviation report for the August 8, 2007 through February 8, 2008 reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A),

TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP O-01666, General Terms and Conditions, as documented during an investigation conducted on July 23, 2009. Specifically, the Respondent failed to include the deviation regarding the emission event on January 16, 2008.

3. Failed to submit a semi-annual deviation report for the August 9, 2008 through February 8, 2009 reporting period when violations were known to occur, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(B), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP O-01666, General Terms and Conditions, as documented during an investigation conducted on July 23, 2009.

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: Cabot Corporation, Docket No. 2009-1417-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 Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
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. Grollier
For the Executive Director

Date 12/23/2009

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.

C. L. Christie
Signature

Date 11-9-09

Carson L. Christie
Name (Printed or typed)
Authorized Representative of
Cabot Corporation

Title Environmental Mgr.

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.