

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2010-0142-AIR-E TCEQ ID: RN100825363 CASE NO.: 38970
RESPONDENT NAME: LANXESS 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: LANXESS Orange Plant, 4647 Farm-to-Market Road 1006, Orange, Orange County</p> <p>TYPE OF OPERATION: Rubber 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 one additional pending enforcement action regarding this facility location, Docket No. 2010-0224-IWD-E.</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 July 5, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732 TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Ms. Laurie Baves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Mr. Cliff Wenzel, Environmental Superintendent, LANXESS Corporation, P.O. Box 2000, Orange, Texas 77630 Mr. Markus Linke, Vice President/Site Manager, LANXBSS Corporation, P.O. Box 2000, Orange, Texas 77630 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: October 29, 2009</p> <p>Date of NOV/NOE Relating to this Case: December 22, 2009 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>AIR</p> <p>Failure to prevent unauthorized emissions. Specifically, 88 pounds ("lbs") of 1, 3 butadiene, 154 lbs of butene and 117 lbs of cyclohexane were released when the Respondent failed to prevent two internal check valves from blocking the product, resulting in an emissions event which began on August 19, 2009, and lasted for 10 minutes (Incident No. 128377). Since the emissions event was avoidable by better operations practices, the demonstrations in 30 TBX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Air Permit No. 22508, Special Condition No. 1, Federal Operating Permit No. O-02281, General Terms and Conditions and Special Terms and Conditions No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$5,050</p> <p>Total Deferred: \$1,010 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$2,020</p> <p>Total Paid to General Revenue: \$2,020</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 August 20, 2009, removed, inspected and repaired all check valves associated with nozzles 1 and 2, updated the procedure for nozzle safeout and communicated the changes to operators; and</p> <p>b. On February 9, 2010, completed the addition of hydrocarbon detectors around the nozzles on all coagulators.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p>

Additional ID No(s): OC0004P

Attachment A
Docket Number: 2010-0142-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: LANXESS Corporation
Penalty Amount: Four Thousand Forty Dollars (\$4,040)
SEP Offset Amount: Two Thousand Twenty Dollars (\$2,020)
Type of SEP: Pre-approved
Third-Party Recipient: City of Orange *Municipal Building Energy Efficiency Project*
Location of SEP: Orange County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be used by the **City of Orange *Municipal Building Energy Efficiency Project*** as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, the SEP Offset Amount will be used to perform energy efficiency upgrades on public buildings and infrastructure. The SEP Offset Amount may only be used for: (1) the cost of conducting energy efficiency audits; (2) the incremental cost for construction or implementation of energy-efficiency upgrades (versus the cost of non-energy efficiency upgrades); (3) the incremental cost of purchase of equipment or appliances that are more energy-efficient (versus the cost of purchasing non-energy efficient equipment or appliances); or (4) other direct costs authorized in advance by TCEQ. The SEP Offset Amount may only be used for the direct cost of performing this project and no portion will be spent on administrative costs. For items 2, 3, and 4 above, Performing Party shall submit a budget and proposals for expenditure to TCEQ for written approval prior to the use of SEP Funds.

Modifications may include but are not limited to weatherization; energy-reduction modifications such as building envelope upgrades (cool roofs, exterior shading, optimized insulation and air sealing); installation of high-efficiency lighting fixtures and occupancy sensors for both lighting and HVAC; high-efficiency demand-controlled ventilation and energy-efficient boilers; more efficient exterior lighting and energy-efficient office equipment; replacing heating, ventilation, and cooling (HVAC) systems with more efficient boilers, motors, and variable-speed drives; reducing energy and maintenance costs by installing centralized energy management systems; lowering electric lighting and cooling loads and boosting productivity through increased use of daylighting; installation of LED traffic lights; and use of renewable energy sources. The Performing Party shall quantify the environmental benefit of each project and submit the results of those calculations to TCEQ within 90 days of completion of each project.

The Respondent certifies that it has no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

Implementation of the SEP will provide a discernable environmental benefit by reducing fuel and electricity usage for heating and cooling and other day-to-day operations. These reductions will reduce emissions of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the Agreed Order with the contribution to:

City of Orange, Texas
c/o John Johnson, Carl R. Griffith and Associates
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642-8077

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

LANXESS Corporation
Agreed Order – Attachment A

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to “Texas Commission on Environmental Quality” with the notation “SEP Refund” and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13088
Austin, Texas 78711-3088

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	28-Dec-2009
	PCW	2-Feb-2010
	Screening	8-Jan-2010
	EPA Due	18-Sep-2010

RESPONDENT/FACILITY INFORMATION	
Respondent	LANXESS Corporation
Reg. Ent. Ref. No.	RN100825363
Facility/Site Region	10-Beaumont
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	38970	No. of Violations	1
Docket No.	2010-0142-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Nadia Hameed
		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:	\$2,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	112.0% Enhancement	Subtotals 2, 3, & 7:	\$2,800
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Notes: Penalty enhancement due to two 1660 agreed orders with denial of liability, four same or similar NOVs and 26 dissimilar NOVs.

Culpability	No	0.0% Enhancement	Subtotal 4:	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5:	\$250
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Economic Benefit	0.0% Enhancement*	Subtotal 6:	\$0
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Total EB Amounts: \$267
 Approx. Cost of Compliance: \$9,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal:	\$5,050
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment:	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$5,050

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty:	\$5,050
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DEFERRAL	20.0% Reduction	Adjustment:	-\$1,010
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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	\$4,040
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Screening Date: 8-Jan-2010

Docket No.: 2010-0142-AIR-E

PCW

Respondent: LANXESS Corporation

Policy Revision 2 (September 2002)

Case ID No.: 38970

PCW Revision October 30, 2006

Reg. Ent. Reference No.: RN100825363

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)	4	20%
	Other written NOVs	26	52%
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 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) 112%

>> 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 1660 agreed orders with denial of liability, four same or similar NOVs and 26 dissimilar NOVs.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 112%

Screening Date 8-Jan-2010

Docket No. 2010-0142-AIR-E

PCW

Respondent LANXESS Corporation

Policy Revision 2 (September 2002)

Case ID No. 38970

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100825363

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number

1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c), and 122.143(4), Air Permit No. 22508, Special Condition No. 1, Federal Operating Permit No. O-02281, General Terms and Conditions and Special Terms and Conditions No. 11, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 88 pounds ("lbs") of 1, 3-butadiene, 154 lbs of butene and 117 lbs of cyclohexane were released when the Respondent failed to prevent two internal check valves from blocking the product, resulting in an emissions event which began on August 19, 2009, and lasted for 10 minutes (Incident No. 128377). Since the emissions event was avoidable by better operations practices, 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		
	Major	Moderate	Minor
Actual			X
Potential			

Percent

25%

>> 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

1

Number of violation days

1

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty

\$2,500

One quarterly event is recommended based upon the emissions event that began on August 19, 2009.

Good Faith Efforts to Comply

10.0% Reduction

\$250

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

Notes

The Respondent completed the corrective actions on February 9, 2010, after the December 22, 2009 NOE.

Violation Subtotal

\$2,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$267

Violation Final Penalty Total

\$5,050

This violation Final Assessed Penalty (adjusted for limits)

\$5,050

Economic Benefit Worksheet

Respondent: LANXESS Corporation
Case ID No.: 38970
Reg. Ent. Reference No.: RN100825363
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	\$8,000	19-Aug-2009	9-Feb-2010	0.48	\$13	\$254	\$267
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$1,000	19-Aug-2009	20-Aug-2009	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				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)	\$500	19-Aug-2009	20-Aug-2009	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for the removing, inspecting and replacing of check valves associated with nozzles Nos. 1 and 2 (completed August 20, 2009). The procedure for nozzle safeout was updated and operators notified of the change on August 20, 2009. Hydrocarbon detectors were added around the nozzles (completed February 9, 2010). The date required is based on the date of the emissions event. The final date is 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

\$9,500

TOTAL

\$267

Compliance History Report

Customer/Respondent/Owner-Operator: CN602665556 LANXESS Corporation Classification: AVERAGE Rating: 4.16
Regulated Entity: RN100825363 LANXESS ORANGE PLANT Classification: AVERAGE Site Rating: 3.28

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	OC0004P
	AIR OPERATING PERMITS	PERMIT	1391
	AIR OPERATING PERMITS	PERMIT	2279
	AIR OPERATING PERMITS	PERMIT	2280
	AIR OPERATING PERMITS	PERMIT	2281
	AIR OPERATING PERMITS	PERMIT	2282
	WASTEWATER	PERMIT	WQ0001167000
	WASTEWATER	PERMIT	TX0003654
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1810007
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1810007
	AIR NEW SOURCE PERMITS	PERMIT	38280
	AIR NEW SOURCE PERMITS	PERMIT	39197
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	OC0004P
	AIR NEW SOURCE PERMITS	PERMIT	7427
	AIR NEW SOURCE PERMITS	PERMIT	10499
	AIR NEW SOURCE PERMITS	PERMIT	11834
	AIR NEW SOURCE PERMITS	PERMIT	18072
	AIR NEW SOURCE PERMITS	PERMIT	19663
	AIR NEW SOURCE PERMITS	PERMIT	22508
	AIR NEW SOURCE PERMITS	PERMIT	29624
	AIR NEW SOURCE PERMITS	PERMIT	52977
	AIR NEW SOURCE PERMITS	REGISTRATION	55829
	AIR NEW SOURCE PERMITS	AFS NUM	4836100020
	AIR NEW SOURCE PERMITS	PERMIT	56568
	AIR NEW SOURCE PERMITS	REGISTRATION	81449
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30020
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD061283479
	WASTEWATER LICENSING	LICENSE	WQ0001167000
	WATER LICENSING	LICENSE	1810007
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	OC0004P

Location: 4647 FM 1006, ORANGE, TX, 77630

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: January 08, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 07, 2005 to January 07, 2010

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/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: 9/1/2009 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.

Effective Date: 06/15/2006

ADMINORDER 2005-0006-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)

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

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

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

Rqmt Prov: O-01391 Special Condition 7A OP

Description: Failing to prevent unauthorized emissions from being released at the Cobalt Butadiene Rubber Unit; and the Propylene Bullet Tank, and failing to maintain an emission rate below the permitted allowable emission limit.

Classification: Minor

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

30 TAC Chapter 101, SubChapter F 101.201(c)

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

Description: Failure to properly notify the regional office of a reportable emissions event, which began on April 17, 2003 and ended on April 18, 2003.

Classification: Minor

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

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

Description: Failure to properly notify the regional office of a reportable emissions event, which occurred on July 17, 2003.

Effective Date: 08/31/2009

ADMINORDER 2009-0172-AIR-E

Classification: Minor

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

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O2282, General Terms and Conditions OP

FOP O2282, Special Condition 2F OP

Description: Failed to report Incident No. 111300 within 24 hours after discovery.

Classification: Moderate

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

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-02282, General Terms and Condition OP

FOP O-02282, Special Condition 11 OP

Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 111300.

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	02/22/2005	(419524)
2	03/21/2005	(419525)
3	04/25/2005	(419526)
4	05/12/2005	(375183)
5	05/23/2005	(419527)
6	06/23/2005	(395581)
7	06/23/2005	(395759)
8	06/23/2005	(419528)
9	07/13/2005	(394175)
10	07/22/2005	(440681)
11	08/03/2005	(398945)
12	08/23/2005	(440682)
13	08/31/2005	(418435)
14	09/23/2005	(440683)
15	10/24/2005	(440684)
16	11/28/2005	(468185)
17	12/16/2005	(436392)
18	12/27/2005	(468186)
19	01/23/2006	(468187)
20	02/28/2006	(468184)
21	03/28/2006	(498031)
22	03/31/2006	(455894)
23	04/24/2006	(498032)
24	05/09/2006	(453986)
25	05/16/2006	(465393)
26	05/26/2006	(498033)
27	06/26/2006	(498034)
28	07/05/2006	(462812)
29	07/10/2006	(498035)
30	07/18/2006	(520047)
31	08/21/2006	(520046)
32	09/22/2006	(544297)
33	10/03/2006	(511695)
34	10/17/2006	(520048)
35	11/16/2006	(544298)
36	12/18/2006	(406548)
37	12/27/2006	(544299)
38	01/04/2007	(533360)
39	01/19/2007	(544300)
40	02/07/2007	(533954)
41	02/20/2007	(544296)
42	03/20/2007	(574965)
43	04/09/2007	(593173)
44	04/20/2007	(574966)
45	05/16/2007	(555261)
46	05/18/2007	(574967)
47	06/14/2007	(559010)
48	06/20/2007	(574968)
49	07/03/2007	(566077)
50	07/20/2007	(574969)
51	07/26/2007	(566591)
52	08/02/2007	(645509)

53 09/13/2007 (571245)
 54 09/20/2007 (607504)
 55 10/05/2007 (571389)
 56 10/19/2007 (607505)
 57 10/19/2007 (607506)
 58 11/20/2007 (619411)
 59 12/14/2007 (600084)
 60 12/17/2007 (598701)
 61 12/20/2007 (619412)
 62 02/19/2008 (614689)
 63 02/21/2008 (671915)
 64 03/20/2008 (671916)
 65 04/08/2008 (640319)
 66 04/21/2008 (671917)
 67 04/21/2008 (671918)
 68 05/19/2008 (689840)
 69 05/23/2008 (653916)
 70 06/20/2008 (689841)
 71 08/13/2008 (685498)
 72 08/20/2008 (710601)
 73 11/13/2008 (702023)
 74 11/20/2008 (727393)
 75 11/20/2008 (727394)
 76 11/20/2008 (727395)
 77 12/20/2008 (727396)
 78 01/13/2009 (702422)
 79 01/20/2009 (727397)
 80 02/20/2009 (750136)
 81 03/19/2009 (750137)
 82 04/08/2009 (724981)
 83 04/20/2009 (750138)
 84 04/20/2009 (750139)
 85 04/21/2009 (739741)
 86 04/21/2009 (739746)
 87 04/23/2009 (758944)
 88 05/11/2009 (740484)
 89 05/20/2009 (768266)
 90 06/15/2009 (768267)
 91 07/13/2009 (760110)
 92 11/23/2009 (764963)
 93 12/16/2009 (781983)
 94 12/22/2009 (782094)
 95 12/28/2009 (786664)

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

Date:	07/14/2005	(394175)	CN602665556
Self Report?	NO		Classification: Moderate
Citation:	EL&MR 1 PERMIT		
Description:	Failure by the permittee to discharge effluent that is compliant with permitted flow limitations.		
Self Report?	NO		Classification: Minor
Citation:	M&RR 3c PERMIT		
Description:	Failure by the permittee to maintain complete records of monitoring activities.		
Self Report?	NO		Classification: Minor
Citation:	OpR 1 PERMIT		
Description:	Failure by the permittee to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.		
Self Report?	NO		Classification: Minor
Citation:	OpR 1 PERMIT		

Description: Failure by the permittee to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

Date: 08/31/2005 (418435) CN602665556
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
FOP O-02280, SC 10 OP
Permit 19663, SC 11A PERMIT

Description: Failure to document AVO inspections.
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
FOP O-02279, SC 8 OP
Permit 18072, SC 17E PERMIT

Description: Failure to document AVO inspections for flanges.
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
FOP O-02281, SC 11 OP
Permit 9794, SC 7 PERMIT

Description: Failure to operate the steam stripper with no less than 95 percent efficiency.

Date: 05/09/2006 (453986) CN602665556
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(d)(1)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(c)(1)(i)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.173(a)

Description: Failure to keep a container of hazardous waste closed in a satellite accumulation area (SAA).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)(G)

Description: Failure to document the location of a satellite accumulation area (SAA).

Date: 06/30/2006 (498035) CN602665556
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: 07/06/2006 (462812) CN602665556
Self Report? NO Classification: Moderate

Citation: 18072 SC4 PA
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
O-02279 SC8 OP

Description: Failure to limit the flow rate through carbon adsorption units D-1521V, D-12221V, and D-1221BV.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
9794 SC 7 PA
O-02281 SC 11 OP

Description: Failure to operate the steam stripper with no less than 95 percent efficiency.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.132(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
O-02282 SC 10 OP

Description: Failure to operate the water separator without emissions to the atmosphere.
Failure to operate the water separator without emissions to the atmosphere.

Date: 10/31/2006 (544298) CN602665556
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: 02/08/2007 (533954) CN602665556
Self Report? NO Classification: Moderate
Citation: 18072 Special Condition 7B PERMIT
19663 Special Condition 6 PERMIT
22508/PSD-TX-874, Special Condition 8B PERMIT
30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.100
30 TAC Chapter 113, SubChapter C 113.260
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(5)
5C THC Chapter 382, SubChapter A 382.085(b)
O-01391, Special Condition 1A OP
O-01391, Special Condition 1D OP
O-01391, Special Condition 7A OP
Description: Failure to maintain a constant pilot flame for the facility common flare, Emission Point Number (EPN) FLARE 1.

Date: 04/09/2007 (593173) CN602665556
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date: 05/31/2007 (574968) CN602665556
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: 07/03/2007 (566077) CN602665556
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
30 TAC Chapter 335, SubChapter E 335.112(a)(9)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(ii)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.193(e)(1)(iii)
Description: Failure to maintain the liner in the secondary containment.

Date: 07/31/2007 (520047) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 08/02/2007 (645509) CN602665556
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(f)(2)
Description: BACT - NONACUTE MCL (5% OR >1)

Date: 06/30/2008 (871918) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 07/31/2008 (710601) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 08/13/2008 (685498) CN602665556
Self Report? NO Classification: Minor
Citation: WQ0001167-000 OT Pg 12, No 3 PERMIT
Description: Failure by Lanxess to discharge effluent compliant with the permit limitations for chlorine residual.

Self Report? NO Classification: Moderate
Citation: WQ0001167-000 OpR Pg 9, No 1 PERMIT
Description: Failure by Lanxess to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

Self Report? NO Classification: Minor
Citation: WQ0001167-000 M&RR Pg 5, No3c PERMIT
Description: Failure by Lanxess to maintain complete records of monitoring activities.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 319, SubChapter A 319.5(b)
WQ0001167-000 CBR Pg 14, No 1e PERMIT

Description: Failure by Lanxess to comply with the permit required bio-monitoring sampling frequency.

Self Report? NO Classification: Moderate
Citation: WQ0001167-000 EL&MR Pg 2, No 1 PERMIT
Description: Failure by Lanxess to discharge effluent compliant with permit limitations for Biochemical Oxygen Demand (BOD).

Self Report? NO Classification: Moderate
Citation: WQ0001167-000 OpR Pg 9, No 1 PERMIT
Description: Failure by Lanxess Corporation to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

Self Report? NO Classification: Minor
Citation: WQ0001167-000 OpR Pg 9, No 1 PERMIT
Description: Failure by Lanxess to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

Self Report? NO Classification: Minor
Citation: WQ0001167-000 M&RR Pg 5, No 3b PERMIT
Description: Failure by Lanxess to maintain the required records and have them available for review during the investigation.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125
WQ0001167-000 M&RR Pg 5, No 3b PERMIT
Description: Failure by Lanxess to maintain the required records and have them available for review during the investigation.

Date: 08/31/2008 (727393) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2009 (750136) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 08/31/2007 (607504) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2007 (607505) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 11/30/2007 (619412) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 12/17/2007 (600084) CN602665556
Self Report? NO Classification: Moderate
Citation: 18072, Special Condition 4 PERMIT
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
O-02279, Special Condition 8 OP
Description: Failure to maintain an hourly flow rate through carbon adsorption units below allowable limits.

Self Report? NO Classification: Moderate
Citation: 18072, Special Condition 1 PERMIT
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
O-02279, Special Condition 8 OP
Description: Failure to maintain an emission rate below the allowable emission limits.

Date: 02/20/2008 (614689) CN602665556
Self Report? NO Classification: Moderate
Citation: 22508 and PSD-TX-874, Special Condition 1 PERMIT
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
O-02281, Special Condition 11 OP
Description: Failure to maintain an emission rate below the allowable emission limits. B13 Mod

Date: 04/30/2008 (689840) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2008 (689841) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2009 (750138) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 04/21/2009 (739746) CN602665556
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.130
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
5C THSC Chapter 382 382.085(b)
FOP 0-02279, Special Condition 8 OP
FOP 2279, 2280, 2281, 2282 General Terms OP
FOP O-02282, Special Condition 11 OP
FOP O-02282, Special Condition 9 OP
FOPs O-02281 and O-02280, Special Cond 9 OP
NSR 18072, Special Condition 16E PERMIT
NSR 19663, Special Condition 10E PERMIT
NSR 22508, Special Condition 11E PERMIT
Description: Failure to operate an open-ended valve or line with a cap, blind flange, plug, or second valve as reported in the deviation reports for FOPs O-02279, O-02280, O-02281, O-02282 covering the reporting period of July 1, 2007, through December 31, 2008. C10

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter B 115.122(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP O-02282 General Terms and Conditions OP
FOP O-02282, Special Condition 1A OP
Description: Failure to properly control a vent gas stream at a stationary vent.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to provide notification of deviations.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.146(1)
30 TAC Chapter 122, SubChapter B 122.146(5)(C)
5C THSC Chapter 382 382.085(b)

Description: Failure to accurately certify an Annual Compliance Certification (ACC) report.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter B 115.132(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP 0-02280, Special Condition 13 OP
FOP O-02280 General Terms and Conditions OP
Description: Failure to maintain a vapor tight seal on the water separator.

Date: 04/23/2009 (758944) CN602665556
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date: 04/30/2009 (768266) CN602665556
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2009 (768267) CN602665556

Self Report?	YES	Classification:	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date: 12/17/2009 (781983)		CN602665556	
Self Report?	NO	Classification:	Moderate
Citation:	WQ0001167-000 EL&MR Pg 2, No 1 PERMIT		
Description:	Failure by Lanxess to discharge effluent compliant with permit limitations for Biochemical Oxygen Demand (BOD).		
Self Report?	NO	Classification:	Moderate
Citation:	WQ0001167-000 OpR Pg 9, No 1 PERMIT		
Description:	Failure by Lanxess Corporation to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.		
Self Report?	NO	Classification:	Minor
Citation:	OpR PERMIT		
Description:	Failure by Lanxess Corporation to properly operate and maintain units of treatment and collection.		
Self Report?	NO	Classification:	Moderate
Citation:	MRR PERMIT		
Description:	Failure by Lanxess Corporation to maintain records of monitoring activities.		
Self Report?	NO	Classification:	Minor
Citation:	MRR PERMIT		
Description:	Failure by Lanxess Corporation to maintain records for three years from the date of the records.		
Self Report?	NO	Classification:	Minor
Citation:	MRR PERMIT		
Description:	Failure by Lanxess Corporation to comply with procedures specified in 30 TAC 319.11 - 319.12.		
Self Report?	NO	Classification:	Moderate
Citation:	MRR PERMIT		
Description:	Failure by Lanxess Corporation to report all effluent violations that deviate from the permitted limitation by more than 40%.		
Self Report?	NO	Classification:	Minor
Citation:	MRR PERMIT		
Description:	Failure by Lanxess Corporation to properly record monitoring activities.		
Self Report?	NO	Classification:	Minor
Citation:	MRR PERMIT		
Description:	Failure by Lanxess Corporation to comply with procedures specified in 30 TAC 319.11 - 319.12.		
Self Report?	NO	Classification:	Moderate
Citation:	ELMR PERMIT		
Description:	Failure by Lanxess Corporation to comply with the effluent limitations and monitoring requirements for total phenols, toluene, cyclohexane, total mercury, and total zinc.		

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
LANXESS CORPORATION
RN100825363**

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**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2010-0142-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 LANXESS 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 rubber manufacturing plant at 4647 Farm-to-Market Road 1006 in Orange, Orange 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 December 27, 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 Five Thousand Fifty Dollars (\$5,050) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Thousand Twenty Dollars (\$2,020) of the administrative penalty and One Thousand Ten Dollars (\$1,010) 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. Two Thousand Twenty Dollars (\$2,020) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and 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 August 20, 2009, removed, inspected and repaired all check valves associated with nozzles 1 and 2, updated the procedure for nozzle safeout and communicated the changes to operators; and
 - b. On February 9, 2010, completed the addition of hydrocarbon detectors around the nozzles on all coagulators.
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 failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c), and 122.143(4), Air Permit No. 22508, Special Condition No. 1, Federal Operating Permit No. O-02281, General Terms and Conditions and Special Terms and Conditions No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 29, 2009. Specifically, 88 pounds ("lbs") of 1, 3 butadiene, 154 lbs of butene and 117 lbs of cyclohexane were released when the Respondent failed to prevent two internal check valves from blocking the product, resulting in an emissions event which began on August 19, 2009, and lasted for 10 minutes (Incident No. 128377). Since the emissions event was avoidable by better operations practices, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

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: LANXESS Corporation, Docket No. 2010-0142-AIR-E" to:

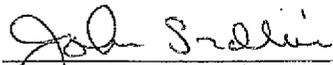
Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Two Thousand Twenty Dollars (\$2,020) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. 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.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. 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.
7. 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.
8. 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



For the Executive Director

6/18/2010
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

5/4/2010
Date

Markus Linke
Name (Printed or typed)
Authorized Representative of
LANXESS Corporation

V.P.; SFE Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2010-0142-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: LANXESS Corporation
Penalty Amount: Four Thousand Forty Dollars (\$4,040)
SEP Offset Amount: Two Thousand Twenty Dollars (\$2,020)
Type of SEP: Pre-approved
Third-Party Recipient: City of Orange *Municipal Building Energy Efficiency Project*
Location of SEP: Orange County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be used by the **City of Orange *Municipal Building Energy Efficiency Project*** as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, the SEP Offset Amount will be used to perform energy efficiency upgrades on public buildings and infrastructure. The SEP Offset Amount may only be used for: (1) the cost of conducting energy efficiency audits; (2) the incremental cost for construction or implementation of energy-efficiency upgrades (versus the cost of non-energy efficiency upgrades); (3) the incremental cost of purchase of equipment or appliances that are more energy-efficient (versus the cost of purchasing non-energy efficient equipment or appliances); or (4) other direct costs authorized in advance by TCEQ. The SEP Offset Amount may only be used for the direct cost of performing this project and no portion will be spent on administrative costs. For items 2, 3, and 4 above, Performing Party shall submit a budget and proposals for expenditure to TCEQ for written approval prior to the use of SEP Funds.

Modifications may include but are not limited to weatherization; energy-reduction modifications such as building envelope upgrades (cool roofs, exterior shading, optimized insulation and air sealing); installation of high-efficiency lighting fixtures and occupancy sensors for both lighting and HVAC; high-efficiency demand-controlled ventilation and energy-efficient boilers; more efficient exterior lighting and energy-efficient office equipment; replacing heating, ventilation, and cooling (HVAC) systems with more efficient boilers, motors, and variable-speed drives; reducing energy and maintenance costs by installing centralized energy management systems; lowering electric lighting and cooling loads and boosting productivity through increased use of daylighting; installation of LED traffic lights; and use of renewable energy sources. The Performing Party shall quantify the environmental benefit of each project and submit the results of those calculations to TCEQ within 90 days of completion of each project.

The Respondent certifies that it has no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

Implementation of the SEP will provide a discernable environmental benefit by reducing fuel and electricity usage for heating and cooling and other day-to-day operations. These reductions will reduce emissions of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the Agreed Order with the contribution to:

City of Orange, Texas
c/o John Johnson, Carl R. Griffith and Associates
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642-8077

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

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In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to “Texas Commission on Environmental Quality” with the notation “SEP Refund” and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13088
Austin, Texas 78711-3088

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

