

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

HEXION INC.

AI # 92534

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-HE-19-0018
*
* Enforcement Tracking No.
* HE-PP-17-00582
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SETTLEMENT

The following Settlement is hereby agreed to between Hexion Inc. (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation that owned and/or operated a facility located in Geismar, Ascension Parish, Louisiana (“the Facility”).

II

On March 28, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. HE-PP-17-00582 (Exhibit 1).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal

statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FOUR THOUSAND AND NO/100 DOLLARS (\$4,000.00), of which Eight Hundred Sixty-Two and 42/100 Dollars (\$862.42) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), the Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set

forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ascension Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

HEXION INC.

BY: Craig A. Stutz
(Signature)

Craig A. Stutz
(Printed)

TITLE: Associate General Counsel

THUS DONE AND SIGNED in duplicate original before me this 28 day of August, 20 19, at Columbus OH 43215

Elizabeth M. Beckley
NOTARY PUBLIC (ID # N/A)



Elizabeth M. Beckley
Notary Public, State of Ohio
My Commission Expires 09-05-2020
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 10th day of Dec., 20 19, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

March 22, 2018

CERTIFIED MAIL (7014 1200 0000 7864 1928)
RETURN RECEIPT REQUESTED

HEXION, INC.
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, LA 70802

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-17-00582
AGENCY INTEREST NO. 92534

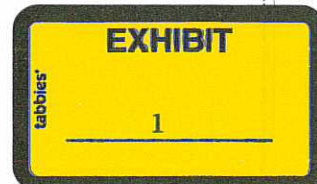
Dear Sir/Madam:

On or about May 29, 2012 and March 8, 2017, inspections of **HEXION INC. GEISMAR FACILITY**, owned and/or operated by **HEXION, INC. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Louisiana Hazardous Waste Regulations. The facility is located at 4338 Highway 73 in Geismar, Ascension Parish, Louisiana.

During the May 29, 2012 inspection, the facility was known to the Department as Momentive Specialty Chemicals. On or about January 26, 2015, Momentive Specialty Chemicals underwent a name change. The current name of the facility is Hexion, Inc.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspections:

- A. The Respondent failed to keep hazardous waste containers closed during storage, except when necessary to add or remove hazardous waste, as specified in LAC 33:V.2107.A, in violation of LAC 33:V.1109.E.4. Specifically, located in the Tank Farm/Plant 076 Area, the Department observed one (1) fifty-five (55) gallon satellite accumulation container and two (2) thirty (30) gallon satellite accumulation containers, which were not closed. Additionally, in the Control Room Area, the Department observed one (1) fifty-five (55) gallon satellite accumulation container which was not closed. This violation was noted during the May 29, 2012 inspection. During the course of the inspection, a representative



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- of the Respondent closed the aforementioned containers; therefore, this violation has been addressed.
- B. The Respondent failed to mark containers containing hazardous waste with an accumulation start date, in violation of LAC 33:V.1109.E.1.c. Specifically, during the May 29, 2012 inspection, the Department observed one (1) thirty (30) gallon hazardous waste storage container which was not labeled with an accumulation start date located in Plant 075 Area. During the course of the inspection, a representative of the Respondent labeled the container with an accumulation start date; therefore, this violation has been addressed.
- C. The Respondent failed to be able to demonstrate the length of time universal waste had been accumulated, in violation of LAC 33:V.3825.C. Specifically, during the May 29, 2012 inspection, the Department observed two (2) containers of waste lamps, one (1) battery storage container, and a pallet containing eight (8) universal waste batteries with no accumulation start date located in the Maintenance Shop. Additionally, the Department observed five (5) pallets of electronic waste in the Chemical Storage Building; none of which were labeled with an accumulation start date. During the inspection, a representative of the Respondent labeled the containers with accumulation start dates; therefore, this violation has been addressed.
- D. The Respondent failed to label or mark clearly universal waste batteries or a container in which the batteries are contained with any one of the following phrases: "Universal Waste—Battery(ies)," or "Waste Battery(ies)," or "Used Battery(ies)," in violation of LAC 33:V.3823.A.1. Specifically, during the May 29, 2012 inspection, the Department observed a pallet containing eight (8) universal waste batteries located in the Maintenance Shop which was not labeled. During the inspection, a representative of the Respondent labeled the universal waste battery storage area appropriately; therefore, this violation has been addressed.
- E. The Respondent failed to label universal waste electronics, or a container in which the electronics are contained, or each electronic device, package, or pallet containing universal waste electronics with any one of the following phrases: "Universal Waste – Electronics," or "Waste Electronics," or "Used Electronics," in violation of LAC 33:V.3823.A.7. Specifically, during the May 29, 2012 inspection, the Department observed five (5) pallets of electronics located in the Chemical Storage Building which were not labeled. During the course of the inspection, a representative of the Respondent labeled the electronic waste appropriately; therefore, this violation has been addressed.
- F. The Respondent failed to conduct weekly inspections of its hazardous waste containers, as specified in LAC 33:V.2109.A, in violation of LAC 33:V.1109.E.1.a.i. Specifically, during the May 29, 2012 inspection, it was discovered that the facility failed to conduct weekly inspections in a timely manner for the years 2009-2012. Additionally, during the March 8, 2017 inspection, it was discovered that the facility failed to conduct weekly container inspection in Area 074 for the following months: January 2015, March 2015, August 2015, and September 2015. The Respondent is now performing weekly inspections of hazardous waste containers as verified in a response received by the Department on or about July 25, 2017; therefore, this violation has been addressed.
- G. The Respondent stored regulated hazardous waste for more than ninety (90) days without a permit or other authorization, in violation of LAC 33:V.303.B. Specifically, during the May 6, 2012 inspection, a review of the weekly container inspection records revealed the

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- facility stored hazardous waste for greater than ninety (90) days, but did not obtain an extension or a permit to store the hazardous waste. Furthermore, during the March 8, 2017 inspection, the facility was storing seven (7) containers of hazardous waste for greater than ninety (90) days without obtaining an extension or permit to store hazardous waste. On or about March 22, 2017, the Respondent shipped all hazardous waste containers off-site for disposal. Therefore, this violation has been addressed.
- H. The Respondent failed to ensure that all required facility personnel take part in an annual review of the initial training, as specified in LAC 33:V.1515.C, in violation of LAC 33:V.1109.E.1.e. Specifically, the Respondent failed to provide annual RCRA training for calendar year 2016 for employee Matthew Johnson. On or about March 13, 2017, Matthew Johnson completed annual hazardous waste training.
- I. The Respondent failed to maintain aisle space to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment, and decontamination equipment to any area of the facility operation in an emergency, as specified in LAC 33:V.1511.F, in violation of LAC 33:V.1109.E.7.c. Specifically, during the March 8, 2017 inspection, the Department observed inadequate aisle spacing in the less than ninety (90) day hazardous waste storage area (Area 076). The facility's less than ninety (90) day hazardous waste storage area now has adequate aisle spacing as verified in a response received by the Department on or about July 25, 2017; therefore, this violation has been addressed.
- J. The Respondent failed to store waste lamps in containers or packages that are structurally sound, adequate to prevent breakage, and compatible with the contents of the lamps, in violation of LAC 33:V.3821.D.1. Specifically, during the March 8, 2017 inspection, in Building K the Department observed six (6) universal waste lamps which were not in a container and four boxes of universal waste lamps which were not closed. On or about March 22, 2017, documentation was sent to the Department verifying all universal waste lamps were in structurally sound, closed containers. This violation has been addressed.
- K. The Respondent failed to clearly mark or label an aboveground container used to store used oil with the words "Used Oil," in violation of LAC 33:V.4013.D.1. Specifically, the Respondent failed to label a five (5) gallon bucket of used oil with the words "Used Oil" located in Area 075. This violation was noted during the March 8, 2017 inspection. In a response received by the Department on or about July 25, 2017, the unlabeled drum of used oil was sent off-site for disposal on or about March 22, 2017; therefore, this violation has been addressed.
- L. The Respondent failed to include all required information on the annual report regarding each off-site treatment, storage, or disposal (TSD) facility and each transporter used, in violation of LAC 33:V.1111.B.1.c & d. Specifically, During the May 6, 2012 inspection, a records review revealed the 2009 Annual Report did not include all of the transporters on the OI Form of the Annual Report. On or about May 17, 2013, the Respondent submitted a revised 2009 Annual Report reflecting complete and accurate transporter information. Additionally, during the March 8, 2017 inspection, a records review revealed TSD facility and transporter information listed on manifest 007581302JJK were not included in the 2016 Annual Report. On or about May 3, 2017, the Respondent submitted a revised 2016 Annual Report reflecting complete and accurate TSD facility and transporter information. This violation has been addressed.

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- M. The Respondent failed to include all hazardous waste descriptions and EPA hazardous waste numbers on the annual report, in violation of LAC 33:V.1111.B.1.e. Specifically, during the March 8, 2017 inspection, a records review revealed hazardous waste codes (U007 and U154) listed on manifest 007581302JJK were not included in the 2016 Annual Report. On or about May 3, 2017, the Respondent submitted a revised 2016 Annual Report reflecting accurate hazardous waste codes. This violation had been addressed.
- N. The Respondent failed to notify the Office of Environmental Services within seven (7) days if any of the information submitted in the application for the identification number changes, in violation of LAC 33:V.1105.B. Specifically, the Respondent failed to submit an updated HW-1 when the correct site contact personnel. On or about May 3, 2017, the Respondent submitted a updated HW-1 reflecting accurate site contact information. This violation had been addressed.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Adrienne Landry at (225) 219-3805 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

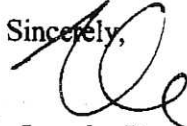
The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer

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amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/ARL/arl
Alt ID No. LAR000044172

c: HEXION, INC.
c/o Mike Brown
4338 Highway 73
Geismar, LA 70734

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY
 REQUEST TO SETTLE (OPTIONAL)**



Enforcement Tracking No.	HE-PP-17-00582	Contact Name	Adrienne Landry
Agency Interest (AI) No.	92534	Contact Phone No.	225-219-3805
Alternate ID No.	LAR000044172		
Respondent:	Hexion, Inc.	Facility Name:	Hexion inc - Geismar Facility
	c/o Corporate Service Company	Physical Location:	4338 Highway 73
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	Geismar, LA 70734
	Baton Rouge, LA 70802	Parish:	Ascension

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY HE-PP-17-00582**, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY HE-PP-17-00582**, the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ _____
- Beneficial Environmental Project (BEP) component (optional)= \$ _____
- **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.**

The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY HE-PP-17-00582** and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Adrienne Landry