STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF: * Settlement Tracking No.
* SA-AE-15-0016

GRAPHIC PACKAGING INTERNATIONAL, * Enforcement Tracking No.
INC. * AE-CN-14-00191

AI # 39129 *

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

SETTLEMENT

The following Settlement is hereby agreed to between Graphic Packaging International, 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 owns and/or operates a beverage carton and carrier production facility located in West Monroe, Ouachita Parish, Louisiana ("the Facility").

II

On August 1, 2014, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. AE-CN-14-00191, which was based upon the following findings of fact:

The Respondent owns and/or operates West Monroe Packaging Plant #70 (the facility), a beverage carton and carrier production facility, located at 1070 Jonesboro Road in West Monroe, Ouachita Parish, Louisiana. The facility operates or has operated under the authority of the following Title V and PSD permits:
<table>
<thead>
<tr>
<th>Title V Permit</th>
<th>Effective Date</th>
<th>Effective Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2160-00008-V4</td>
<td>06/10/14</td>
<td>04/27/15</td>
</tr>
<tr>
<td>2160-00008-V3</td>
<td>04/27/10</td>
<td>06/09/14</td>
</tr>
<tr>
<td>2160-00008-V2</td>
<td>10/21/05</td>
<td>04/26/10</td>
</tr>
<tr>
<td>2160-00008-V1</td>
<td>09/14/04</td>
<td>10/20/05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PSD Permit</th>
<th>Effective Date</th>
<th>Effective Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSD-LA-697 (M-1)AA</td>
<td>06/10/14</td>
<td>06/10/24</td>
</tr>
<tr>
<td>PSD-LA-697(M-1)</td>
<td>09/14/04</td>
<td>03/14/06</td>
</tr>
</tbody>
</table>

On or about February 6, 2014, a file review of the Respondent’s facility was conducted to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. The following violations were noted during the course of the file review:

A. The Respondent failed to submit the 2010 First Semiannual Monitoring Report in a timely manner. The deadline for submitting the report was September 30, 2010; the report was postmarked October 1, 2010. Failure to submit the report in a timely manner is a violation of General Condition K of Title V Permit No. 2160-00008-V3, LAC 33:III.501.C.4, and La R.S. 30:2057(A)(2).

B. The Respondent failed to submit the 2010 Criteria and Toxic Air Pollutant Emissions Certification Statement in a timely manner. The deadline for the 2010 calendar year submission was extended from March 31, 2011 to April 30, 2011, by an Administrative Notice issued on January 25, 2011. The Respondent’s data was submitted in the Emissions Reporting and Inventory Center on April 29, 2011, the certification statement was received on May 18, 2011. Failure to submit the certification statement by the deadline is a violation of Specific Requirement 80 of Title V Permit No. 2160-00008-V3, LAC33:III.919.D, and La. R.S. 30:2057(A)(2).

C. According to the Respondent’s Consolidated 2012 First Semiannual Monitoring and Deviation Report dated September 27, 2012, the Respondent failed to include emissions from the Video Jet (EQT0014) in Annual Emissions Inventory Reports submitted to the Department. EQT 0014 is permitted to emit Volatile Organic Compounds (VOC), and two Toxic Air Pollutants, Glycol Ethers and Methanol. The emissions for EQT 0014 were omitted from the 2009, 2010, and 2011 Annual Emissions Inventory Reports. Each failure to include emissions from the source in a required report is a violation of Specific Requirements 15 and 69 of Title V Permit No. 2160-00008-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
On or about June 9, 2014, the Department received the Respondent’s Revised 2013 Annual Compliance Certification dated May 28, 2014. The Respondent reported exceeding the annual Volatile Organic Compounds (VOC) emission limit for the Finishing Operations (EQT 0008).

<table>
<thead>
<tr>
<th>EMISSION POINT</th>
<th>INCIDENT DATE</th>
<th>POLLUTANTS RELEASED</th>
<th>PERMITTED EMISSION LIMIT</th>
<th>ACTUAL EMISSION LIMIT</th>
<th>REPORTED CAUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQT0008 Finishing Operations</td>
<td>01/01/13-12/31/13</td>
<td>VOC</td>
<td>1.67 lb/hr</td>
<td>5.00 lb/hr</td>
<td>Change in adhesive used for process</td>
</tr>
<tr>
<td>EQT0008 Finishing Operations</td>
<td>01/01/13-12/31/13</td>
<td>VOC</td>
<td>7.31 tons</td>
<td>21.89 tons</td>
<td>Change in adhesive used for process</td>
</tr>
</tbody>
</table>


In correspondence dated June 24, 2014, the Respondent submitted a request for interim limits for VOC emissions from EQT 0008. The Department received an application for a permit modification on July 21, 2014.

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 SIX THOUSAND TWO HUNDRED THIRTY-FIVE AND NO/100 DOLLARS ($6,235.00), of which One Thousand Two Hundred Thirty-Five and 17/100 Dollars ($1,235.17) 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 permit record(s), the CONOPP 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 Ouachita Parish, Louisiana. The advertisement, in form, wording, and size 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 thirty (30) 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 and annual maintenance fees 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.
GRAPHIC PACKAGING INTERNATIONAL, INC.

BY: ____________________________

(Signature)

Lauren S. Tashma
SVP, General Counsel &
Secretary

(Printed)

TITLE: ____________________________

THUS DONE AND SIGNED in duplicate original before me this ___/____/2015___ day of
August, 2015, at Atlanta, Georgia.

Wendy Grissom
NOTARY PUBLIC (ID #_________)
Cobb County, Georgia
My Comm. Expires 09/07/2017

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: ____________________________

D. Chance McNeely, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this ___/____/2015___ day of
December, 2015, at Baton Rouge, Louisiana.

Debra C. King
NOTARY PUBLIC (ID #_________)

(stamped or printed)

Approved: ____________________________

D. Chance McNeely, Assistant Secretary