STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-MM-20-0012**
SHINTECH LOUISIANA, LLC	*	
	*	**Enforcement Tracking Nos.**
AI # 126578, 83425	*	**AE-CN-08-0236**
	*	**AE-CN-08-0236A**
	*	**AE-CN-13-00300**
	*	**AE-CN-15-01175**
	*	**HE-PP-17-00480**
	*	**WE-PP-15-00712**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Shintech Louisiana, LLC ("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 limited liability company that owns and/or operates facilities located Iberville Parish and West Baton Rouge Parish, Louisiana ("the Facilities").

II

On January 19, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0236 (Exhibit 1).

On April 26, 2011, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0236A (Exhibit 2).

On January 27, 2014, the Department issued to Respondent a Consolidated Compliance

Order & Notice of Potential Penalty, Enforcement No. AE-CN-13-00300 (Exhibit 3).

On October 11, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-15-01175 (Exhibit 4).

On December 14, 2017, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. HE-PP-17-00480 (Exhibit 5).

On August 23, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. WE-PP-15-00712 (Exhibit 6).

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 SEVENTY THOUSAND AND NO/100 DOLLARS ($70,000.00), of which Seven Thousand Three Hundred Sixty-Seven and 25/100 Dollars ($7,367.25) 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), permit record(s), the Consolidated Compliance Orders & Notices of Potential Penalty, Amended Consolidated Compliance Order & Notice of Potential Penalty, Notices 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 Iberville Parish and West Baton Rouge 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.

SHINTECH LOUISIANA, LLC

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

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

BY: _____
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Lourdes Iturralde, Assistant Secretary

BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

January 19, 2011

CERTIFIED MAIL (7004 2510 0005 5762 8345)
RETURN RECEIPT REQUESTED

SHINTECH LOUISIANA, LLC
c/o Capitol Corporate Services, Inc.
Agent of Service
8550 United Plaza Building II, Suite 305
Baton Rouge, Louisiana 70809

RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-08-0236
AGENCY INTEREST NO. 126578 & 83425

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **SHINTECH LOUISIANA, LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Tammy Nowosiwsky at (225) 219-3165.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/TMN/tmn
Alt ID No. 1280-00118
Attachment

EXHIBIT
1

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
SHINTECH LOUISIANA, LLC	*	ENFORCEMENT TRACKING NO.
MULTI PARISHES	*	
ALT ID NO. 1280-00118, 3120-00070	*	AE-CN-08-0236
	*	
	*	AGENCY INTEREST NO.
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	126578 & 83425
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SHINTECH LOUISIANA, LLC, (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates an integrated manufacturing facility (Agency Interest No. 126578) that produces polyvinyl chloride (PVC) and other intermediate products. The facility is located at 26270 Louisiana Highway 405 in Plaquemine, Iberville Parish, Louisiana. The facility currently operates under multiple air permits including Title V Permit No. 1280-00118-V2 issued on March 1, 2010.

II.

On or about October 9, 2008, the Department received notification of a release of Ethylene Dichloride (EDC), Ethylene, and Vinyl Chloride Monomer (VCM) at the Respondent's Plant.

While the Department's investigation is not yet complete, the following violations were noted during the course of the release review:

A. The Respondent submitted written notification to the Department dated October 8, 2008, reporting that a release of 482 pounds of Ethylene Dichloride (EDC), 15 pounds of Ethylene, and 0.18 pounds of Vinyl Chloride Monomer (VCM), which occurred at the Respondent's facility on October 1, 2008, at approximately 2156 hours and ended at approximately 2113 hours on October 2, 2008. The Reportable Quantity for EDC, CAS No. 107-06-02, is 100 pounds. The Respondent indicated that the incident was believed to be preventable because an employee disconnected a running pump while the pump was being prepared for maintenance which caused a switchgear to blow, resulting in first and second degree burns on the face, lower arms and hands of the employee. The blown switchgear caused a loss of electrical power to much of the VCM unit, which further resulted in a power loss to the Gas Thermal Oxidizers (TRT001 & TRT002) causing venting to vent stack MTK696. The failure to properly use installed control equipment is a violation of LAC 33:III.905.A which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Additionally, this is a violation of 40 CFR 61 Subpart F, which language has been adopted as a Louisiana regulation in LAC 33:III.5116, Specific Requirements 1289, 1384, of Title V Permit No. 1280-00118-V0, and LAC 33:III.5109.A, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. According to the written report, dated October 8, 2008, regarding a release of 482 pounds of EDC, 15 pounds of Ethylene, and 0.18 pounds of VCM, the Respondent indicated that the incident occurred when human error caused power loss to Gas Thermal Oxidizers (TRT001 and TRT002) to vent stack MTK 696. A file review revealed that the Respondent failed to include MTK 696 in any permit application & Title V permit. This is a violation of 40 CFR 61 Subpart F, which language has been adopted as a Louisiana regulation in LAC 33:III.5116, LAC 33:III.501.C.1, LAC 33:III.501.C.2, LAC 33:III.5111, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III.

The Respondent owns and/or operates an existing polyvinyl chloride (PVC) manufacturing facility (Agency Interest No. 83425) which is located at 9750 Louisiana Highway 1 South in Addis, West Baton Rouge, Louisiana. The facility currently operates under Title V Permit No. 2639-V4 issued on December 1, 2009.

IV.

On or about July 15, 2010, the Department conducted an inspection of the Respondent's facility to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the release review:

> According to 40 CFR 61.68(c), the Respondent is required to conduct a daily span check for each vinyl chloride monitoring system used. During the course of the inspection it was revealed that the facility had been conducting the span checks on a weekly basis for each vinyl chloride monitoring system. Each failure to perform daily span checks for each vinyl chloride monitoring system is a violation of 40 CFR 61.68(c), which language has been adopted as a Louisiana regulation in LAC 33:III.5116, and is also a violation of Specific Requirement 237 of Title V Permit No. 2639-V4 and LAC 33:III.501.C.4.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To immediately take, after receipt of this **COMPLIANCE ORDER**, any and all steps necessary to achieve and maintain compliance with the Act and all applicable Air Quality Regulations, including but not limited to, Title V Permit Nos. 1280-00118-V2 and 2638-V4 .

II.

To submit to the Air Permits Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a permit modification application to include the "emergency" emission point mentioned in the Findings of Fact paragraph II. In addition, the Respondent shall submit a copy of the permit modification request cover letter to the Enforcement Division.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attention: Tammy Nowosiwsky
Enforcement Tracking No. AE-CN-08-0236
Agency Interest No. 126578 & 83425

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the **Enforcement Tracking Number** and **Agency Interest Number**, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-08-0236
Agency Interest No. 126578 & 83425

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars ($27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more that thirty-two thousand five hundred dollars ($32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars ($50,000) for each day of continued violation or noncompliance.

VII.

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

NOTICE OF POTENTIAL PENALTY

I.

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.

II.

Prior to the issuance of additional appropriate enforcement action(s), 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 Tammy Nowosiwsky at (225) 219-3165 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

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 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 violation(s) 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 that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 19 day of January, 2011.

Beau James Brock
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or
related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Tammy Nowosiwsky

BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

April 26, 2011

CERTIFIED MAIL (7005 0390 0006 1028 1787)
RETURN RECEIPT REQUESTED

SHINTECH LOUISIANA, LLC
c/o Capitol Corporate Services, Inc.
Agent of Service
8550 United Plaza Building II, Suite 305
Baton Rouge, Louisiana 70809

RE: **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**
ENFORCEMENT TRACKING NO. AE-CN-08-0236A
AGENCY INTEREST NOS. 126578 & 83425

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **SHINTECH LOUISIANA, LLC (RESPONDENT)** for the violations described therein.

Any questions concerning this action should be directed to Amanda Paige DeRouen Polito by phone at (225) 219-3093 or via email at amanda.polito@la.gov.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/APDP
Alt ID No. 1280-00118, 3120-00070
Attachment

EXHIBIT
tabbies
2

c: Shintech Louisiana, LLC-Plaquemine Plant
c/o Mr. David Wise, Plant Manager
Post Office Box 358
Addis, Louisiana 70710

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
SHINTECH LOUISIANA, LLC	*	ENFORCEMENT TRACKING NO.
MULTI-PARISH	*	
ALT ID NOS. 1280-00118 and 3120-00070	*	AE-CN-08-0236A
	*	
	*	AGENCY INTEREST NOS.
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	126578 & 83425
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	

AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The Louisiana Department of Environmental Quality (the Department) hereby amends the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-08-0236** issued to **SHINTECH LOUISIANA, LLC (RESPONDENT)** on January 19, 2011 in the above-captioned matter as follows:

I.

The Department hereby amends the Finding of Fact portion of AE-CN-08-0236 to remove paragraph II.B in its entirety.

II.

The Department hereby amends the Compliance Order portion of AE-CN-08-0236 to remove paragraph II in its entirety.

III.

The Department incorporates all of the remainder of the original **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-08-0236** and **AGENCY INTEREST NOS. 126578 & 83425** as if reiterated herein.

IV.

This **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 26 day of April, 2011.

Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
Post Office Box 4312
Baton Rouge, LA 70821-4312
Attention: Amanda DeRouen Polito

BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

January 27, 2014

CERTIFIED MAIL (7004 2510 0006 3852 6034)
RETURN RECEIPT REQUESTED

SHINTECH LOUISIANA, LLC
c/o Capitol Corporate Services, Inc.
Agent for Service of Process
8550 United Plaza Building II, Suite 305
Baton Rouge, Louisiana 70809

RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-13-00300
AGENCY INTEREST NO. 83425

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **SHINTECH LOUISIANA, LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Sarah Acosta at (225) 219-3138.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/SEA/sea
Alt ID No. 3120-00070
Attachment

EXHIBIT
3

c: Shintech Louisiana, LLC
James Bell, Env. Supervisor
9750 Louisiana Highway 1 South
Addis, Louisiana 70710

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
SHINTECH LOUISIANA, LLC	*	**ENFORCEMENT TRACKING NO.**
WEST BATON ROUGE PARISH	*	
ALT ID NO. 3120-00070	*	**AE-CN-13-00300**
	*	
	*	**AGENCY INTEREST NO.**
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT,	*	**83425**
La. R.S. 30:2001, ET SEQ.	*	

CONSOLIDATED

COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SHINTECH LOUISIANA, LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates Addis Plant A (the facility) located at 9750 Louisiana Highway 1 South in Addis, Louisiana. The facility currently operates under Title V Permit No. 2639-V6 issued on October 3, 2013.

II.

On or about January 8-10, 15-17, 2013, inspections of the Respondent's facility were conducted to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the inspections and subsequent file review conducted on December 18, 2013:

A. The inspector noted the December 2010 Risk Management Plan update had the worst case scenario listed with all the appropriate information; however,

there was no explanation on how the population and environmental receptors potentially affected were estimated. The explanation was given in the December 2005 Risk Management Plan update. The facility failed to maintain the proper data used to determine the estimate population and environmental receptors potentially affected by worst and alternate case scenarios in violation of 40 CFR 68.39(e), which language has been incorporated as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

B. The inspector noted the facility could not produce any technical information about the design of ventilation for normally occupied areas or about carrying capacity of header system going to the thermal destruct system. This is a violation of 40 CFR 68.65(d)(1)(v), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

C. The inspector noted the facility process safety information did not include a material and energy balance for the process. This is a violation of 40 CFR 68.65(d)(1)(vii), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

D. The inspector noted the owner did not document that the equipment complies with generally accepted good engineering practices. This is a violation of 40 CFR 68.65(d)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

E. The inspector noted the facility failed to establish a written schedule of when actions identified in the September 2007 Process Hazard Analysis (PHA) were to be completed. This is a violation of 40 CFR 68.67(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

F. The inspector noted the facility did not have procedures for startup after a turnaround or emergency shutdown. This is a violation of 40 CFR 68.69(a)(1)(vii), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

G. The inspector noted the facility did not have consequences of deviation or steps to correct or avoid deviation. This is a violation of 40 CFR 68.69(a)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

H. The inspector noted the facility procedures did not address hazards of the chemicals and precautions necessary to prevent exposure or control measures to take if exposure occurred. This is a violation of 40 CFR 68.69(a)(3), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

I. The inspector noted the facility failed to annually certify that the procedures were current and accurate. The facility was reviewing other documents such as work instructions but was not certifying operating procedures. This is a violation of 40 CFR 68.69(c), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

J. The inspector noted the facility failed to conduct inspections and tests on covered equipment. The inspector noted there are four identical pipe segments connecting the reactors to tank 401A. Each of these pipe segments contains a pump. All of this equipment transfers and contains a covered chemical and the equipment is not included in the mechanical integrity program and has not been inspected or tested. This is a violation of 40 CFR 68.73(d)(1), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

K. The inspector noted the facility failed to include the name of the person conducting inspections or tests. For rupture disks the turnaround sheet only list ones that were changed out and no information on the person performing the inspection. Also, for vibration testing there was no information of when or if a test was performed unless the test revealed a problem. This is a violation of 40 CFR 68.73(d)(4), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

L. The inspector noted the facility failed to establish written procedures to maintain the on-going integrity of process equipment. The inspector noted there were no established procedures or program included in written procedures for the instrument inspection program. The vibration testing program and the 5-year external visual inspection for fixed equipment were not included in the written mechanical integrity program procedures. This is a violation of 40 CFR 68.73(b), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

M. The inspector noted the facility failed to evaluate compliance with the provisions of 40 CFR 68 Subpart D at least every three years to verify that procedures and practices developed are adequate and are being followed. The compliance audits were conducted in August 2007 and November 2010, exceeding the 3-year requirement. This is a violation of 40 CFR 68.79(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

N. The inspector noted the facility failed to implement procedures for the inspection and testing of emergency response equipment. The emergency response procedure requires a Post Indicator Valve (PIV) check monthly on hydrants and monitor nozzles and annual testing on the sprinkler system. These tests were not being performed. This is a violation of 40 CFR 68.95(a),

which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Act, the Air Quality Regulations, including but not limited to all applicable requirements contained in 40 CFR 68, and Title V Permit No. 2639-V5.

II.

To update operating procedures, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, as required by 40 CFR 68.69 to address the violations cited in Findings of Fact Section II Paragraphs F, G, and H of this enforcement action. A report shall be submitted to the Enforcement Division within 10 days of updating these procedures.

III.

To establish written procedures as required by 40 CFR 68.73(b), within thirty (30) days after receipt of this **COMPLIANCE ORDER,** to maintain the on-going integrity of process equipment. Specifically, to establish written procedures for the instrument inspection program, vibration testing program, and 5-year external visual inspection for fixed equipment. A report shall be submitted to the Enforcement Division within 10 days of establishing these written procedures.

IV.

To implement procedures, within thirty (30) days after receipt of this **COMPLIANCE ORDER,** for the inspection and testing of emergency response equipment as required by 40 CFR 68.95. Specifically, to perform a Post Indicator Valve (PIV) check monthly on hydrants and monitor nozzles and annual testing on the sprinkler system.

V.

To conduct, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, inspections and tests as required by 40 CFR 68.73 on the equipment noted in Finding of Fact Section II Paragraph J of this enforcement action. A report shall be submitted to the Enforcement Division within 10 days of completion of the inspections and tests.

VI.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Sarah Acosta
Re: Enforcement Tracking No. AE-CN-13-00300
Agency Interest No. 83425

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-13-00300
Agency Interest No. 83425

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S.

49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars ($27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars ($32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars ($50,000) for each day of continued violation or noncompliance.

VII.

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

NOTICE OF POTENTIAL PENALTY

I.

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.

II.

Prior to the issuance of additional appropriate enforcement action(s), 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 Sarah Acosta at (225) 219-3138 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

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 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 violation(s) 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 that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 22 day of January, 2013.

Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Sarah Acosta

JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

October 11, 2017

CERTIFIED MAIL (7016 2140 0000 5132 7690)
RETURN RECEIPT REQUESTED

SHINTECH LOUISIANA, LLC
c/o Capitol Corporate Services, Inc.
Agent for Service of Process
8550 United Plaza Building II, Ste. 305
Baton Rouge, LA 70809

RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-15-01175
AGENCY INTEREST NO. 83425

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **SHINTECH LOUISIANA, LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Christopher Clement at (225) 219-3748 or Christopher.Clement@la.gov.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/CGC/cgc
Alt ID No. 3120-00070
Attachment

EXHIBIT
tabbies
4

c: Shintech Louisiana, LLC
Timothy Bergeron – Environmental Manager
P.O. Box 358
Addis, LA 70710

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
SHINTECH LOUISIANA, LLC	*	**ENFORCEMENT TRACKING NO.**
WEST BATON ROUGE PARISH	*	
ALT ID NO. 3120-00070	*	**AE-CN-15-01175**
	*	
	*	**AGENCY INTEREST NO.**
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT,	*	**83425**
La. R.S. 30:2001, ET SEQ.	*	

CONSOLIDATED

COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SHINTECH LOUISIANA, LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates Addis Plant A (the facility), a polyvinyl chloride (PVC) plant, located at 9750 Louisiana Highway 1 South in Addis, West Baton Rouge Parish, Louisiana. The facility currently operates or has operated under the following permits:

Permit No.	Issue Date	Permit Expiration Date
2639-V0	October 15, 1999	October 15, 2004
2639-V1	September 27, 2004	September 27, 2009
2639-V2	May 20, 2008	September 27, 2009
2639-V3	August 27, 2008	September 27, 2009
2639-V4	December 1, 2009	December 1, 2014
2639-V5	September 27, 2011	December 1, 2014
2639-V6	October 3, 2013	December 1, 2014
2639-V7	November 13, 2014	November 13, 2019

II.

On or about February 26, 2014, March 10, 2014, March 17, 2014, March 26, 2014, and April 23, 2014 inspections of the Respondent's facility were conducted to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the inspections and subsequent file review dated March 23, 2017:

A. The Respondent uses printed charts to record continuous monitoring data. During times when there is no ink or paper jams the data is not printed on the chart or is difficult or impossible to read. Additionally, there were times when a voltage reading instead of flow rate was printed on the chart for unknown reasons. Therefore, the facility failed to record the continuous monitoring of the temperature, flow, and pH for Thermal Oxidizers A and B (EQTs 0054 and 0055) during certain times. Each failure to record data as required is a violation of Specific Requirement Nos. 116, 119, 121, 140, 143, and 145 of Title V Permit No. 2639-V6, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The inspector noted the facility had plans to change to an electronic system in the future for recording this data.

B. The pH for the scrubber liquid in the scrubber for Thermal Oxidizer A (EQT 0054) was below the permit requirement of a pH of six (6) on October 16, 2012, and November 27, 2012. Each failure to maintain the required pH for the scrubber liquid is a violation of Specific Requirement No. 125 of Title V Permit No. 2639-V6, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

C. The Respondent did not conduct monthly monitoring for leaks from the agitators in light liquid service prior to 2013. Each failure to monitor for leaks as required is a violation of Specific Requirement No. 345 of Title V Permit No. 2639-V5, LAC 33:III.501.C.4, 40 CFR 63.173(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5122 and La. R.S. 30:2057(A)(2).

D. The Respondent submitted the second half 2011 and second half 2012 Semiannual Fugitive Emission/Leak Detection and Repair (LDAR) reports late. The reports were submitted June 27, 2014. The failure to submit reports in a timely manner is a violation of Specific Requirement No. 348 of Title V Permit No. 2639-V5, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

E. The Respondent did not conduct daily span checks before the beginning of 2014 for Thermal Oxidizers A and B (EQTs 0054 and 0055). Each failure to conduct span checks is a violation of Specific Requirement Nos. 108 and 132 of Title V Permit No. 2639-V6, LAC 33:III.501.C.4, and 40 CFR 61.68(c), which language has been adopted as a Louisiana regulation in LAC 33:III.5116, and La. R.S. 30:2057(A)(2).

F. The Respondent could not demonstrate continuous compliance with nitrogen oxide (NO_x) limits through the implementation of procedures to operate Boilers A, B, and C (EQT 0051, 0052, and 0053) within the fuel and oxygen limits established during the initial compliance tests. To ensure the operation of Boilers A, B, and C within fuel and oxygen limits established during the initial compliance test, a calibration curve is used. The natural gas firing rate and damper position correspond to a fan speed which the facility uses to control NO_x emissions. The boiler controls cannot be adjusted to change the oxygen levels because the system is a package that is set to operate within the ranges (BACT Box) established during the initial compliance test. The system is supposed to trip or perform some other action to stay within that range. However, there is no documented verification that this process demonstrates continuous compliance. Each failure to demonstrate continuous compliance with NOx limits through the implementation of procedures to operate Boilers A, B, and C (EQT 0051, 0052, and 0053) within the fuel and oxygen limits established during the initial compliance tests is a violation of Specific Requirement Nos. 73, 87, and 101 of Title V Permit No. 2639-V6, LAC 33:III.501.C.4, LAC 33:III.2201.H.1.a, and La. R.S. 30:2057(A)(2).

G. The Respondent had two (2) slurry strippers in operation, one for each production train. However, Title V Permit No. 2639-V6 included only one slurry stripper, P-SS Slurry Stripper (EQT 0057). Each failure to submit a permit application prior to the construction of each source is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). Title V Permit No. 2639-V7 was issued on November 13, 2014, and included two (2) additional slurry strippers, P-SS2 Slurry Stripper (EQT 0101) and P-SS3 Slurry Stripper (EQT 0102).

H. The Respondent had two (2) slurry strippers in operation, one for each production train. However, Title V Permit No. 2639-V6 included only one slurry stripper, P-SS Slurry Stripper (EQT 0057). The unauthorized operation of the slurry stripper is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 2639-V7 was issued on November 13, 2014, and included two (2) additional slurry strippers, P-SS2 Slurry Stripper (EQT 0101) and P-SS3 Slurry Stripper (EQT 0102).

I. The top cover of a roll off box was left open and PVC resin was becoming airborne due to wind. The failure to take all reasonable precautions to prevent particulate matter from becoming airborne is a violation of LAC 33:III.1305.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Act and Air Quality Regulations, including but not limited to all applicable requirements contained in Title V Permit No. 2639-V7.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes any previously unreported dates and instances that continuous monitoring of the temperature, flow, and pH for Thermal Oxidizers A and B (EQTs

0054 and 0055) were not recorded and documentation demonstrating the actions taken or to be taken to address Paragraphs II.A of this **COMPLIANCE ORDER**.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, documentation demonstrating the actions taken or to be taken to address Paragraph II.C of this **COMPLIANCE ORDER**.

IV.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, documentation demonstrating the actions taken or to be taken to address Paragraph II.E of this **COMPLIANCE ORDER**.

V.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes actions taken or to be taken to verify Boilers A, B, and C (EQT 0051, 0052, and 0053) operate with the fuel and oxygen limits established during the initial compliance test as referenced in Paragraph II.F of this **COMPLIANCE ORDER**.

VI.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes the date(s) the previously unpermitted Slurry Stripper was constructed and commenced operations, as referenced in Paragraphs II.G and II.H of this **COMPLIANCE ORDER**.

VII.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps to comply with LAC 33:III.1305, including but not limited to closing the roll off box as referenced in Paragraph II.I of this **COMPLIANCE ORDER**.

VIII.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Christopher Clement
Re: Enforcement Tracking No. AE-CN-15-01175
Agency Interest No. 83425

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-15-01175
Agency Interest No. 83425

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right

to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars ($27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars ($32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars ($50,000) for each day of continued violation or noncompliance.

VII.

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

NOTICE OF POTENTIAL PENALTY

I.

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.

II.

Prior to the issuance of additional appropriate enforcement action(s), 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 Christopher Clement at (225) 219-3748 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY.**

III.

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 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 violation(s) 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 that 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.

IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, 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 **"CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE"** form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer 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.

V.

This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

Baton Rouge, Louisiana, this 11th day of October, 2017.

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Christopher Clement

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

CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
REQUEST TO CLOSE

Enforcement Tracking No.	AE-CN-15-01175	Contact Name	Christopher Clement
Agency Interest (AI) No.	83425	Contact Phone No.	(225) 219-3748
Alternate ID No.	3120-00070		
Respondent:	Shintech Louisiana, LLC	Facility Name:	Addis Plant A
	c/o Capitol Corporate Services, Inc.	Physical Location:	9750 Louisiana Highway 1 South
	Agent for Service of Process		
	8550 United Plaza Building II, Ste. 305	City, State, Zip:	Addis, LA 70710
	Baton Rouge, LA 70809	Parish:	West Baton Rouge

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph VIII of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraphs II through VI of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.	N/A	
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.	N/A	
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

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:I.Subpart1.Chapter7.
____	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-15-01175), 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 (AE-CN-15-01175), 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 (AE-CN-15-01175) 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: Christopher Clement

JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
December 14, 2017

CERTIFIED MAIL (7014 1200 0000 7864 1843/1850)
RETURN RECEIPT REQUESTED

SHINTECH LOUISIANA, LLC
c/o Capitol Corporate Services, Inc.
Agent for Service of Process
8550 United Plaza Building II, Ste. 305
Baton Rouge, LA 70809

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-17-00480
AGENCY INTEREST NO. 126578

Dear Sir/Madam:

On or about March 27, 2013 through March 28, 2013, December 16, 2014 through December 18, 2014, March 23, 2017, and April 5, 2017 through April 6, 2017, inspections of **SHINTECH LOUISIANA PLAQUEMINE PVC PLANT**, owned and/or operated by **SHINTECH LOUISIANA, LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located at 26270 Highway 405 South in Plaquemine, Iberville Parish, Louisiana.

The facility is a large quantity generator of hazardous waste and operates under the EPA Identification Number LAD081419418. The facility is also a permitted hazardous waste treatment, storage, and disposal (TSD) facility. The Respondent's current hazardous waste operating permits are as follows: LAD081419418-OP-1-MO-1 which became effective on July 4, 2009 and expires on July 4, 2019; LAD081419418-OP-2-MO-1 which became effective on October 30, 2010 and expires on October 30, 2020; and LAD081419418-OP-3 which became effective on September 10, 2013 and expires on September 10, 2023.

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 include all applicable EPA hazardous waste codes on the below referenced hazardous waste manifest, in violation of LAC 33:V.1107.B.1.d. Specifically, the Respondent failed to include EPA hazardous waste code D018 on manifest 010759607JJK, dated February 21, 2013. This violation was discovered during the March 27-28, 2013

EXHIBIT
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inspection. On or about April 30, 2013, a representative of the Respondent updated the manifest to include all applicable waste codes and provided a copy to the destination facility and the Department; therefore, this violation has been addressed.

B. The Respondent failed to label a hazardous waste tank with the words "Hazardous Waste," in violation of LAC 33:V.1109.E.1.d. Specifically, the Respondent failed to label a hazardous waste storage tank MTK-732 with the words "Hazardous Waste." This violation was discovered during the March 27-28, 2013 inspection. An inspection conducted on or about December 16, 2014, verified that hazardous waste storage tank MTK-732 is marked with the words "Hazardous Waste;" therefore, this violation has been addressed.

C. The Respondent failed to conduct daily inspections of a tank used to store hazardous waste, in accordance with LAC 33:V.1911.C, in violation of LAC 33:V.1109.E.1.a.ii. Specifically, the Respondent failed to conduct daily inspections of hazardous waste storage tank MTK-732. This violation was discovered during the March 27-28, 2013 inspection. An inspection conducted on or about December 16, 2014, verified that daily inspections are being performed on hazardous waste storage tank MTK-732; therefore, this violation has been addressed.

D. The Respondent failed to conduct assessments of a tank system utilized for the storage of hazardous waste as specified LAC 33:V.1905.H, in violation of LAC 33:V.1109.E.1.a.ii. Specifically, the Respondent failed to conduct an assessment of hazardous waste storage tank MTK-732 prior to placing the tank into hazardous waste service. Tank MTK-732 was placed into service in September of 2011. This violation was noted during the March 27-28, 2013 and December 18, 2014 inspections. Additionally, the Respondent failed to conduct an assessment of hazardous waste storage tank 2MTK-732 prior to placing the tank into service in May of 2013. This violation was noted during the December 16-18, 2014 inspection. On July 29, 2015, the Department received hazardous waste tank certifications for hazardous waste tanks MTK-732 and 2MTK-732. This violation has been addressed.

E. The Respondent failed to label or clearly mark containers storing used oil with the words "Used Oil," in violation of LAC 33:V.4013.D.1. Specifically, the Respondent failed to label two (2) five (5) gallon buckets of used oil located in the maintenance shop with the words "Used Oil." This violation was discovered during the March 27-28, 2013 inspection. This violation was addressed as verified by an April 30, 2013 email from a representative of the Respondent. Additionally, during the March 23, 2017 inspection, the Respondent failed to label a tote containing used oil, located in the oil storage building, with the words "Used Oil." During the inspection, a representative of the Respondent labeled the tote with the words "Used Oil"; therefore, this violation has been addressed.

F. The Respondent failed to ensure containers holding used oil remained closed during storage, in violation of LAC 33:V.4013.B. Specifically, during the March 27-28, 2013 inspection, the Department observed two (2) open five (5) gallon buckets containing used oil located in the maintenance shop. This violation was addressed as verified by a photograph submitted in an April 30, 2013 email from a representative of the Respondent.

G. The Respondent failed to initiate closure of permitted hazardous waste tank 1MTK-499A within thirty (30) days after receiving the final volume of hazardous waste, in violation of LAC 33:V.309.A, LAC 33:V.3511.D, and Permit Condition III.O.3 of Hazardous Waste Operating Permit LAD081419418-OP-1-MO-1. Specifically, during the December 16-18, 2014 inspection, the Department noted that permitted hazardous waste storage tank 1MTK-499A, located in SPP-1, had last received hazardous waste on or about December 14, 2012.

However, the Respondent failed to either initiate partial or final closure of the tank within thirty (30) days as required by LAC 33:V.3511.D or receive approval from the Department for an extension to the timeframe. On or about January 26, 2015, the Respondent submitted an extension request to the Department requesting the continued use of all SPP-1 and SPP-2 MTK-499 tanks. On or about July 2, 2015, The Department granted the extension to begin closure for hazardous waste storage tank 1MTK-499A located in SPP-1.

H. The Respondent failed to maintain a containment system which is free of cracks or gaps and is sufficiently impervious to contain leaks, spills, and accumulated precipitation until the collected material is detected and removed as required, in violation of LAC 33:V.309.A, LAC 33:V.2111.B.1 and Permit Condition V.B.7 of Hazardous Waste Operating Permit LAD081419418-OP-1-MO-1. Specifically, the sump pump for permitted Container Storage Area 1, located in SPP-1, was in the automatic position. Having the sump pump in the automatic position did not allow for the inspection of liquids for contaminates before the pump is turned on. A facility representative switched the pump to the manual position at the time of the inspection; therefore, this violation has been addressed. Additionally, the Respondent circulated training material on the importance of maintaining the pump in the manual position and the inspection of any liquids that may enter the pump. This violation was discovered during the December 16-18, 2014 inspection.

I. The Respondent caused and/or allowed the storage of hazardous waste beyond one (1) year without the approval or authorization from the Department, in violation of LAC 33:V.309.A and LAC 33:V.2205.B. Specifically, in Container Storage Area 2, the Respondent stored one (1) fifty-five (55) gallon drum labeled "Contaminated Oil," "Hazardous Waste," and "Waste Oil" for greater than one (1) year. The accumulation start date on the drum was labeled September 30, 2013. This violation was discovered during the December 16-18, 2014 inspection. On or about February 18, 2015, the Respondent disposed of the drum in accordance with the Hazardous Waste Regulations; therefore, this violation has been addressed.

J. The Respondent failed to label containers of hazardous waste with the words "Hazardous Waste," in violation of LAC 33:V.309.A, LAC 33:V.1109.E.1.d, and Permit Condition V.B.18 of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1. Specifically, during the December 16-18, 2014 inspection, the Department observed two (2) fifty-five (55) gallon drums containing paint waste (D001, F003, and F005) which were not labeled as "Hazardous Waste" located in the Maintenance Warehouse. At the time of the inspection, the drums were labeled "TBD – pending analysis." Per EPA guidance, RCRA Online Document 11424, labeling and dating of hazardous waste storage containers is required at the time of generation or at the time the waste is removed from satellite accumulation. On or about February 18, 2015, the Respondent disposed of the drums in accordance with the Hazardous Waste Regulations; therefore, this violation has been addressed.

K. The Respondent failed to mark containers containing hazardous waste with an accumulation start date, in violation of LAC 33:V.309.A, LAC 33:V.1109.E.1.c., and Permit Condition V.B.18 of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1. Specifically, during the December 16-18, 2014 inspection, the Department observed two (2) fifty-five (55) gallon drums containing paint waste (D001, F003, and F005) located in the Maintenance Warehouse, which were not labeled with an accumulation start date. On or about February 18, 2015, the Respondent disposed of the drum in accordance with the Hazardous Waste Regulations; therefore, this violation has been addressed.

L. The Respondent failed to ensure that all hazardous waste personnel receive initial and continued hazardous waste training, as specified in LAC 33:V.1515, in violation of LAC 33:V.309.A, LAC 33:V.1109.E.1.e, and Permit Condition V.B.13 of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1. Specifically, painters contracted by the Respondent did not receive all required hazardous waste training. This violation was discovered during the December 18, 2014 inspection. An inspection performed on or about March 23, 2017 revealed all contracted painters had received the required hazardous waste training; therefore, this violation has been addressed.

M. The Respondent failed to contact the transporter and/or owner or operator of the designated facility to determine the status of a hazardous waste shipment after not receiving a signed copy of the manifest within thirty-five (35) days of the date the waste was accepted by the initial transporter, in violation of LAC 33:V.1111.C.1. Specifically, the Respondent failed to submit an exception report to the Office of Environmental Services thirty-five (35) days after the facility did not receive a signed copy of manifest 002018760GBF, dated May 2, 2014, containing paint waste related material (D001). This violation was discovered during the December 18, 2014 inspection. On or about April 2, 2015, a copy of manifest 002018760GBF was provided to the Department with all required signatures; therefore, this violation has been addressed.

N. The Respondent failed to list, in the facility's contingency plan, the current names, addresses, and phone numbers of all persons qualified to act as emergency coordinator, as specified in LAC 33:V.1513.B.4, in violation of LAC 33:V.1109.E.1.e. Specifically, the Respondent did not have a list of current emergency coordinators and their required contact information in the facility's contingency plan. This violation was discovered during the December 18, 2014 inspection. On or about March 3, 2015, the Respondent provided an updated Contingency Plan with the necessary information; therefore this violation has been addressed.

O. 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 March 23, 2017 inspection, the Department observed two (2) cardboard boxes containing hazardous waste paint cans (D001, F003, and F005) located in container storage area one (CSA-1). The two (2) boxes measured one (1) cubic yard each. During the inspection, a representative of the Respondent labeled the boxes with an accumulation start date; therefore, this violation has been addressed.

P. 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 and Permit Condition V.B.4 of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1. Specifically, during the March 23, 2017 inspection, the Department observed one (1) fifty-five (55) gallon drum with an open bung hole in container storage area two (CSA-2). During the inspection, a representative of the Respondent obtained and secured a cap on the bung hole; therefore, this violation has been addressed.

Q. 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, the Respondent could not demonstrate how long three (3) containers of universal waste batteries and one (1) container of universal waste lamps had been accumulated at the facility. This violation was discovered during the April 5, 2017 inspection. On or about April 18, 2017, the Respondent developed and began maintaining an incoming universal waste logbook; therefore, this violation has been addressed.

R. The Respondent failed comply with 40 CFR 63 Subparts EEE, F, G, and H, in violation of Permit Condition V.E.1 of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1 and LAC 33:V.309.A. Permit Condition V.E.1 requires compliance with equipment leak standards under 40 CFR 63 Subpart H, which states blind flanges on open ended valves must seal the open end at all times except during operation requiring process fluid flow through the open-ended valve or line, or during maintenance or repair. Located in the VCM-2 Tank Farm, the Department observed an unbolted flange on tank 2MTK-732 (a permitted, less than ninety (90) day hazardous waste storage tank) which was attached to an open-ended value on the circulation manifold located on the side of the tank. This violation was observed during the April 5, 2017 inspection. According to a representative of the Respondent, the open-ended valve is part of a line that returns liquid hazardous waste (D001, K019, and K020) to the tank. During the inspection, this violation was addressed by an employee bolting the flange in place and monitoring the equipment, proving the flange was sealed correctly.

S. The Respondent handled or stored hazardous waste containers in a manner which ruptured the container or caused it to leak, in violation of LAC 33:V.2107.B, LAC 33:V.309.A, and Permit Condition V.B.4 of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1. Specifically, in container storage area two (CSA-2), the Department observed a leaky fifty-five (55) gallon drum (drum # 2-526) labeled "Hazardous Waste Trench Trash" during the April 5, 2017 inspection. This violation was immediately addressed by an employee placing the leaking drum into an over-pack drum and appropriately cleaning the spilled material.

T. The Respondent failed to mark satellite accumulation containers of hazardous waste with the words "Hazardous Waste," or other words that identify the contents as a hazard, in violation of LAC 33:V.1109.E.4. Specifically, during the April 5, 2017 inspection, the Department observed a fifty-five (55) gallon satellite accumulation container, located in building D-1 in the CA-2 Unit, containing paint waste (D001, F003, and F005) which was not marked with the words "Hazardous Waste." During the inspection, an employee labeled the satellite accumulation container with the words "Hazardous Waste;" therefore, this violation has been addressed.

U. 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 the MACT EEE Hazardous Waste Combustion Course for calendar years 2015 and 2016 for employee Adam Pizzolato. This violation was discovered during the April 5, 2017 inspection. Adam Pizzolato received the MACT EEE Hazardous Waste Combustion Course on or about April 11, 2017; therefore, this violation has been addressed.

V. The Respondent failed to conduct an external inspection of each tank covered by Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1 as required by the API design and inspection standards in Table 7, in violation of Permit Condition V.A.6.c of Hazardous Waste Operating Permit LAD081419418-OP-2-MO-1 and LAC 33:V.309.A. Specifically, according to the Respondent's hazardous waste operating permit, hazardous waste tanks 2MTK-496, 2MTK-499A, and 2MTK-499B were due for an external inspection in June of 2015. This violation was discovered during the April 5, 2017 inspection. An external inspection was conducted on the aforementioned tanks on or about April 13, 2017; therefore, this violation has been addressed.

W. The Respondent failed to minimize the possibility of a fire, explosion, or any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil,

or surface water which could threaten health or the environment, as specified in LAC 33:V.4325.A, in violation of LAC 33:V.1109.E.1.e. Specifically, less than ninety (90) day permitted hazardous waste tank 2MTK-732 was due for an external inspection in June 2011. This violation was discovered during the December 18, 2014 inspection. An external inspection was conducted on the aforementioned tank on or about April 18, 2017; therefore, this violation has 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 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. LAD081419418

c: SHINTECH LOUISIANA, LLC
c/o Timothy Bergeron
26270 Highway 405 South
Plaquemine, LA 70764

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-17-00480	Contact Name	Adrienne Landry
Agency Interest (AI) No.	126578	Contact Phone No.	225-219-3805
Alternate ID No.	LAD081419418		
	Shintech Louisiana, LLC	Facility Name:	Shintech Louisiana Plaquemine PVC Plant
	c/o Capitol Corporate Services, Inc.	Physical Location:	26270 Highway 405 South
	Agent for Service of Process		
	8550 United Plaza Building II, Ste 305	City, State, Zip:	Plaquemine, LA 70764
	Baton Rouge, LA 70809	Parish:	Iberville

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:I.Subpart1.Chapter7.
____	In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** HE-PP-17-00480, 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-17-00480, 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-C0480 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

SETTLEMENT AGREEMENTS

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:I.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY	NATURE AND GRAVITY OF THE VIOLATION		
	MAJOR	MODERATE	MINOR
MAJOR	$32,500 to $20,000	$20,000 to $15,000	$15,000 to $11,000
MODERATE	$11,000 to $8,000	$8,000 to $5,000	$5,000 to $3,000
MINOR	$3,000 to $1,500	$1,500 to $500	$500 to $100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred .

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.

DEQ LOUISIANA

Louisiana Department of Environmental Quality • Office of Environmental Compliance • Enforcement Division
Post Office Box 4312, Baton Rouge, Louisiana 70821-4312
Phone: 225 | 219 | 3715 Fax: 225 | 219 | 3708

SETTLEMENT AGREEMENTS

Given the previous information, the following formula is used to obtain a penalty amount.

Penalty Event Total = Penalty Event Minimum + (Adjustment Percentage x [Penalty Event Maximum - Penalty Event M nimum])

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement. Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in EDMS using the following filters Media: Air Quality, Function Enforcement Description Settlement
Settlement Agreements	Enforcement Division's website
Penalty Determination Method	specific examples can be provided Upon request
Beneficial Environmental Projects	LAC 33:I Chapter 7
	LAC 33:I Chapter 25
Judicial Interest	FAQs provided by the Louisiana State Bar Association

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

NOTICE OF POTENTIAL PENALTY

DEQ LOUISIANA

Enforcement Tracking No.	WE-PP-15-00712	Certified Mail No.	7017 0530 0000 5978 5366
Agency Interest (AI) No.	83425	Contact Name	Jessie Canerday
Alternate ID No.	LA0111023	Contact Phone No.	(225) 219-3814
Respondent:	Shintech Louisiana, LLC	Facility Name:	Addis Plant A
	c/o Capitol Corporate Services, Inc.	Physical Location:	9750 LA Highway 1 South
	Agent for Service of Process		
	8550 United Plaza Building II, Ste. 305	City, State, Zip:	Addis, LA 70710
	Baton Rouge, LA 70809	Parish:	West Baton Rouge

This **NOTICE OF POTENTIAL PENALTY** is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and 30:2050.3(B).

FINDINGS OF FACT

An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.

I.		The Respondent owns and/or operates a polyvinyl chloride manufacturing facility located at 9750 LA Highway 1 South, Addis, West Baton Rouge Parish, Louisiana. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0111023 on August 24, 2011, with an effective date of October 1, 2011, and expiration date of September 30, 2016. The Respondent submitted a renewal application on or about April 4, 2016, and LPDES Permit LA0111023 has been administratively continued. Under the terms and conditions of LPDES permit LA0111023, the Respondent is authorized to discharge treated process wastewater, process area stormwater, treated sanitary wastewater, exterior vehicle and equipment wash water, treated utility wastewater, cooling tower blowdown, boiler blowdown, treated scrubber blowdown, regeneration wastewater, laboratory wastewater, high contamination potential non-process area stormwater, stormwater runoff, hydrostatic test water, and intermittent miscellaneous de minimus wastewaters. Outfalls 001, 101, 201, 002, 003, and 004 discharge to the Mississippi River (subsegment 070301), and Outfalls 003 and 004 discharge to Bayou Barbeaux (subsegment 120109), all waters of the state. Discharge to Bayou Barbeaux occurs on an emergency basis.
	Date of Violation	**Description of Violation**
II.	**Inspection(s) March 27, 2015**	The Respondent failed to comply with LPDES permit LA0111023. Specifically, the Respondent failed to submit the third quarterly Discharge Monitoring Report (DMR) for Outfall 004 in 2014. (LA0111023 (Part I, page 13 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4) The Respondent submitted the third quarter 2014 DMR for Outfall 004, which the Department received on or about February 18, 2015.
III.	**Inspection(s) & File Review March 27, 2015 & July 2, 2018**	The Respondent failed to comply with LPDES permit LA0111023. Specifically, from September of 2013 through December of 2014, DMR reporting errors occurred which included incorrect flow values, reporting of exceedances when there were none, and reporting no discharge when there was a discharge event. In addition, the Respondent used the March 2014 DMR for subsequent months without updating data, entered incorrect monitoring periods, and submitted incomplete DMRs. A file review found that the Respondent failed to report pH instantaneous minimum and maximum values on the March 2015 and September 2015 DMRs for Outfall 003. Also, the Respondent failed to report pH excursion values on the December 2015 DMR for Outfall 101. (LA0111023 (Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4) On or about August 31, 2015, the Respondent submitted revised DMRs, correcting the errors found during the inspection conducted on or about March 27, 2015. On or about March 7, 2018, the Respondent submitted revised DMRs, which corrected missing values for pH instantaneous maximum and minimum and missing pH excursion values.
IV.	**File Review July 2, 2018**	The Respondent failed to comply with LPDES permit LA0111023. Specifically, on the 2014 DMR for Outfall 001, the Respondent stated sampling for Pimephales promelas was not performed. (LA0111023 (Part I, page 2 of 13 and Part III, Section A.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.501.A)

NOTICE OF POTENTIAL PENALTY

I.	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.
II.	Prior to the issuance of additional appropriate enforcement action(s), 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 Jessie Canerday at (225) 219-3814 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY.**
III.	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 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 violation(s) 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 that 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.
IV.	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.
V.	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.

EXHIBIT
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CONTACTS AND SUBMITTAL OF INFORMATION

Enforcement Division:	*Physical Address (if hand delivered):*
Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 **Attn: Jessie Canerday**	Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

HOW TO REQUEST CLOSURE OF THIS NOTICE OF POTENTIAL PENALTY

To expedite closure of the **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 Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis
- 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 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.
- Before requesting closure of this **NOTICE OF POTENTIAL PENALTY**, please contact the Financial Services Division at 225-219-3865 or email them at DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Jessie Canerday at (225) 219-3814 or jessie.canerday@la.gov.

Date: 8-23-18

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

cc: Shintech Louisiana, LLC
Attn: David Wise, Vice President
P. O. Box 358
Addis, LA 70710

Attachment(s)
- Request to Settle
- Settlement Agreements Flyer

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.	WE-PP-15-00712	**Contact Name**	Jessie Canerday
Agency Interest (AI) No.	83425	**Contact Phone No.**	(225) 219-3814
Alternate ID No.	LA0111023		
Respondent:	**Shintech Louisiana, LLC**	**Facility Name:**	Addis Plant A
	c/o Capitol Corporate Services, Inc. Agent for Service of Process	**Physical Location:**	9750 LA Highway 1 South
	8550 United Plaza Building II, Ste. 305	**City, State, Zip:**	Addis, LA 70710
	Baton Rouge, LA 70809	**Parish:**	West Baton Rouge

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:I.Subpart1.Chapter7.
____	In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (WE-PP-15-00712), 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** (WE-PP-15-00712), 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** (WE-PP-15-00712) 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
Post Office Box 4312
Baton Rouge, LA 70821
Attn: Jessie Canerday

If you have questions or need more information, you may contact Jessie Canerday at (225) 219-3814 or jessie.canerday@la.gov.

SETTLEMENT AGREEMENTS

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:I.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY	NATURE AND GRAVITY OF THE VIOLATION		
	MAJOR	MODERATE	MINOR
MAJOR	$32,500 to $20,000	$20,000 to $15,000	$15,000 to $11,000
MODERATE	$11,000 to $8,000	$8,000 to $5,000	$5,000 to $3,000
MINOR	$3,000 to $1,500	$1,500 to $500	$500 to $100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred .

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.

DEQ LOUISIANA

Louisiana Department of Environmental Quality • Office of Environmental Compliance • Enforcement Division
Post Office Box 4312, Baton Rouge, Louisiana 70821-4312
Phone: 225 | 219 | 3715 Fax: 225 | 219 | 3708

SETTLEMENT AGREEMENTS

Given the previous information, the following formula is used to obtain a penalty amount.

Penalty Event Total = Penalty Event Minimum + (Adjustment Percentage x [Penalty Event Maximum - Penalty Event Minimum])

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement.
Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in EDMS using the following filters Media: Air Quality, Function: Enforcement, Description: Settlement
Settlement Agreements	Enforcement Division's website specific examples can be provided upon request
Penalty Determination Method	LAC 33:I Chapter 7
Beneficial Environmental Projects	LAC 33:I Chapter 25 FAQs
Judicial Interest	provided by the Louisiana State Bar Association

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