

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL SERVICES

LAKE CHARLES CITY HALL *
COUNCIL CHAMBERS *
*
326 PUJO STREET *
LAKE CHARLES, LOUISIANA *
*
RE: Petition for Rulemaking *
to Rescind LAC 33:111510 *
*

PUBLIC HEARING
AND
REQUEST FOR PUBLIC COMMENT ON
New Emissions Sources and Major Modifications in
Specified Parishes

Pursuant to Notice, the above-entitled matter came on
before Public Hearing on May 22, 2007 at 6:00 p.m. at
Lake Charles City Hall, Council Chambers, 326 Puj o
Street, Lake Charles, Louisiana before Robert Reine,
Hearing Officer. Reported by Lenora St. Pierre.

P-R-O-C-E-E-D-I-N-G-S

HEARING OFFICER:

Good evening, let the record reflect that
the time is 6:00 o'clock p.m. My name is Robert
Reine, and I am an employee with the Louisiana
Department of Environmental Quality. I will be
serving as the hearing officer for this evening's
meeting.

This hearing is scheduled to accept public
comments on a petition for rule making to rescind
LAC 33:111.510, titled "New Emissions Sources and
Major Modifications in Specified Parishes," that
was submitted by the Lake Area Industry Alliance
(LAI A).

The provisions of LAC 33:111.510 are only

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applicable in Calcasieu Parish and are not included in the air quality State Implementation Plan for Louisiana. The Lake Area Industry Alliance membership consists of 23 major industrial facilities that are located in the Lake Charles/Calcasieu Parish Area.

The LAIA member companies are: Air Liquid, Air Products, Alcoa Carbon, Arch Chemicals, Bassell, BioLab, Cameron LNG, Certain Teed, Chemical Waste Management, CITGO Petroleum,

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ConocoPhillips, Entergy Gulf States, Firestone Polymers, Georgia Gulf, Grace Davison, Louisiana Pigment, PPG Industries, Sasol North America, Southern Ionics, Targa Midstream Services, TDC, Truck Line LNG, and Westlake Chemical.

The purpose of this hearing will be to accept public comments on the LAIA petition for rule making to rescind LAC 33:III.510. This hearing is not being conducted in a question and answer format. Please remember that the purpose of this meeting is to allow you, the public, the opportunity to express your thoughts concerning the LAIA petition for rule making to rescind LAC 33:III.510.

I will allow all interested parties a reasonable opportunity to comment, unless testimony is not related to the purpose of this

18 hearing. This hearing is being held to give all
19 individuals a chance to be heard regardless of
20 their position of the petition for rule making to
21 rescind LAC 33:III.510.

22 Courteous behavior is expected of
23 everyone at all times. You may speak in support
24 of, in opposition to, or simply provide
25 additional information concerning the LAIA

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1 petition.

2 Your comments will be evaluated and
3 addressed in the department's written response.
4 The public notice for public hearing and request
5 for public comment on the petition for rule
6 making to rescind LAC 33:III.510 was published in
7 The Advocate and the Sulphur Southwest Daily News
8 on May 3, 2007, and in The Lake Charles American
9 Press on May 4, 2007.

10 In addition, on May 3, 2007, copies of the
11 public notice were mailed to individuals who
12 requested that they be placed on the mailing list
13 maintained by the LDEQ Office of Environmental
14 Services.

15 And on May 4, 2007 letters of notification
16 of the public hearing and request for comments
17 were mailed to the 23 LAIA member companies and
18 the appropriate legislators and area government
19 representatives.

20 A copy of the petition, LAC 33:III.510, and
21 the Calcasieu Parish Section 110 (a)(1)
22 Maintenance Plan are available for inspection and
23 review at the LDEQ Public Records Center, Room 1-
24 127, 602 North 5th Street, Baton Rouge, LA 70802.
25 Viewing hours are 8:00 a.m. to 4:30 p.m., Monday

1 through Friday, (except holidays).

2 A copy is also available for public review
3 at the Calcasieu Parish Library, Headquarters,
4 301 W. Claude Street, Lake Charles, LA 70605;
5 Sulphur Regional Branch, 1160 Cypress Street,
6 Sulphur, LA 70663; and the Westlake Branch, 937
7 Mulberry Street, Westlake, LA 70669.

8 Comments received by 12:30 p.m., Tuesday,
9 May 29, 2007, will be considered prior to final
10 decision. All comments received by 12:30 p.m.,
11 Tuesday, May 29, 2007, shall be retained by the
12 department and are considered in determining
13 whether to approve or deny the LAC 33:III.510
14 recision request.

15 Written comments on the LAIA petition to
16 rescind LAC 33:III.510 may be submitted to Ms.
17 Soumaya Ghosn, LDEQ-OES, Environmental Assistance
18 Division, P.O. Box 4313, Baton Rouge, LA 70821-
19 4313.

20 Under LA Revised Statutes 30:2017, as
21 revised by the legislature in the 2004 session,
22 the department is required to follow the
23 following order with the provision that the
24 presiding officer may give preference to a public
25 official to speak at any time during the hearing.

1 However, any time limit set for citizen's
2 testimony shall apply to the public official.

3 The department is required to provide up to
4 30 minutes to the Petitioner for an introductory
5 presentation. Thereafter, preference for
6 speaking up to one hour is given as follows:

7 For the first hour, those citizens who live
8 within a two-mile radius of the location of the

9 facility; For the second hour, those citizens who
10 work within a two-mile radius of the location of
11 the facility; And for the third hour, those
12 citizens who live within the parish of the
13 location of the facility.

14 Thereafter, each hour of the hearing shall
15 alternate between those who are in support of the
16 petition, and those that are opposed to the
17 petition. However, since today's hearing, is not
18 limited to just one facility but to a number of
19 facilities in Calcasieu Parish, we will start
20 with those citizens who live, then those who work
21 within Calcasieu Parish.

22 The order of speakers for tonight's hearing
23 will be based on the information provided by the
24 speaker on the registration form. Anyone who's
25 registered to speak but did not provide the

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1 necessary information, will be given the
2 opportunity to speak; however, they will be
3 called last in order of registration.

4 This hearing is being transcribed;
5 therefore, I ask that each speaker begin by
6 stating, for the record, their name, address, and
7 any organization he or she may represent. I also
8 remind you to please turn off all cell phones,
9 pagers, and blackberries. Thank you.

10 At this time, I would like to ask the LAIA
11 representative to come forward and make their
12 introductory presentation.

13 LARRY DEROUSSELL:

14 Larry DeRoussell, I reside at 1309
15 Wesmoreland Street in Lake Charles, and I
16 represent the Lake Area Industry Alliance. The
17 23 member companies that make up the local

18 industrial community, that make up the Lake Area
19 Industry Alliance, I won't go through the names
20 since they've already been covered, petitioned
21 the LDEQ through the LAIA to rescind Section 510
22 of the Ozone Maintenance Plan.

23 We are not asking recession of the entire
24 plan, only Section 510, which has to do with
25 emission offsets for major projects. As part of

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1 the petition, we requested that LDEQ conduct a
2 public hearing in Lake Charles to allow local
3 citizens and community leaders an
4 opportunity to participate in the petitioning
5 process without having to drive to Baton Rouge.

6 On behalf of the member companies of the
7 Lake Area Industry Alliance, I would like to
8 personally thank the LDEQ for honoring our
9 request.

10 During the years of 1998, 1999, and 2000,
11 there were 6 ozone exceedence days in Calcasieu
12 Parish. Four or more exceedences in any three
13 consecutive years results in an area being
14 designated non-attainment for ozone, which was
15 the case here in Calcasieu Parish.

16 Section 510 was implemented by the DEQ as a
17 way of addressing the non-attainment issue.
18 Section 510, which is only one part of the Ozone
19 Maintenance Plan, requires emission offsets for
20 major projects. Offsets which must be in place
21 before the start of a new project.

22 To my knowledge, the rule has not been
23 utilized since its implementation. And Calcasieu
24 Parish, which is the only parish to which this
25 rule applies, has been in attainment for both the

1 one hour standard and the more stringent eight
2 hour standard since 2001.

3 Many of the local plants that have been
4 voluntarily reducing emissions and have made
5 commitments to further reductions over the next
6 several years, to the extent that there are no
7 offset opportunities remaining. The
8 effectiveness of these reductions are evidence by
9 the DEQ monitoring data, which shows that VOC and
10 NOX levels in our area are well within standards
11 and at levels that do not place or create any
12 major concerns. The fact that Calcasieu Parish
13 was designated attainment, and that VOC and NOX
14 levels are down, makes Section 510 unnecessary.
15 The fact that there are no offsets available
16 makes Section 510 impractical and creates a
17 significant potential for negative economic
18 impact and a negative growth potential for the
19 local plants and as a result, the local community
20 of Calcasieu Parish and the surrounding area.

21 When meaningful projects present themselves
22 at the plants, the window of opportunity to
23 acquire funds for the projects is very narrow as
24 plants compete for capital funds with sister
25 plants throughout their company.

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1 In comparison, the timeline for changing
2 rules and regulations can be very lengthy. So if
3 a rule or regulation is unnecessary, it could
4 have a negative impact on a project, one cannot
5 wait until a meaningful project presents itself
6 to start the process of petitioning for change.

7 So we've chosen to petition the DEQ for the
8 recession of Section 510, while remaining true to
9 our commitment of being good stewards of the

10 environment. Thank you very much for allowing me
11 to present this, and thanks again to the DEQ to
12 coming to Lake Charles for the hearing.

13 HEARING OFFICER:

14 I will now begin by allowing those persons
15 who have signed up to speak five minutes in to
16 which to present their comments.

17 John Gott:

18 My name is John Gott, I reside at 2732 Rue
19 Cannes, Lake Charles. I represent the
20 ConocoPhillips Company. Thank you, DEQ, for the
21 opportunity to have the meeting in Lake Charles.

22 ConocoPhillips Company just wants to go on
23 record as saying we are one of those industries
24 that have made voluntary and significant
25 reductions in our emissions around the ozone

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1 standard in excess and consent to the
2 requirements.

3 Our major concern here today is that we have
4 a significant clean fuels project coming up to
5 take sulphur out of diesel. Again, a positive
6 thing for our nation and for our community, and
7 yet we don't have the offsets to take, because we
8 have already taken them. So we ask for your
9 support in making sure that we can go forward
10 with this significant project that will impact
11 our economy and our plant in a very positive way.
12 We support rescission of Rule 510 of the ozone
13 standard. Thank you very much.

14 HEARING OFFICER:

15 Larry DeRoussel.

16 LARRY DEROUSSELL:

17 I've already spoken.

18 HEARING OFFICER:

19 Charlie Atherton.
20 CHARLIE ATHERTON:
21 Good evening, Charlie Atherton, 122 Vine
22 Street. Again, like it has already been
23 mentioned, we do appreciate the DEQ coming to
24 Lake Charles and allowing the public the
25 opportunity to comment.

12

1 Like you said earlier, to direct our
2 thoughts and comments on this particular petition
3 that we may or may not have all of the information
4 that we need as citizens to make an informed
5 decision.

6 But that again, is part of the
7 process, you know, why don't we have all of the
8 details? In some points, we view this
9 application as incomplete. I'll mentioned that
10 in a minute.

11 It appears at face value, that the request
12 to rescind Section 510 is a blank check to allow
13 LAIA industries and other industries, present and
14 future, to admit air pollution that they
15 currently cannot admit into our breathing air.

16 Basically, it's though they can't find a way
17 to work around 510, so they want to delete it.
18 But we continually watch this permitted air
19 emissions levels are allowed to increase. We're
20 concerned that EQ is considering rescinding
21 Section 510 without DEQ or the residence of
22 Calcasieu fully understanding the potential
23 negative impact that rescinding 510 may have on
24 our breathing air.

25 To our knowledge, LAIA industries has not

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1 provided any public informational meetings
2 explaining their request or the impact to the
3 community in any detail. The fact that LAIA is
4 asking to rescind 510, suggests to us that 510 is
5 working and has some benefits to the residence
6 and to the DEQ.

7 I want to note that not all industries in
8 Calcasieu are included in LAIA. For instance,
9 you were aware of this company, I think it's
10 Laceda that wants to build a coke gasification
11 facility and import petroleum coke from somewhere
12 else around the world or the country to bring
13 here to gasify.

14 I have no clue as to what the emission
15 levels or, you know, what would be the impact,
16 the negative impact, that could or could not be
17 caused by a new industry coming in here from
18 somewhere else.

19 I'm in full support of ConocoPhillips being
20 able to go forward with the clean fuels program,
21 but I'm not wanting to sacrifice our local
22 industry's ability to do what they need to do to
23 prosper and grow, which is the backbone of our
24 economy.

25 But I'm not willing to allow other unknown

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1 industries come in here to allow pollution that
2 may be stopped or managed, better managed, by the
3 DEQ if you leave 510 in place.

4 We are concerned over recent years that LAIA
5 is not as concerned with the regulatory agencies
6 or elected officials as they once were and may
7 have become lax in LAIA's concern to relative
8 safety in our environment.

9 Spills, chemical releases, flares,

10 explosions, and fires in recent years all lead us
11 to believe that LAIA industries may not be as
12 concerned as they once were when EPA was closely
13 monitoring Calcasieu Parish.

14 But as citizens, we want all of the
15 safeguards, checks and balances that we can get
16 to guarantee clean breathing air. We believe
17 that 510 is beneficial to Calcasieu Parish, and
18 to rescind 510 without knowing the full impacts
19 on our breathing air is not in the best interest
20 of anyone.

21 This LAIA request states that rescinding 510
22 will greatly improve the potential for economic
23 development in Calcasieu Parish, but LAIA does
24 not provide any specifics as to exactly the
25 economic development LAIA wishes to pursue, but

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1 now ConocoPhillips did mention that.

2 But we feel like in the application it
3 should have spelled out why they want to do it,
4 what's the limitations or problems are, and how
5 it's going to benefit our existing industries.

6 We know that of \$2.13 million dollar
7 petroleum gasification projects to take place,
8 LNG projects, our refinery doubling in size,
9 upcoming clean fuels projects; but we as citizens
10 don't really know and understand why 510 is a
11 problem. We see it more as a safeguard.

12 We understand the support and need for clean
13 fuel by removing the sulphur from gasoline and
14 diesel fuels, but there's a flip side to that,
15 that normal citizens -- that it comes to mind.

16 Even though vehicle emissions will be lower,
17 local residents see our local breathing air
18 having more sulphur than others because the

19 sulphur is removed in our local refineries so the
20 rest of the country has cleaner air.

21 We understand across the country the sulphur
22 emissions will be lower, but it's our perception
23 that locally the sulphur in our air will be
24 higher than in others, especially in non-
25 industrial areas. We see 510 as a safeguard for

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1 public health. The State Implementation Plan
2 continues through Section 7 says it may be two
3 years before any corrective action may take
4 place.

5 HEARING OFFICER:

6 Sorry, that's time.

7 CHARLIE ATHERTON:

8 Do what?

9 HEARING OFFICER:

10 I'm sorry, that's time.

11 CHARLIE ATHERTON:

12 That's cool. Put me at the end,
13 please. Thank you.

14 HEARING OFFICER:

15 Michael Tritici.

16 MICHAEL TRITICI:

17 My name is Michael Tritici. I live in
18 Beauregard Parish in Longville. I didn't talk to
19 Charlie beforehand, but it's interesting that the
20 same concerns he has, the same points he raised,
21 are the ones I wanted to raise.

22 There is no use in going over it in detail
23 again, but I was concerned that what I was
24 reviewing in the library is incomplete. I didn't
25 see the kind of evidence that Mr. DeRoussel did

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1 voice verbally about how it might greatly impact

2 industries' investments.

3 He did give us sort of an example of it,
4 with the offsets not being available, but I
5 didn't see that in the stuff in the library. The
6 fact that the offsets have been used up means
7 that we must be at some kind of a limit and what
8 it has done to improve our air quality worked.

9 Air quality is better than it use to be. I
10 would hate to see a reversal. I would hate to
11 suddenly have no need for the mechanism that
12 worked and then we turn around in two or three
13 years from now and this big new project comes in,
14 and suddenly our air is going downhill again.

15 There should be some other way to deal with
16 investments and development without having to
17 sacrifice safeguards or what Charlie calls,
18 "breathing air." The air is something that we
19 all have to share. We don't all share in the
20 profits of the company.

21 The public deserves to be protected
22 first before our companies' economics.
23 They've all done well; not all of us have
24 done well. Some of us have severe lung
25 problems.

18

1 So I would just like to say that I oppose
2 getting rid of something that has worked, even if
3 it's not being used, it's been there as a limit -
4 - a deterrent perhaps. I'd like to keep it
5 there, and I thank you for coming to Lake
6 Charles, it does make it easier.

7 HEARING OFFICER:

8 Are there any other individuals who
9 have not registered who would like to
10 speak?

11 (No response.)

12 CHARLIE ATHERTON:

13 Charlie Atherton, 122 Vine Street. I
14 appreciate the opportunity to be allowed
15 to conclude.

16 We see 510 as the safeguard to public
17 health. Again, in the State Implementation
18 Contingency Plan, we have concerns that any
19 corrective action that may be triggered would
20 take two years to deal with.

21 So we felt like continual meaningful
22 air monitoring might reduce that time, if
23 you put something in place. It wouldn't
24 take you two years to respond, because
25 part of the contingency plan appears to be

19

1 things that the DEQ should be doing all
2 along. If something triggers it, they
3 should be aware of it and not have to then
4 begin an investigation.

5 A concern that we have with our monitoring,
6 it's always been a concern that with the millions
7 of pounds of emissions that are admitted into our
8 breathing air yearly, we always expected the
9 monitors to actually show more contaminants than
10 they really show, which leads us to believe that
11 in reality maybe possibly the monitors may not be
12 located in the best spot to where the majority of
13 the emissions are located.

14 But what we would ask, would be that Section
15 510 not be rescinded, but rather exceptions be
16 given on a case-by-case basis as permits for
17 economic development are received.

18 Again, we see 510 as a tool that's
19 beneficial to the people and to DEQ, and we're

20 not saying "deny it or stop it," but it gives
21 you, we believe, the ability to better manage
22 air quality. We've asked that DEQ perform
23 additional helicopter surveillance with the
24 infrared Hawk camera to verify that air monitors
25 are located in the most ideal locations for the

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1 most accurate data and to verify the claims it's
2 made in the request to rescind 510.

3 This application claims that clean air
4 safeguards are in place in Calcasieu and
5 there will not be a negative result from economic
6 development. But we ask that either or both the
7 EPA TAGA bus or DEQ Mobile Air Lab perform yearly
8 scientific assessments of Calcasieu to verify the
9 quality of our breathing air.

10 Obviously, Section 510 gives DEQ another
11 check and balance to guarantee clean breathing
12 air, so we again, ask that 510 not be rescinded,
13 but rather exceptions be granted on a case-by-
14 case basis as permits for economic development
15 are received.

16 We find the application incomplete as the
17 application does not spell out exactly how 510 is
18 a problem for LAIA, and this application does not
19 spell out exactly the economic development that
20 is stopped by 510.

21 While not wanting to be anti-industry or
22 negative towards economic development, we believe
23 it is pertinent to keep those tools in place that
24 allow the agency to continue to responsibly
25 manage the air program. We don't want to back

21

1 up, and we're not interested in sacrificing our

2 local jobs for unknown new jobs that may come
3 here. Again, I thank you for the opportunity to
4 hear our thoughts and comments.

5 Again this is what -- my comments are
6 derived from what available information that I,
7 you know, that I had to review. Thank you, again.

8 HEARING OFFICER:

9 Mr. Atherton, would you like to
10 submit any of that as an exhibit?

11 MR. ATHERTON:

12 It might save somebody some time.
13 Thank you.

14 HEARING OFFICER:

15 Thank you. Let the record reflect I
16 am going to mark this is Exhibit A. It's
17 a two page typed document containing notes
18 from Mr. Atherton.

19 Seeing that we still have about
20 thirty minutes to --

21 Okay, I was about to break, would
22 you like to speak?

23 What we are going to do for the rest of the
24 time since there's no more registered speakers,
25 we are going to go ahead and alternate until such

22

1 time there's no more speakers. But if we are
2 still within the initial hour, we will break
3 until the end of that hour.

4 Go ahead and state your name.

5 JOHN GOTT:

6 John Gott, 2732 Rue Cannes, representing the
7 ConocoPhillips Company. I would just like to go
8 on record saying that we share the concerns the
9 two gentlemen who spoke, about industry and the
10 quality of our breathing air and the potential to

11 go backwards in this air shed. It's our
12 intention, and I think, all of the other
13 industries that are within LAIA are to recognize
14 we have no intention of going backward.

15 Our concern with Calcasieu 510 is
16 that it doesn't give us much flexibility
17 to move forward. I want to just remind you
18 that DEQ does a good job for us of
19 permitting all of the new sources you have
20 spoken about.

21 Whether it be Lacedia or whether it
22 be a major project for ConocoPhillips on
23 clean fuels or any of the industries here.

24 The issue around 510 is the offsets for the
25 new sources that are required in the existing

23

1 plant, that does not take away LDEQ's rule making
2 or permits set in for new sources. So any new
3 business that comes to our area, won't have the
4 opportunity to change our plans in terms of air
5 quality, because they will be under state permit
6 and EPA guidance at the same time.

7 So what ConocoPhillips is advocating is,
8 don't tie our hands in a way that doesn't let us
9 move forward. We will still be subject to
10 permitting for all the new units that we build,
11 and we can maintain that air quality and that's
12 our intention to do so. Thank you.

13 HEARING OFFICER:

14 Thank you. Would anyone else like to
15 speak?

16 (No response.)

17 Seeing that no other speakers have come
18 forward, we are going to go ahead and recess this
19 hearing until 6:55 p.m. and at that time, we will

20 either conclude or take additional speakers.

21 HEARING OFFICER:

22 Are there any other individuals who would
23 like to speak at this time?

24 Seeing that there's no other speakers, I am
25 going to close this hearing. I would like to

24

1 remind you that the comment period on this LAIA

2 petition to rescind LAC 33:III.510, ends at 12:30
3 p.m. on Tuesday, May 29, 2007.

4 I have marked one exhibit received. I would
5 like to indicate if you have any submittals,
6 please get them in by that deadline. I have
7 received a total of one exhibit regarding the
8 LAIA to rescind LAC 33:III.510. If there are no
9 other comments, I would like to thank you for
10 your attention and participation in this public
11 hearing. Let the record reflect that the time is
12 7:00 p.m. This hearing is closed.

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