

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

BASF CORPORATION

AI # 2049

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

\* Settlement Tracking No.  
\* SA-MM-06-006  
\*  
\* Enforcement Tracking No.  
\* AE-CN-03-0224  
\* AE-CN-03-0224A  
\* AE-CN-01-0399  
\* AE-CN-01-0399A  
\* MM-CN-04-0071  
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SETTLEMENT

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

I

Respondent is a corporation who owns and/or operates a chemical manufacturing plant located on the east bank of the Mississippi River between Louisiana Highway 30 and Louisiana Highway 75 in Geismar, Ascension Parish, Louisiana ("the Facility"). The facility operates under multiple Louisiana air permits for different operational units and some units are grandfathered.

II

On November 18, 2003, the Department issued to Respondent, a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-03-0224, which was based upon the following findings of fact:

On or about July 28, 2003, a file review of the Respondent's Geismar Site was made to determine the degree of compliance with the Act and Air Quality Regulations. The following violations were noted during the course of the file review:

- A. The Department received the Respondent's letter dated July 5, 2001. According to the Respondent's letter, the Respondent experienced a release of approximately 150 pounds of ethylene oxide on June 28, 2001. The release reportedly occurred when a site operator overfilled an ethylene oxide railcar. Therefore, the root cause of the incident was operator error. This is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Sections 2057(A)(1) and (A)(2) of the Act. Additionally, the Respondent failed to provide the Department with a written statement regarding whether or not the June 28, 2001, release was preventable. By failing to provide this information to the Department within seven calendar days after verbally reporting the release, the Respondent is in violation of LAC 33:I.3925.B.13 and Section 2057(A)(2) of the Act.
  
- B. The Department received the Respondent's letter dated March 17, 2003, in which the Respondent provided the Department with written notification of a release that the Respondent verbally reported to the Department on March 10, 2003. According to the Respondent's report, the Respondent experienced a release of approximately 25,000 pounds of monochlorobenzene (MCB) to the atmosphere on March 9, 2003, through March 10, 2003. The Respondent's letter did not provide the Department with a determination of whether or not the release was preventable as required by LAC 33:I.3925.B.13. By failing to provide this information in writing to the Department within seven calendar days after verbally reporting the release, the Respondent is in violation of LAC 33:I.3925.B.13 and Section 2057(A)(2) of the Act.
  
- C. The Department received the Respondent's Title V annual compliance certification dated March 24, 2003, for Air Permit Number 2427-V0 for the period encompassing January 1, 2002, through December 31, 2002. As noted in the Respondent's report, the caustic concentration in the

Chlorine Destruct Tower, Emission Point 1-87, dropped below seven percent for approximately seven hours on April 15, 2002. By failing to maintain a minimum caustic concentration of seven percent in the Chlorine Destruct Tower, the Respondent is in violation of State Only Specific Condition Number 4 of Air Permit Number 2427-V0, LAC 33:III.501.C.4, and Sections 2057(A)(1) and (A)(2) of the Act.

- D. The Department received the Respondent's Title V annual compliance certification dated March 25, 2003, for Air Permit Number 2559-V2 for the period encompassing January 1, 2002, through December 31, 2002. As noted in the report, the Respondent experienced a release of MCB to the atmosphere on April 21, 2002, through April 22, 2002. The Respondent verbally reported the release on April 22, 2002, and submitted written notification of the release to the Department in a letter dated April 29, 2002. According to the Respondent's letter dated April 29, 2002, approximately 23,000 pounds of MCB were released to the atmosphere when MCB backed up into D-2310 during pre-startup activities of the MDI-2 unit. The Respondent's report dated April 29, 2002, did not provide the Department with a determination of whether or not the release was preventable as required by LAC 33:I.3925.B.13. By failing to provide this information in writing to the Department within seven calendar days after verbally reporting the release, the Respondent is in violation of LAC 33:I.3925.B.13 and Section 2057(A)(2) of the Act.
- E. The Department received the Respondent's letter dated April 4, 2003. According to the Respondent's letter, the Respondent experienced a release of 20 pounds of benzene on March 30, 2003, though April 1, 2003. The Respondent's report dated April 4, 2003, did not provide the Department with a determination of whether or not the release was preventable. By failing to provide this information in writing to the Department in writing within seven calendar days after verbally reporting the release, the Respondent is in violation of LAC 33:I.3925.B.13 and Section 2057(A)(2) of the Act.

### III

On February 18, 2004, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-03-0224A, in order to remove Paragraph II.D of the Findings of Fact portion of Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-03-0224.

#### IV

On April 4, 2003, the Department issued to Respondent, a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-01-0399, which was based on the following findings of fact:

##### a.

On or about July 31, 2001, a file review of the Respondent's Geismar Site was made to determine the degree of compliance with the Act and Air Quality Regulations. The following violation was noted during the course of the file review:

The Respondent's 2000 Annual Report for the NVP/PVP units dated February 27, 2001, reported the hours that the PVP Dryer Scrubber (Emission Point 5-90) operated below the minimum liquid flow rate of 15,000 kg/hr, and the hours that the PVP-1 Scrubber (Emission Point 6-90) operated below the minimum liquid flow rate of 25,000 kg/hr. The report was submitted to the Department as a requirement of Specific Condition No. 2 of Air Permit No. 2039 (M-1). Specific Condition No. 2 requires that Emission Point 5-90 shall operate at a minimum liquid flow rate of 15,000 kg/hr and Emission Point 6-90 shall operate at a minimum flow rate of 25,000 kg/hr. The total number of hours that the scrubbers operated below their respective minimum liquid flow rates was eight (8) for the calendar year 2000. This is in violation of LAC 33:III.501.C.4 and Sections 2057 (A)(1) and 2057(A)(2) of the Act.

##### b.

On or about October 3, and 17, 2001, an inspection and a file review of the Respondent's facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations. The following violations were noted during the course of the inspection and file review:

- A. The Department received the Respondent's semiannual monitoring report for the period encompassing July 1, 2000, through December 31, 2000,

on or about March 30, 2001; and for the period encompassing January 1, 2001, through June 30, 2001, on or about September 28, 2001. The Respondent failed to submit the semiannual monitoring reports to the Department by March 1, 2001, for the period encompassing July 1, 2000, through December 31, 2000; and by August 29, 2001, for the period encompassing January 1, 2001, through June 30, 2001. Each is a violation of Part 70 General Condition K of Air Permit No. 0180-00013-01, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

- B. The Respondent's facility experienced a release of approximately 100 lbs of Formaldehyde to the air on or about November 24, 2001. The release occurred when a valve to the thermal oxidizer in the Glyoxal unit was left open for a period of approximately 18 hours during the unit's start up. This is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057 (A)(2) of the Act.
- C. The Department is in receipt of six (6) semiannual HON Subpart G periodic reports encompassing September 20, 1998, to June 30, 2001. Per the regulation, the Respondent was allowed one to six excused excursions per control device during this semiannual reporting period. The Respondent reported more excursions than the number of excused excursions and these are summarized in the table below. Each is a violation of 40 CFR 63.152(c)(2)(II)(B)(6) which language has been adopted as a Louisiana regulation in LAC 33:III.5122 and Section 2057(A)(2) of the Act.

<b>Report Number / Date Submitted</b>	<b>No. of Excursions Over The Limit</b>
3rd/May 18, 1999	22
4th/ November 18, 1999	10
5th/ May 12, 2000	37
6th/ November 17, 2000	54
7th/ March 30, 2001	30
8th/ September 28, 2001	33

c.

On or about November 19, 2001, an inspection and a file review of the Respondent's facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations. The following violation was noted during the course of the inspection and file review:

The Respondent's THF/PolyTHF unit is subject to the Hazardous Organic NESHAP (HON), 40 CFR 63, Subpart H. In a 40 CFR 63 Subpart H Semiannual Report dated July 27, 2000, the Respondent identified 3,393 valves that were monitored once in that six (6) month period. However, according to 40 CFR 63.168(d)(2), the valves should have been monitored once a quarter (4 x yearly) and not once a semiannual period (2 x yearly). The Respondent's failure to monitor 3,393 valves by the method specified in 63.180(b) is in violation of HON, in particular 40 CFR 63.168(d)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.5122 and Section 2057(A)(2) of the act.

d.

On or about March 27, 2002, a file review of BASF Corporation's Geismar Plant was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The Department is in receipt of the 2000 semiannual (Second Half 2000) monitoring report for the Utilities Plant (Air Permit No. 2265-V3) dated March 30, 2001. Attached to this report is a copy of an unauthorized release report dated November 27, 2000. The following violation was noted during the course of the file review:

The Respondent's facility experienced a release of approximately 350 pounds of Nitrogen Oxides (NO<sub>x</sub>) to the air on or about November 18, 2000. The release occurred when the steam injection to the Cogen Unit tripped, causing the emission of nitrogen dioxide to exceed the permitted level. During the incident, the board operator received DCS alarms that should have alerted him that the steam injection system was down. The loss of steam was not discovered until the next shift. This is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905

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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057 (A)(2) of the Act.

e.

On or about May 1, 2002, a file review of BASF Corporation's Geismar Plant was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The Department is in receipt of an unauthorized release report dated April 29, 2002. The following violation was noted during the course of the file review:

The Respondent's facility experienced a release of approximately 23,000 pounds of monochlorobenzene (MCB) to the air on or about April 22, 2002. The release occurred during pre-startup activities of the MDI-2 unit when MCB backed up into the D-2310 unit and was subsequently released as a vapor through the stack of T-2430. Prior to the incident, the MDI-2 plant was shutdown for required maintenance and the D-2310 level alarm was deactivated due to the drum being empty. During the start up of the MDI-2 plant, the D-2310 level alarm was inadvertently left deactivated, which resulted in the D-2310 unit being filled and overflowing to T-2430 which subsequently released MCB to the air. This is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905, 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." Control equipment as define by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

f.

On or about July 22, 2002, a file review of BASF Corporation's Geismar Plant was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The Department is in receipt of an unauthorized release report dated July 19, 2002.

While the Department's investigation is not yet complete, the following violation was noted during the course of the file review:

The Respondent's facility experienced a release of approximately 230 pounds of benzene and 60 pounds of nitric oxide to the air on or about July 3 through July 13, 2002. An Aniline Unit operator detected an odor at approximately 8:00 p.m. on July 13, 2002, while in the MNB-2 structure of the Aniline Unit. The shift supervisor and additional personnel responded to investigate the source and soon discovered a ¾ inch vent valve open on the MNB-2 vent gas header that leads to the Aniline Flare and Incinerator. The valve was closed immediately. Respondent's failure to maintain the vent valve in the closed position is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

V

On February 17, 2004, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-01-0399A, in order to delete Paragraph II and amend Paragraphs I and III of the Findings of Fact portion to read as follows:

a. "I.

The Respondent owns and/or operates the Geismar facility, a chemical manufacturing plant, located on the east bank of the Mississippi River between Louisiana Highway 30 and Louisiana Highway 75 in Ascension Parish, Louisiana. The facility operates under multiple Louisiana air permits for different operation units and some units are grandfathered."

b. "III.

On or about October 3 and 17, 2001, an inspection and a file review of the Respondent's facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations. The following violations were noted during the course of the file review and inspection:

- A. The Respondent's GLYOXAL, MD1-1, MD1-2, WWTP, and TDI units are subject to the Hazardous Organic NESHAP (HON), 40 CFR 63, Subpart G. The Department received the Respondent's HON Subpart G semiannual periodic report for the period encompassing July 1, 2000, through December 31, 2000, on or about March 30, 2001; and for the period encompassing January 1, 2001, through June 30, 2001, on or about September 28, 2001. The Respondent failed to submit the HON Subpart G semiannual periodic report to the Department by March 1, 2001, for the period encompassing July 1, 2001, through December 31, 2000, and by August 29, 2001 for the period encompassing January 1, 2001, through June 30, 2001. Each is a violation of 40 CFR 63.152 (c)(1), Title V Permit Nos. 2559-V0, 2265-V3, 2643-V0, Air Permit No. 2094, LAC 33:III.501.C.4, and Section 2057 (A)(2) of the Act.
- B. The Department is in receipt of a semiannual HON Subpart G periodic report submitted March 30, 2001, encompassing the six (6) months between September 20, 2000, to March 30, 2001. Per the regulation, the Respondent was allowed one to six excused excursions per control device during this semiannual reporting period. The Respondent reported more excursions than the number of excused excursions and these are summarized in the table below.

<b>Report Number / Date Submitted</b>	<b>No. of Excursions Over The Limit</b>
7 <sup>th</sup> / March 30, 2001	13

Each is a violation of 40 CFR 63.152(c)(2)(II)(B)(6) which language has been adopted as a Louisiana regulation in LAC 33:III.5122 and Section 2057(A)(2) of the Act."

On May 25, 2005, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. MM-CN-04-0071, which was based on the following findings of fact:

a.

On or about April 26-30, 2004, a multi-media inspection of BASF Corporation's Geismar Plant was performed to determine the degree of compliance with the Act, Water Quality Regulations and Air Quality Regulations. The following violations were noted during the course of the inspection and subsequent file reviews conducted by the Department on or about July 20, 2004 and March 20, 2005:

- A. The Department has received the Respondent's 2003 Annual Title V Certification, dated March 30, 2004, and 2004 Title V Semiannual Monitoring Report, dated September 29, 2004, for Title V Permit No. 2039-V0. According to the reports, permit deviations occurred when the Respondent's NVP/PVP Flare (Emission Point No. 2-90) pilot flame was extinguished on May 14, 2003, for ten (10) minutes, and on June 30, 2004, for nine (9) minutes. According to the Respondent, the flare outages were due to a low flow to the flare due to NVP unit being down and during a check of the automatic re-light function of the flare. Each failure to maintain a flare pilot light at all times is a violation of 40 CFR 60.18(c)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003.A and Section 2057(A)(2) of the Act.
- B. The Department has received the Respondent's 2003 Annual Title V Certification, dated March 30, 2004, and 2004 Title V Semiannual Monitoring Report, dated September 29, 2004, for Title V Permit No. 2094-V0. The Department also received the Respondent's 2004 First Half Semiannual NESHAP Report dated August 30, 2004. The Respondent's Glyoxal Plant is subject to the NESHAP 40 CFR 63, Subpart G. The Respondent's process vents that contain acetaldehyde, ethylene oxide, and formaldehyde, are routed to two (2) process vent catalytic oxidizers (R-865 & Z-855 that require >98% efficiency to control these compounds. In accordance with 40 CFR 63.152(c)(2)(ii), parameter monitoring data for Group I emissions points are required to perform

continuous monitoring and shall be used to determine compliance with the required operating conditions for the monitored control devices. For each occurrence for which the daily average value for one or more monitored parameters is outside of the permitted range, the owner or operator shall be deemed to have failed to have applied the control in a manner that achieves the required operating conditions. According to the reports and the table below, permit deviations occurred at the Glyoxal Plant (Emission Point Nos. R-865 & Z-855) which caused the Respondent's facility to be outside the daily average value of one or more monitored parameters. According to the Respondent's report, the Glyoxal Plant was unable to demonstrate compliance with NESHAP 40 CFR 63, Subpart G on the following dates.

Dates (based on 24-hour average)	Cause of Deviations	Emission Point	Plant
March 7-11, 2003	Not enough organics in vent stream	R-865	Glyoxal
March 16-25, 2003	Not enough organics in vent stream	R-865	Glyoxal
April 9-16, 2003	Not enough organics in vent stream	R-865	Glyoxal
April 22, 2003	Not enough organics in vent stream	R-865	Glyoxal
June 14-16, 2003	Not enough organics in vent stream	R-865	Glyoxal
June 28-30, 2003	Not enough organics in vent stream	R-865	Glyoxal
July 2-27, 2003	Not enough organics in vent stream	R-865	Glyoxal
September 4 – October 4, 2003	Not enough organics in vent stream	R-865	Glyoxal
October 30 – November 25, 2003	Not enough organics in vent stream	R-865	Glyoxal
December 9–15, 2003	Not enough organics in vent stream	R-865	Glyoxal
April 27–May 1, 2003	Low natural gas feed to burner	R-865	Glyoxal
January 13-14, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal

February 17, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
February 20-26, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
March 1-2, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
March 5, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
April 18-22, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
April 24-25, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
May 6-21, 2004	Daily average temperature differential across catalyst bed	Z-855	Glyoxal
January 9, 2004	Daily average firebox temperature	Z-855	Glyoxal
January 20-22, 2004	Daily average firebox temperature	Z-855	Glyoxal
March 14-16, 2004	Daily average firebox temperature	Z-855	Glyoxal
April 29, 2004	Daily average firebox temperature	Z-855	Glyoxal

Each occurrence for which the daily average value for one or more monitored parameters is outside of the permitted range is a violation of 40 CFR 63:152(c)(2)(ii) which language has been adopted as a Louisiana Regulation in LAC 33:III.5122, Part 70 Specific Condition No. 1 of Title V Permit No. 2094-V0, and Section 2057(A)(2) of the Act.

C. The Department has received the Respondent's 2004 Title V Semiannual Monitoring Report, dated September 29, 2004, for Title V Permit No. 2559-V2. The Department also received the Respondent's 2004 First Half Semiannual NESHAP Report dated August 30, 2004. The Respondent's MDI-2 Plant is subject to the NESHAP 40 CFR 63, Subpart G. The off-gas wash tower is a packed tower scrubber that uses water as the scrubbing medium. The off-gas wash tower recovers aniline (II), methanol (III), and toluene (III) from process vents for reuse in the process. This provides  $\geq 98\%$  removal efficiency of all three TAPs by product recovery, as required by NESHAP 40 CFR 63, Subpart G. According to the reports and the table below, permit deviations occurred at the MDI-2 Plant (Source No. X-2410) which caused the unit to fail to continuously keep records as specified in paragraph 63.152(f)(1). According to the Respondent's reports, the MDI-2 plant was unable to demonstrate compliance with NESHAP 40 CFR 63, Subpart G, as listed in the following dates.

Dates (based on 24 hour average)	Cause of Deviations	Source No.	Plant
January 14 – February 19, 2004	Daily average firebox temperature	X-2410	MDI-2
May 5, 2004	Daily average firebox temperature	X-2410	MDI-2
May 26, 2004	Daily average firebox temperature	X-2410	MDI-2
June 3-16, 2004	Daily average firebox temperature	X-2410	MDI-2
June 17-21, 2004	Daily average firebox temperature	X-2410	MDI-2
June 26-29, 2004	Daily average firebox temperature	X-2410	MDI-2
June 16-17, 2004	Continuous record of monitoring data not maintained	X-2410	MDI-2
June 25, 2004	Continuous record of monitoring data not maintained	X-2410	MDI-2

Each failure to measure data values at least once every 15 minutes is a violation of 40 CFR 63.152(f)(1) and each occurrence for which the daily average value for one or more monitored parameters is outside of the permitted range is a violation of 40 CFR 63.152(c)(2)(ii) which language has been adopted as a Louisiana Regulation in LAC 33:III.5122, Part 70

Specific Condition No. 1 of Title V Permit No. 2559-V2, and Section 2057(A)(2) of the Act.

- D. On or about June 16-17, 2004, a compliance test was performed on the Respondent's Catalytic Oxidizer Off Gas Stream (Z-855) that vents to the Glyoxal Oxidizers Vent, Emission Point No. 2-88. According to the Department's letter dated September 21, 2004, the Respondent's test results exceeded the permitted emission limits for Ethylene Oxide, Formaldehyde, and Acetaldehyde (lb/hr).

Catalytic Oxidizer Z-855	Permit Limit (lb/hr)	Results: Condition 1 (lb/hr)	Results: Condition 2 (lb/hr)
Ethylene Oxide	0.0504	0.133	0.077
Formaldehyde	0.0134	0.039	0.033
Acetaldehyde	0.0168	0.065	0.039

Each exceedance is a violation of Title V Permit No. 2094-V0, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

- E. The Department has received the Respondent's 2004 Title V Semiannual Monitoring Report, dated September 29, 2004, for Title V Permit No. 2265-V3. The Respondent's Cogeneration Unit (Emission Point 4-97) is subject to 40 CFR 64, Compliance Assurance Monitoring. According to the report, a permit deviation occurred when the Respondent's continuous monitoring of NOx in flue gas was discontinued for a period of two (2) hours. The incident was caused by a valve misalignment in the Cogeneration Unit that caused a trip in steam injection to the unit. This is a violation of 40 CFR 64.7(c), Specific Condition No. 1 of Title V Permit No. 2265-V3, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- F. The Department has received the Respondent's 2003 Annual Title V Certification, dated March 31, 2004, for Title V Permit No. 2459-V2. According to the report, a permit deviation occurred on or about April 28, 2003, from 8:10 a. m. to 8:15 a.m. at the EO/EG Plant when approximately 40 pounds of ethylene oxide (EO) were released to the atmosphere from an open valve on a vacuum line during a railcar loading operation. According to the release report dated May 5, 2003, the Respondent reported that as an EO railcar was being loaded, instruments detected the presence of ethylene oxide in the unit. Operations personnel responded and found that the EO was being released from an open valve on a vacuum line on the EO loading system. This is a violation is a violation of LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Title V Permit No.2459-VO, LAC 33:III.501.C.4, and Sections 22057(A)(1) and 2057 (A)(2) of the Act.

- G. The Department has received the Respondent's 2003 Annual Title V Certification, dated March 31, 2004, for Title V Permit No.2459-V2. According to the report, permit deviations occurred when the Respondent's EO3/EG Flare (Emission Point No. 7-73) pilot flame was extinguished on August 10, 2003, for two (2) minutes, and on September 5, 2003, for one (1) minute. According to the Respondent, the flare outages were due to a nitrogen purge and the venting of EO Sphere. Each failure to maintain a flare pilot flame at all times is a violation of 40 CFR 60.18(c)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003.A and Section 2057(A)(2) of the Act.
- H. The Department has received the Respondent's 2003 Annual Title V Certification, dated March 31, 2004, for Title V Permit No. 2643-V0. According to the reports, a permit deviation occurred when the Respondent's TDI Plant Flare (Emission Point No. 8-79) pilot flame was extinguished on December 16, 2003, for 36 minutes. According to the Respondent, the flare outage was due to a nitrogen purge. Each failure to maintain a flare pilot light at all times is a violation of 40 CFR 60.18(c)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003.A and Section 2057(A)(2) of the Act.
- I. The Department received an unauthorized discharge notification Report from the Respondent dated March 17, 2003, regarding a release that began at approximately 8:00 p.m. on March 9, 2003, and ended at approximately 6:00 a.m. on March 10, 2003. According to the Respondent, the release resulted in approximately 22,000 lbs of monochlorobenzene (MCB) being emitted to the atmosphere. The Department received additional correspondence from the Respondent dated May 16, 2003, regarding an investigation into the root cause of the release and a revised amount of total pounds of MCB released to the atmosphere. According to the Respondent's report dated May 16, 2003, it was determined that of the two automated control valves in the system, both were inoperable and were scheduled to be repaired during the turnaround. The Respondent's investigation found that one valve was closed and the other valve was open, which allowed the release to occur.

This is a violation is a violation of LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:111.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

- J. The Department received an unauthorized discharge notification report from the Respondent dated November 26, 2003, regarding a release that began at approximately 10:39 p.m. on November 20, 2003, and ended at approximately 8:30 a.m. on March 21, 2003. The release resulted in approximately 40 lbs of ethylene oxide (EO) being emitted to the atmosphere. According to the Respondent's report, the leak occurred from a 0.25-inch diameter analyzer tubing that was removed from service two years ago. During a recent turnaround, the tubing was partially reconnected and the release occurred when the unit was started up on November 20, 2003. The Respondent determined that the line was cut over two years ago during equipment demolition. The cut was located inside the partially removed equipment so that it was not visible during routine inspection. The Respondent reports it is unaware how the line became reconnected. This is a violation of LAC 33:III.905 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 equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:111.501.C.4 and Sections 2057(A)(1) and (A)(2) of the Act.
- K. The Department received an unauthorized discharge notification report from the Respondent dated March 11, 2004, regarding a release that began and ended on March 7, 2004. The release was discovered at approximately 2:35 p.m. and was stopped at approximately 2:47 p.m. The release resulted in approximately 430 lbs of ethylene oxide (EO) being emitted to the atmosphere. According to the Respondent's report, it was determined that the EO Run Tank (FA-5312) was being prepared for maintenance and the valve closest to the tank on the equalization line was closed to isolate the tank. However, the valve that was closed was located between the tank and the pressure transmitter. Since the pressure transmitter was isolated from the EO Run Tank, as nitrogen was added the tank over pressured and the safety valve lifted. This is a violation of

LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Title V Permit No. 2459-V2, LAC 33:III.501.C.4, and Sections 2057(A)(1) and (A)(2) of the Act.

- L. An inspection conducted by the Department on or about April 26, 2004, reveals that the thermometers in the automatic composite samplers at Outfalls 101 and T-20 were expired. The thermometers were placed in the refrigerators on or about October 4, 2002, and had not been replaced annually as required by Standard Methods for the examination of water & wastewater (SW 846). The failure to operate and maintain the automatic samplers is in violation of LPDES permit LA0002950 (Part III, Sections A.2 and B.3.a), La. R. S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.E. The facility had purchased new thermometers to be placed in the sampler, but had not replaced the out of date thermometers with the new ones.
  
- M. The Department received an unauthorized discharge notification report from the Respondent dated April 26, 2004, regarding a release that began and ended on April 18, 2004. According to the Respondent's report, the release began at approximately 11:23 p.m. and ended at approximately 11:52 p.m. The release resulted in approximately 31 lbs of ethylene oxide (EO) being emitted to the atmosphere during a transfer of EO to the Polyol Unit. According to the Respondent's report, the oxide scrubber pump tripped offline after an unanticipated power failure resulting in the loss of scrubbing medium flow. According to the Respondent's report, the release occurred when an operator failed to restart the correct oxide scrubber pump. This is a violation of LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Title V Permit No. 2459-V2, LAC 33:III.501.C.4, and Section 2057(A)(1) and 2057(A)(2) of the Act.

- N. The Department received an unauthorized discharge notification report from the Respondent dated June 28, 2004, regarding a release that was discovered on June 22, 2004. According to the Respondent's report, the release was discovered at approximately 6:40 p.m. and was stopped at approximately 6:45 p.m. on June 22, 2004. The Respondent estimates approximately 30 lbs of benzene and 5 lbs of nitrobenzene were emitted to the atmosphere. According to the Respondent's report, the release was discovered when personnel in the area detected an odor. Upon investigation, an operator found that the ¾ inch threaded plug on a flame arrestor was missing. This is a violation of LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:III.501.C.4, and Section 2057(A)(1) and 2057(A)(2) of the Act. The missing plug was immediately replaced stopping the release.
- O. The Department received an unauthorized discharge notification report from the Respondent dated January 28, 2005, regarding a release that was discovered on January 21, 2005. According to the Respondent's report, the release was discovered at approximately 6:05 p.m. on January 21, 2005, and was stopped at approximately 6:15 p.m. the same day. According to the Respondent, the release may have begun as early as 11:30 a.m. on January 18, 2005. The Respondent estimates the release resulted in approximately 156 lbs of benzene and 81 lbs of NO<sub>x</sub> were emitted to the atmosphere over a period of 78.5 hours. According to the Respondent's report, the release was discovered when an operator found that the ¾ inch threaded plug on a flame arrestor was missing. According to the Respondent's investigation, the flame arrestor was apparently put into service without installing the drain plug. This is a violation of LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:III.501.C.4, and Section 2057(A)(1) and 2057(A)(2) of the Act.

P. The Department received an unauthorized discharge notification report from the Respondent dated February 28, 2005, regarding a release that was discovered on February 22, 2005. According to the Respondent's report, the release was discovered at approximately 9:49 a.m. on February 22, 2005, and was stopped at approximately 10:10 a.m. the same day. According to the Respondent, the release began at 8:00 p.m. on February 21, 2005. The Respondent estimates the release resulted in approximately 300 lbs of benzene was emitted to the atmosphere over a period of 13.75 hours. According to the Respondent's report, personnel in the Aniline Unit noticed a benzene odor. Upon investigation, an open ¼ inch bleeder valve was discovered on the MNB-1 Acid Loop. This is a violation of LAC 33:III.905 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:III.501.C.4, and Section 2057(A)(1) and 2057(A)(2) of the Act. The valve was immediately closed stopping the release. According to the Respondent's investigation, this incident occurred due to inadequate tagout instructions for this particular bleeder valve.

b.

A file review conducted by the Department on or about January 27, 2005, revealed the following effluent violations for Outfall 101, as reported by the Respondent on its DMRs from December 2001 through November 2004:

DATE	PARAMETER	UNIT	PERMIT LIMIT	SAMPLE VALUE
December 2001	Nitrobenzene, monthly avg.	Lbs/day	0.89	3.22
	Nitrobenzene, daily max.		2.24	16.08
July 2002	Toluene, daily max.	lbs/day	3.18	3.63
December 2002	Phenol, daily max.	lbs/day	1.03	1.22
September 2003	Chlorobenzene, daily max.	lbs/day	1.11	3.04
June 2004	BOD(5), montly avg.	lbs/day	1228	1487
	BOD(5), daily max.	lbs/day	3280	3602
	TSS, monthly avg.	lbs/day	1760	1903

The above-noted effluent excursions are in violation of LPDES permit LA0002950 (Part I, Section B, and Part III, Section A(2), La. R.S. 30:2075, La. R.S. 30:2076 (A)(1), La. R.S. 30:2076 (A)(3), LAC 33:IX.501.A and LAC 33:IX.2701(A).

## VII

In response to the Consolidated Compliance Orders & Notice of Potential Penalties and the Amended Consolidated Compliance Orders & Notice of Potential Penalties, Respondent made a timely request for a hearing.

## VIII

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

## IX

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 TWENTY THREE THOUSAND AND NO/100 DOLLARS (\$23,000.00), of which SEVEN HUNDRED SIXTY SEVEN AND 03/100 DOLLARS (\$767.03) represents DEQ'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 DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

## X

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Orders & Notice of Potential Penalties and the Amended Consolidated Compliance Orders & Notice of Potential Penalties and this Settlement for the purpose of

determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent. 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, but Respondent may present relevant mitigating factors for the Department's consideration.

#### XI

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.

#### XII

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 LSA- R. S. 30:2025(E) of the Act.

#### XIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ascension Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed

on behalf of the Department, more than 45 days have elapsed since publication of the notice.

XIV

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 Darryl Serio, Office of Management and Finance, 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).

XV

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

XVI

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

**BASF CORPORATION**

BY:

*Mike Cohen*  
(Signature)

Mike Cohen

(Printed or Typed)

TITLE: Senior VP and General Manager

THUS DONE AND SIGNED in duplicate original before me this 15 day of

March, 2006, at Coismar LA.

*Jennifer Kunkle*

NOTARY PUBLIC (ID # 56333)

Jennifer Kunkle

(Printed or Typed)

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

Mike D. McDaniel, Ph.D., Secretary

BY:

*Harold Leggett*

Harold Leggett, Ph.D., Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 26<sup>th</sup> day of

May, 2006, at Baton Rouge, Louisiana.

*Ted R. Drake, Jr.*  
NOTARY PUBLIC (ID # 20456)

Ted R. Drake, Jr.  
(Printed or Typed)

Approved:

*Harold Leggett*  
Harold Leggett, Ph.D., Assistant Secretary