

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GRAMERCY ALUMINA LLC

AI # 1388

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

* **Settlement Tracking No.**
* **SA-AE-07-0054**

* **Enforcement Tracking No.**
* **AE-CN-06-0024**
* **AE-CN-06-0037**
* **AE-CN-06-0024A**

SETTLEMENT

The following Settlement is hereby agreed to between Gramercy Alumina 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 corporation who owns and/or operates an alumina extract facility located at 1111 Airline Highway, one and one-half miles east of Gramercy in St. James Parish, Louisiana ("the Facility").

II

On March 13, 2006, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-06-0024, to Respondent, which was based upon the following findings of fact:

The Respondent owns and/or operates an alumina extraction facility located at 1111 Airline Highway, one and one-half miles east of Gramercy in St. James Parish, Louisiana. The facility is currently operating under Title V Permit No. 2453-V1, which was issued on April 22, 2003, for the Bauxite Processing Area/Products Area/Power Area, and administratively amended on April 29, 2005.

On or about November 17, 2005, the Department received two complaints regarding dust from the Respondent's facility. On November 18, 2005, the Department met with both of the complainants. Photographs of the residue were taken and samples of the residue were collected. One of the complainants was concerned about the corrosive properties of the residue. On November 18, 2005, the Department conducted a partial compliance evaluation of the facility and collected a sample. The Respondent produced data indicating that the wind was blowing in the direction of the home of the complainant at the time of the incident. On or about February 1, 2006, the Department obtained a copy of the report for the full particulate analysis of the samples. According to the report, both samples were found to contain $\text{Al}(\text{OH})_3$ and iron oxides as the main components.

On or about December 6, 2005, the Department received a complaint regarding dust covering the complainant's automobile. On December 7, 2005, the Department met with the complainant. Red dust was visible on the complainant's automobile and house. On or about December 8, 2005, the Department conducted a partial compliance evaluation of the Respondent's facility. Dust collection logs indicated that a vessel was being unloaded and dust was being collected at the time of the complaint. Meteorological data indicated wind direction from the northeast at 15 mph on December 6, 2005.

On or about December 22, 2005, the Department received a complaint regarding a white film deposited on the complainant's automobile. On December 22, 2005, the Department spoke with a representative of the facility regarding the complaint. The representative stated that the citizen complaint would be investigated and that he would verify if the facility was processing reduction grade alumina at the time of the incident. On or about December 23, 2005, photographs of the complainant's automobile were taken by the Department. Samples of dust from the vehicle were also collected. On or about December 30, 2005, the Department collected samples of calcined alumina from the railcar unloading station at the facility. On or about January 17, 2006, the Department received an analytical laboratory report stating that the sample from the complainant's vehicle and the sample from the railcar unloading station contain the same oxides of aluminum.

On or about November 30, 2005, and December 8 and 19, 2005, complaint investigations were conducted to determine the degree of compliance with the Act and Air Quality Regulations.

The following violation was noted during the course of the complaint investigations:

The Respondent failed to take all reasonable precautions to prevent particulate matter from becoming airborne. Each failure to take all reasonable precautions to prevent particulate matter from becoming airborne is a violation of Part 70 Specific Condition 1 of Title V Permit Number 2453-V1, LAC 33:III.1305.A and Section 2057(A)(2) of the Act.

On May 26, 2006, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-06-0037, to Respondent, which was based on the following findings of fact:

The Respondent owns and/or operates an alumina extraction facility known as the Gramercy Works located off Airline Highway, one and one-half miles east of Gramercy in St.

James Parish, Louisiana. The Gramercy Works consists of the Bauxite Processing Area/Products Area/Power Area which operates under Air Permit No. 2453-V1 issued on April 22, 2003, and administratively amended on April 29, 2005, and PSD Permit Nos. PSD-LA-676 (Power Area) and PSD-LA-684 (Bauxite Processing/Products Area), both issued on April 22, 2003. The Gramercy Works was previously owned and/or operated by Kaiser Aluminum & Chemical Corporation. A Notification of Change of Ownership/Operator or Name Change form was submitted which showed a change of ownership from Kaiser Aluminum & Chemical Corporation to Gramercy Alumina LLC effective September 30, 2004.

On or about February 4, 2004, and March 10, 2004, an inspection of the Respondent's facility, which was owned and/or operated by Kaiser Aluminum & Chemical Corporation at the time, was performed to determine the degree of compliance with the Act and the Air Quality Regulations. As required by Table 4 of Air Permit No. 2453-V1 for the Bauxite Processing Area/Products Area/Power Area, Kaiser Aluminum & Chemical Corporation was to conduct performance tests on specified combustion sources, including power boilers, gas turbines, and kilns, for nitrogen oxides (NO_x). In addition, in accordance with Specific Condition 2 of PSD Permit No. PSD-LA-684 for the Bauxite Processing Area/Products Area, Kaiser Aluminum & Chemical Corporation was required to perform stack tests for NO_x emissions from the kilns (Emission Points 1-70, 1-73, and 2-73) using Method 7E-Determination of Nitrogen Oxides Emissions from Stationary Sources. On or about June 16, 2003, through July 15, 2003, Kaiser Aluminum & Chemical Corporation conducted the tests. However, according to Kaiser Aluminum & Chemical Corporation's letter dated April 22, 2004, due to problems with testing, one source, Kiln No. 2 (Emission Point 2-73), was later retested on February 5, 2004. According

to Kaiser Aluminum & Chemical Corporation's letter dated April 16, 2004, results of the testing indicated that two kilns, Kiln Nos. 2 and 3, exceeded their individual maximum pound per hour permitted emissions limitations for NO_x, as shown in the following table:

Equipment	Existing NO _x Permit Limit (lb/hr)	NO _x Performance Test Result (lb/hr)
Kiln No. 2 (retest)	29.75	45.44
Kiln No. 3	54.50	72.39

In a letter dated November 10, 2003, from the Department to Kaiser Aluminum & Chemical Corporation, the Department noted that the test report for the testing conducted on June 16, 2003, through July 15, 2003, indicated a particulate matter (PM₁₀) emissions rate from Kiln No. 2 of 11.891 pounds per hour. The Emissions Inventory Questionnaire (EIQ) for Air Pollutants for Kiln No. 2 in Air Permit No. 2453-V1 showed a maximum PM₁₀ emission rate of 7.16 pounds per hour. However, Kiln No. 2 is covered under the Kiln CAP (Emission Point 4-01) along with Kiln No. 1 and Kiln No. 3 (Emission Points 1-73 and 1-70, respectively) in Air Permit No. 2453-V1. Combined emissions of PM₁₀ from all three kilns during the test were below the PM₁₀ CAP limit. According to the Respondent's letter dated July 22, 2004, the results of the retest on February 5, 2004, for Kiln No. 2 showed that Kiln No. 2 was in compliance with the PM₁₀ pound per hour emission limitation.

The Department met with Kaiser Aluminum & Chemical Corporation's representatives on May 14, 2004. During the meeting, the representatives of Kaiser Aluminum & Chemical Corporation informed the Department that it had submitted a permit modification application to incorporate the stack test results performed in accordance with Air Permit No. 2453-V1. In correspondence dated April 16, 2004, Kaiser Aluminum & Chemical Corporation provided the

Department with the performance test results for NO_x for the above-referenced combustion sources. According to the correspondence dated June 18, 2004, Kaiser Aluminum & Chemical Corporation noted that the emissions sources were originally permitted based on prior stack tests. In further correspondence dated July 22, 2004, from Kaiser Aluminum & Chemical Corporation's representative, it was noted that the CO and NO_x emissions limits for the kilns were based on a 1990 performance test conducted by Tenerex Corporation. Additional information was also provided in the letter concerning the reasons for the retest of Kiln No. 2.

On or about September 13, 2004, Kaiser Aluminum & Chemical Corporation was issued a Consolidated Compliance Order and Notice of Potential Penalty (CONOPP), Enforcement Tracking No. AE-CN-03-0420, for violations in regard to Kiln Nos. 2 and 3 in the Bauxite Processing Area/Products Area/Power Area. The violations were as follows:

Based upon the results of the stack test as reported by the Respondent, the Respondent exceeded the NO_x maximum pound per hour permit limit for Kiln No. 2 Cold End ESP and Kiln No. 3 Cold End ESP (Emission Points 2-73 and 1-70, respectively) as listed in Specific Condition 1 of PSD Permit No. PSD-LA-684. Furthermore, the combined emissions from the stack test for Kiln No. 1 Cold End ESP (Emission Point 1-73), Kiln No. 2 Cold End ESP, and Kiln No. 3 Cold End ESP exceeded the maximum pound per hour limit for the Kiln Cap (Emission Point 4-01) covering the emissions from all three kilns as listed in the Emissions Inventory Questionnaire (EIQ) for Air Pollutants in Air Permit No. 2453-V1. Each exceedance of the NO_x maximum pounds per hour limits is a violation of General Condition II of Air Permit No. 2453-V1, Specific Condition 1 of PSD Permit No. PSD-LA-684, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

In the Order portion of the CONOPP, Kaiser Aluminum & Chemical Corporation was issued the following interim limits applying to Kiln Nos. 2 and 3 in the Bauxite Processing Area/Products Area/Power Area for NO_x:

Equipment	Interim NO _x Annual Average Limit (lb/hr)	Interim NO _x Maximum Hourly Limit (lb/hr)	Interim NO _x Annual Limit (tons/yr)
Kiln 2	45.22	52.00	198.06
Kiln 3	72.39	83.25	317.07

In a letter dated November 1, 2004, the Respondent noted that effective October 1, 2004, it purchased the Gramercy Works from Kaiser Aluminum & Chemical Corporation and was the owner and operator of the facility. In the November 1, 2004 letter, the Respondent noted that Kaiser Aluminum & Chemical Corporation had continued to evaluate the firing rates and maximum design capacities of the kilns. The original request for the interim limits was submitted in advance of the Title V renewal application submitted by Kaiser Aluminum & Chemical Corporation under cover letter dated August 9, 2004, which took into account this new information in determining the emission rates of the kilns. According to the Respondent, the Title V renewal application actually reflects the most appropriate limits for Kiln Nos. 1, 2, and 3.

An inspection of the Respondent's facility was performed on or about January 27, 2005, through February 2, 2005, in which an area of concern was noted concerning the possible exceedances of NO_x emissions limitations for the kilns. This was the area of concern that had been cited as a violation in the Compliance Order & Notice of Potential Penalty, AE-CN-03-0420 against Kaiser Aluminum. However, the Department did not have information on the NO_x emissions being emitted from the kilns since Gramercy Alumina LLC acquired the facility.

Since the interim limits were issued to Kaiser Aluminum & Chemical Corporation and the Respondent is now the owner of the Gramercy Works facility, the Department issued an Administrative Order, Enforcement Tracking No. AE-AO-05-0135, on July 27, 2005, to

determine the Respondent's compliance with the Act and the Air Quality Regulations. The Department required the Respondent to submit information concerning all noncompliance at the Gramercy Works facility, including but not limited to, any emissions from Kiln Nos. 1, 2, and 3 (Emission Point Nos. 1-73, 2-73, and 1-70, respectively) and the Kiln Cap (Emission Point No. 4-01) in excess of the permit limitations established in Air Permit No. 2453-V1 and PSD Permit No. PSD-LA-684 from the time the Respondent acquired the Gramercy Works facility until the issuance date of the Administrative Order. The emission exceedances reported were to include, but not be limited to, any maximum pound per hour emission rates. The Respondent was also required to report durations of any emission exceedances for each of the kilns operated since the Respondent acquired the Gramercy Works or any other noncompliance.

The Respondent submitted a response dated November 16, 2005, to the Administrative Order. In this response the Respondent reported days in which the maximum pound per hour limitations were exceeded for Kiln Nos. 1, 2, and 3 (Emission Point Nos. 1-73, 2-73, and 1-70, respectively) and the Kiln Cap (Emission Point No. 4-01). The Respondent reported the following number of days during which the NO_x maximum pound per hour emission limit in Title V Permit No. 2453-V1 was exceeded during the period of October 1, 2004 to July 27, 2005:

	Kiln No. 1	Kiln No. 2	Kiln No. 3	Kiln CAP
Number of days NO _x limit exceeded	31	195	157	120

The following violations were noted:

The Respondent exceeded the NO_x maximum pound per hour permit limit for Kiln No. 1 Cold End ESP, Kiln No. 2 Cold End ESP, and Kiln No. 3 Cold End ESP (Emission Points 1-73, 2-73 and 1-70, respectively) as listed in Specific Condition 1 of PSD Permit No. PSD-LA-684. Furthermore, the Respondent exceeded the NO_x maximum pound per hour

limit for the Kiln Cap (Emission Point 4-01) covering the emissions from all three kilns as listed on the Emissions Inventory Questionnaire (EIQ) for Air Pollutants in Title V Permit No. 2453-V1. Each exceedance of the NO_x maximum pounds per hour limits is a violation of General Condition II of Air Permit No. 2453-V1, Specific Condition 1 of PSD Permit No. PSD-LA-684, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

On or about November 27, 2005, November 28, 2005, and December 7, 2005, inspections 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 inspections:

The Respondent failed to perform recordkeeping of weekly visual inspections for opacity of the power area stacks as required by Specific Condition No. 4 of Title V Permit No. 2453-V1. Each failure to record the weekly visual inspections for opacity of the power stacks is a violation of Specific Condition No. 4 of Title V Permit No. 2453-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

It was also noted during the November 27, 2005, November 28, 2005, and December 7, 2005, inspections and subsequent file review on or about February 20, 2006, that "compliance exceptions" had been reported by the Respondent in the 40 CFR Part 70 General Condition R and L quarterly report dated March 31, 2005, which report was also attached to the Title V annual certification dated March 30, 2005, and the semiannual monitoring report dated March 31, 2005. The compliance exceptions were also reported in the 40 CFR Part 70 General Condition R and L quarterly reports dated June 28, 2005, and September 30, 2005. In the reports, the Respondent reported occurrences in which the electrostatic precipitator units (ESP Nos. 1, 2, and 3) for Kiln Nos. 1, 2, and 3 were not operating within the manufacturer's specifications or the ESP bank was off. In a letter from the Respondent dated February 10, 2006, the Respondent noted that it had self-reported abnormal ESP operating parameters as deviations based on the assumption that

increased emissions result from these abnormal operating conditions, including periods when an ESP bank may be down. The Respondent indicated in the letter that it is very difficult to quantify kiln particulate emissions during a deviation period, as particulate emissions will depend on the nature of the deviation. According to the Respondent, the ESP particulate collection efficiency depends on many variables, including bank field strength, position of the bank, airflow, and hopper condition. The Respondent noted that there is only one data point indicating the emissions when an ESP bank is not operating properly. The Respondent also noted that this single data point does not provide enough data to calculate the emissions for the various kinds of deviations reported.

On July 5, 2006, the Department issued an Amended Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-06-0024A, to Respondent, which was amended as follows:

The Department hereby amends paragraph V of the Findings of Fact to read as follows:

“V.

On or about November 18, 2005, December 8 and 30, 2005, complaint investigations were conducted to determine the degree of compliance with the Act and Air Quality Regulations.

The following violation was noted during the course of the complaint investigations:

The Respondent failed to take all reasonable precautions to prevent particulate matter from becoming airborne. Each failure to take all reasonable precautions to prevent particulate matter from becoming airborne is a violation of Part 70 Specific Condition 1 of Title V Permit Number 2453-V1, LAC 33:III.1305.A and Section 2057(A)(2) of the Act.”

The Department incorporates all of the remainder of the original Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-06-0024 and Agency Interest No. 1388, as if reiterated herein.

In addition, covered by this Settlement are all exceedances of permitted NO_x emissions limits in Title V Permit No. 2453-V1 and/or PSD Permit No. PSD-LA-684 for the Kiln No. 1 Cold End ESP, Kiln No. 2 Cold End ESP, Kiln No. 3 Cold End ESP and the Kiln Cap (Emission Points 1-73, 2-73, 1-70, and 4-01, respectively) which pertain to the violation in paragraph IX of the Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-06-0037, and were reported by the Respondent in the following:

Report	Date of report	Period Covered
Title V Annual Compliance Certification	March 30, 2006	2005
Title V Annual Compliance Certification	March 27, 2007	2006
Title V Semiannual Monitoring Reports	September 30, 2005	January - June 2005
Title V Semiannual Monitoring Reports	March 30, 2006	July - December 2005
Title V Semiannual Monitoring Reports	September 28, 2006	January - June 2006
40 CFR Part 70 General Conditions R and L quarterly report	June 28, 2005	First quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	September 30, 2005	Second quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	December 29, 2005	Third quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	March 30, 2006	Fourth quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	June 30, 2006	First quarter of 2006
40 CFR Part 70 General Conditions R and L quarterly report	September 28, 2006	Second quarter of 2006

Each exceedance of the NO_x limits is a violation of General Condition II of Air Permit No. 2453-V1, Specific Condition 1 of PSD Permit No. PSD-LA-684, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

Included as the subject matter of paragraph XI of the Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-06-0037, the Respondent reported abnormal electrostatic precipitator (ESP) operating parameters for the ESPs associated with Kiln Nos. 1, 2 and/or 3 (Emission Points 1-73, 2-73 and 1-70) as deviations based on the assumption that increased emissions result from the abnormal operating conditions, including periods when an ESP Bank may be down. These issues are included in this settlement as reported by the Respondent in the following:

Report	Date of report	Period Covered
Title V Annual Compliance Certification	March 30, 2005	2004
Title V Annual Compliance Certification	March 30, 2006	2005
Title V Annual Compliance Certification	March 27, 2007	2006
Title V Semiannual Monitoring Reports	March 31, 2005	July – December 2004
Title V Semiannual Monitoring Reports	September 30, 2005	January - June 2005
Title V Semiannual Monitoring Reports	March 30, 2006	July – December 2005
Title V Semiannual Monitoring Reports	September 28, 2006	January - June 2006
40 CFR Part 70 General Conditions R and L quarterly report	March 31, 2005	Fourth quarter of 2004
40 CFR Part 70 General Conditions R and L quarterly report	June 28, 2005	First quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	September 30, 2005	Second quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	December 29, 2005	Third quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	March 30, 2006	Fourth quarter of 2005
40 CFR Part 70 General Conditions R and L quarterly report	June 30, 2006	First quarter of 2006
40 CFR Part 70 General Conditions R and L quarterly report	September 28, 2006	Second quarter of 2006

Each particulate matter (PM) emissions exceedance and/or failure to meet the 99.9 percent control efficiency is a violation of General Condition II of Air Permit No. 2453-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

The issues listed below are not the subject matter of an enforcement action issued by the Department, but are also included as a part of this Settlement:

As reported by the Respondent in the 2005 Title V Annual Compliance Certification dated March 30, 2006, the Title V Semiannual Monitoring Report for the first half of 2006 dated September 30, 2005, and the 40 CFR Part 70 General Conditions R and L quarterly report for the first quarter of 2005 dated June 28, 2005, dust was emanating out of the exhaust stack. The report listed the dates of occurrence of the event as January 6, 2005 through January 10, 2005. The Respondent noted that the stacks had a leak. The Respondent failed to control the emission of particulate matter from the Dust Filter Vents (Emission Point 4-83) so that the shade or appearance of the emission is not denser than 20 percent opacity. This is a violation of Part 70 Specific Condition 1 as required by Table 2 of Title V Permit No. 2453-V1, LAC 33:III.1311.C, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

On or about November 15, 2007, the Department received a complaint regarding dust covering the complainant's automobile.

On or about November 16, 2007, a complaint investigation was conducted to determine the degree of compliance with the Act and the Air Quality Regulations. The investigation noted red dust on the complainant's automobile and home.

The following violation was noted during the course of the complaint investigation:

The Respondent failed to take all reasonable precautions to prevent particulate matter from becoming airborne. Each failure to take all reasonable precautions to prevent particulate matter from becoming airborne is a violation of Part 70 Specific Condition 1 of Title V Permit Number 2453-V1, LAC 33:III.1305.A and Section 2057(A)(2) of the Act.

III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-06-0024 and AE-CN-06-0037, Respondent made a timely request for a hearing.

IV

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

V

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-SEVEN THOUSAND ONE HUNDRED NINETY-FIVE AND NO/100 DOLLARS (\$27,195.00), of which THREE THOUSAND ONE HUNDRED NINETY-FIVE AND 65/100 DOLLARS (\$3,195.65) 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).

VI

In addition, the Respondent also agrees to continue operating under the interim emission limitations set by the Department in the Order portion of the Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. AE-CN-06-0037, and which are hereby reiterated as follows:

Equipment	Emission Point	Interim NO _x Average Limit (lb/hr)	Interim NO _x Maximum Hourly Limit (lb/hr)	Interim NO _x Annual Limit (tons/yr)
Kiln 1	1-73	75.53	86.86	330.84
Kiln 2	2-73	88.23	101.46	386.45
Kiln 3	1-70	145.30	167.09	636.39
Kiln Cap	4-01	309.06	370.02	1,353.68

The interim limitations shall also be subject to the following conditions:

All emission limitations, monitoring requirements, and permit conditions of Air Permit No. 2453-V1 and PSD Permit No. PSD-LA-684 shall remain in effect and enforceable.

The interim limitations shall remain in effect until the modified Title V Operating Permit and the PSD Permit are issued containing the appropriate permit limitations for NO_x for the kilns or unless otherwise notified by the Department.

The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the interim limitations.

The Respondent agrees to continue to submit quarterly reports to the Enforcement Division within thirty (30) days following the end of each calendar quarter commencing with the effective date of this Settlement until the modified permits have been issued containing the appropriate permit limitations for NO_x for the kilns. The quarterly reports shall document the compliance status in regard to the interim limits established in the CONOPP, Enforcement Tracking No. AE-CN-06-0037, and reiterated herein. The quarterly reports shall indicate any exceedances of the interim limits including the amount of the exceedance and an explanation of the cause of the exceedance. If no exceedances occurred during the quarterly period, this should be stated in the report.

Also, the Respondent shall submit to the Enforcement Division, within thirty (30) days after the issuance of the permit actions, a notification that the requirements contained herein in Paragraph VI have been achieved.

VII

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

VIII

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.

IX

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.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. James 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 forty-five (45) days have elapsed since publication of the notice.

XI

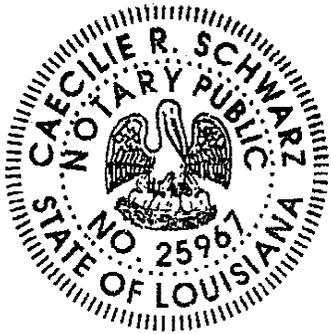
Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to 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).

XII

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

XIII

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.



GRAMERCY ALUMINA LLC

BY: *Peter H. Birko*
(Signature)

PETER H. BIRKO
(Print)

TITLE: LEGAL DIRECTOR

THUS DONE AND SIGNED in duplicate original before me this 23 day of JUNE, 20 08, at Kenner, LA.



CAECILIE R. SCHWARZ
Notary Public #25967, Bar # 19992
State of Louisiana
Parish of Jefferson
My Commission is issued for life

Caecilie R. Schwarz
NOTARY PUBLIC (ID # _____)

CAECILIE R. SCHWARZ
LA NP# 25967

(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Harold Leggett, Ph.D., Secretary

BY: *Peggy M. Hatch*

Peggy M. Hatch, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 20th day of June, 20 08, at Baton Rouge, Louisiana.

Neil B. Byler
NOTARY PUBLIC (ID # 90839)

Neil B. Byler
(Print)

Approved: *Peggy M. Hatch*
Peggy M. Hatch, Assistant Secretary