

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**OCCIDENTAL CHEMICAL
CORPORATION**

AI # 1137

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

* **Settlement Tracking No.**
* **SA-AE-07-0016**

* **Enforcement Tracking No.**
* **AE-PP-06-0178**

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SETTLEMENT

The following Settlement is hereby agreed to between Occidental Chemical 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 operates a Chemical manufacturing facility at 266 Highway 3142 in Hahnville, St. Charles Parish, Louisiana (“the Facility”).

II

On December 14, 2006, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-06-0178, which was based upon the following findings of fact:

On May 30, 2006, a file review of the Taft Cogeneration Facility, owned and/or operated by Occidental Chemical Corporation (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at or near 266 Highway 3142 in Hahnville, St. Charles Parish, Louisiana.

The following violation was noted during the course of the file review:

The Respondent failed to timely submit to the Department an application for renewal of Acid Rain Permit No. 2598-IV0 at least six (6) months prior to expiration. The aforementioned permit expired on or about June 12, 2005. Under cover letter dated May 11, 2006, the Respondent submitted an application for renewal to the Department. The Respondent's failure to submit an acid rain renewal application to the Department at least six (6) months prior to expiration of the existing permit is a violation of LAC 33:III.505.D.3 and Section 2057(A)(2) of the Act.

III

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

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of ONE THOUSAND FOUR HUNDRED DOLLARS AND NO/100 DOLLARS (\$1,400.00), of which Three Hundred Ninety-Nine Dollars and 02/100 Dollars (\$399.02) 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).

V

Respondent further agrees that the Department may consider the inspection report(s), the 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.

VI

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Charles 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.

IX

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).

X

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

XI

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

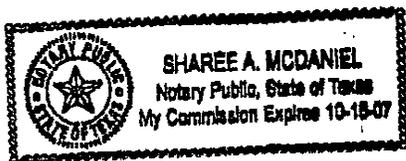
OCCIDENTAL CHEMICAL CORPORATION

BY: [Signature]
(Signature)

Scott A Kirby
(Print)

TITLE: Vice President in General Counsel

THUS DONE AND SIGNED in duplicate original before me this 1st day of June, 20 07, at Dallas, Texas.



Sharee A. McDaniel
NOTARY PUBLIC (ID # 00232441-7)

Sharee A. McDaniel
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Mike D. McDaniel, Ph.D., Secretary

BY: [Signature]
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 9th day of October, 20 07, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 20456)

Jed R. Boyle, Jr.
(Print)

Approved: [Signature]
Harold Leggett, Ph.D., Assistant Secretary