STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-12-0016**
PPG INDUSTRIES, INC.	*	
	*	**Enforcement Tracking No.**
AI # 1255	*	**AE-PP-10-00997**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between PPG Industries, Inc. ("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 that owns and/or operates a vinyl chloride production facility located near Westlake in Calcasieu Parish, Louisiana ("the Facility").

II

On December 20, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-10-00997, which was based upon the following findings of fact:

On or about April 14, 2010, an investigation of an unauthorized discharge occurring on or about March 6, 2010, at the Lake Charles Complex, owned and/or operated by PPG Industries, Inc. (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 south of United States Interstate 10 and east of United States Interstate 220 near Westlake in Calcasieu Parish, Louisiana.

The following violations were noted during the course of the investigation:

> The Department received an unauthorized discharge notification report dated March 9, 2010, from the Respondent indicating a release of approximately 255 pounds of vinyl chloride. The release began on or about March 6, 2010, at 2:43 p.m. and lasted about 15 seconds. According to the Respondent's report, the vinyl chloride production unit was clearing equipment for a major outage. The level transmitter malfunctioned on the No. 5 Bullet Storage Tank which resulted in a high pressure situation. High pressure in the storage tank caused the safety relief valve to lift for about 15 seconds. According to the Respondent, the operators took immediate action to equalize the tank with an adjacent tank and the level transmitter was replaced. Additionally, the Respondent noted that the spill was remediated as soon as practicable. The Respondent initiated a root cause investigation which was provided to the Department in a letter dated May 3, 2010. According to the Respondent's report, the investigation revealed that the (secondary) Varec field mounted level indication had not been adequately maintained and the operators had become accustomed to relying on the level transmitter reading (primary only). Subsequent to this event, the instrument mechanic discovered the level transmitter to be malfunctioning. This was not discovered during routine proof testing, because it was found that the proof test method used was not the recommended procedure established by the Respondent for this equipment. The classification of the proof test procedure for the level transmitter should have been Class 1. A Class 1 procedure requires simulating a signal into the primary transmitting device through the entire loop, which was not done in this case. The Respondent's failure to perform the required proof test procedure on the level transmitter led to the Respondent not discovering that it was malfunctioning which ultimately led to the resulting release. 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 La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

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 SIX THOUSAND AND NO/100 DOLLARS ($6,000.00), of which Four Hundred Four and 99/100 Dollars ($404.99) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the permit record(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 La. R. S. 30:2025(E) of the Act. Respondent and the Department agree that this settlement shall comprise and settle all findings of fact and allegations of violations contained in Paragraph II of this agreement.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Calcasieu 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 an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

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.

PPG INDUSTRIES, INC.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

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

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: _____
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

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

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary