



State of Louisiana

Department of Environmental Quality



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For Immediate Release
August 6, 2003

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ENVIRONMENTAL NEWS

DEQ TO SETTLE WITH WESTLAKE GROUP FOR OVER \$5 MILLION

(Baton Rouge) -- The signing of an intended settlement agreement between the Louisiana Department of Environmental Quality (DEQ) and the Westlake Group in Lake Charles was announced today by DEQ Assistant Secretary for Environmental Compliance, R. Bruce Hammatt. The settlement, with a sum total of over \$5 million in penalties, is based on allegations of noncompliance with hazardous waste, air and water quality provisions of the Louisiana Environmental Quality Act.

Under the agreement, the Westlake Group will pay a cash fine to the state of \$815,000 and perform Beneficial Environmental Projects, also known as BEPs, valued at \$4,408,000. Among the projects, Westlake agreed to provide \$190,000 to the local fire department for the purchase of new equipment and \$3,500 for the acquisition of smoke alarms to be distributed to area citizens. Westlake also is required to make improvements to its facility to go above and beyond those required by law. One of these improvements includes the installation of a new sewer and above ground collection systems intended to minimize potential impacts on groundwater at a cost of \$2,410,000. The installation of improved technology valued at \$775,000 to provide for the reduction of volatile organic compounds by approximately 9 tons per year and of toxic and hazardous air pollutants by approximately 1.5 tons per year also is required. The settlement agreement also requires an expenditure of \$1,030,000 on the use of a thermal oxidizer for control of air pollution.

(more)

In announcing the settlement, Assistant Secretary Hammatt said, "the dollar amount, and in particular the nature of the beneficial environmental projects, make this settlement agreement very significant. The improved

technology that Westlake is required to install at their Lake Charles facility will help advance ongoing efforts by the state to conserve groundwater and improve air quality for area citizens.”

DEQ Secretary, L. Hall Bohlinger also expressed satisfaction with the announced settlement and stated that, “the staff of DEQ are committed to ensuring that companies remain in compliance and operate in a manner that is responsible and respectful of the law and protective of Louisianians.”

The majority of the issues being settled with Westlake are for alleged air violations including failure to submit appropriate permit applications for the review of prevention of significant deterioration for a major source, failure to perform nonattainment new source review for a major stationary source, failure to comply with the hazardous organic fugitive emissions requirements and failure to comply with new source performance standards associated with the flare.

A Beneficial Environmental Project is a project that provides for environmental mitigation, which the respondent is not otherwise legally required to perform, but which the respondent agrees to undertake as a component of a settlement of a violation or penalty assessment. The Beneficial Environmental Projects regulations (LAC33:I Chapter 25) were promulgated in August 2000 in an effort made by Louisiana state officials to provide maximum gains for the environment. Cash penalty payments collected as a result of settlements go into DEQ’s Hazardous Waste Clean-Up Fund.

In recent months, DEQ has reached settlement agreements with Conoco, Inc., Dow Chemical USA, Gaylord Container Corporation, the City of Denham Springs, Discovery Aluminas, Inc., and Honeywell International, Inc., for penalties totaling \$1.34 million in cash payments and over \$1.8 million in Beneficial Environmental Projects.