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EPA REGION 6

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TEXAS

In the Matter of	§	
	§	
Shintech Louisiana, LLC	§	**Docket No. CAA-06-2026-3543**
Addis and Plaquemine, Louisiana	§	
	§	
	§	
Respondent	§	
	§	

ADMINISTRATIVE ORDER ON CONSENT

A. PRELIMINARY STATEMENT

1. This Administrative Compliance Order on Consent ("Order") is brought under Section 113(a) of the Clean Air Act (the "CAA" or the "Act"), 42 U.S.C. § 7413(a). Section 113(a)(3)(B) of the CAA authorizes the Administrator of the United States Environmental Protection Agency to issue an order requiring compliance to any person the Administrator finds to have violated, or is in violation of the CAA, which includes, among other things, the requirements of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and the regulations promulgated thereunder.

2. Complainant is the United States Environmental Protection Agency, Region 6 ("EPA"). On EPA's behalf, the Director of the Enforcement and Compliance Assurance Division, EPA Region 6 has been delegated the authority to settle civil administrative penalty and compliance proceedings under Section 113(a) of the Act, 42 U.S.C. § 7413(a).

3. Shintech Louisiana, LLC ("Shintech" or "Respondent") is a limited liability company doing business in the State of Louisiana. Respondent is a "person" as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).

4. Complainant and Respondent have agreed to voluntarily enter into this Order for the purposes of carrying out the goals of Section 112(r) of the Clean Air Act ("CAA"), 42 U.S.C. § 7412(r), and the regulations promulgated thereunder and codified at 40 C.F.R. Part 68.

B. JURISDICTION

5. This Order is entered into pursuant to Section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B) for the alleged violation of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and the regulations promulgated thereunder.

6. Section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B), provides that whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated, or is in violation of, any other requirement or prohibition of Subchapter I of the CAA, which includes, among other things, the requirements of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and the regulations promulgated thereunder, the Administrator may issue an order requiring compliance with such requirement or prohibition.

7. On January 2, 2025 (Addis Plant A), and June 24, 2025 (Plaquemine Plant), EPA issued to Respondent a Notice letter, providing notice to Respondent that EPA found Respondent committed the alleged violations described in Section E of this Order and providing Respondent an opportunity to confer with EPA. On July 17, 2025 (Addis Plant A), and July 31, 2025 (Plaquemine Plant), representatives of Respondent and EPA conferred regarding the January 2, 2025, and June 24, 2025, Notice letters.

C. STATUTORY AND REGULATORY BACKGROUND

Clean Air Act, Section 112(r)

8. The objective of Section 112(r)(1) of the Act, 42 U.S.C. § 7412(r)(1), is to prevent the accidental release and to minimize the consequences of any such release of any substance listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), or any other extremely hazardous substance.

9. Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), requires the Administrator to promulgate, not later than 24 months after November 15, 1990, a list of regulated substances which, in the case of an accidental release, are known to cause or may reasonably be anticipated to cause death, injury, or serious adverse effects to human health or the environment.

10. Pursuant to Section 112(r)(3) of the Act, 42 U.S.C. § 7412(r)(3), the Administrator initially promulgated a list of regulated substances, with threshold quantities for applicability, at 59 Fed. Reg. 4478 (January 31, 1994), which is codified, as amended, at 40 C.F.R. § 68.130.

General Duty Clause

11. Pursuant to Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), commonly referred to as the "General Duty Clause," owners and operators of stationary sources producing, processing, handling or storing substances listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), or any other extremely hazardous substance, have a general duty, in the same manner and the same extent as the Occupational Safety and Health Act (OSHA), 29 U.S.C. § 654 *et. seq.*, to (a) identify hazards which may result from accidental releases of such substances, using appropriate hazard assessment techniques; (b) design and maintain a safe

facility, taking such steps as are necessary to prevent releases; and (c) minimize the consequences of accidental releases which do occur.

Risk Management Plan (RMP)

12. Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), requires the Administrator to promulgate regulations that address release prevention, detection, and correction requirements for stationary sources with threshold quantities of regulated substances listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3). On June 20, 1996, EPA promulgated a final rule known as the Risk Management Program, 40 C.F.R. Part 68 – Chemical Accident Prevention Provisions, which implements Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

13. The regulations at 40 C.F.R. Part 68 require owners and operators to develop and implement a Risk Management Program at each stationary source with over a threshold quantity of regulated substances. The Risk Management Program must include, among other things, a hazard assessment, a prevention program, and an emergency response program. The Risk Management Program is described in a Risk Management Plan (RMP) that must be submitted to EPA.

14. Pursuant to Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and 40 C.F.R. § 68.150, an RMP must be submitted for all covered processes by the owner or operator of a stationary source subject to 40 C.F.R. Part 68 no later than the latter of June 21, 1999, or the date on which a regulated substance is first present above the threshold quantity in a process.

15. The regulations at 40 C.F.R. § 68.10 set forth how the Chemical Accident Prevention Provisions of 40 C.F.R. Part 68 apply to each program level of covered processes.

16. Pursuant to 40 C.F.R. § 68.10(i), a covered process is subject to Program 3 requirements if the process does not meet the requirements of Program 1 and Program 2, as described in 40 C.F.R. § 68.10(g), and if it is in a specified North American Industrial Classification System code or is subject to the OSHA process safety management standard, 29 C.F.R. 1910.119.

Definitions

17. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines "person" to include any individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency department, or instrumentality of the United States and any officer, agent, or employee thereof.

18. Section 112(r)(2)(A) of the CAA, 42 U.S.C. § 7412(r)(2)(A), and the regulation at 40 C.F.R. § 68.3 define "accidental release" as an unanticipated emission of a regulated substance or other extremely hazardous substance into the ambient air from a stationary source.

19. Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and the regulation at 40 C.F.R. § 68.3 define "stationary source," in part, as any buildings, structures, equipment, installations or substance-emitting stationary activities which belong to the same industrial group, which are located on one or more contiguous properties, which are under the control of the same person (or persons under common control), and from which an accidental release may occur.

20. Section 112(r)(2)(B) of the CAA, 42 U.S.C. § 7412(r)(2)(B), and the regulation at 40 C.F.R. § 68.3 define "regulated substance" as any substance listed pursuant to Section 112(r)(3) of the CAA, as amended, in 40 C.F.R. § 68.130.

21. The regulation at 40 C.F.R. § 68.3 defines "threshold quantity" as the quantity specified for regulated substances pursuant to Section 112(r)(5) of the CAA, as amended, listed in 40 C.F.R. § 68.130 and determined to be present at a stationary source as specified in 40 C.F.R. § 68.115.

22. The regulation at 40 C.F.R. § 68.3 defines "process" as any activity involving a regulated substance including any use, storage, manufacturing, handling or on-site movement of such substances, or combination of these activities. For the purposes of this definition, any group of vessels that are interconnected, or separate vessels that are located such that a regulated substance could be involved in a potential release, shall be considered a single process.

23. The regulation at 40 C.F.R. § 68.3 defines "covered process" as a process that has a regulated substance present in more than a threshold quantity as determined under 40 C.F.R. § 68.115.

D. <u>FINDINGS OF FACT AND CONCLUSIONS OF LAW</u>

24. Respondent is, and at all times referred to herein was, a "person" as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

25. Respondent is the owner and operator of a facility located at: 9750 LA-1 South, Addis, Louisiana 70710 (the "Addis Facility" or "Addis Plant A").

26. Respondent is the owner and operator of a facility located at: 26270 Highway 405, Plaquemine, Louisiana 70764 (the "Plaquemine Facility" or "Plaquemine Plant").

27. Pursuant to Section 114 of the CAA, 42 U.S.C. § 7414, EPA conducted an inspection of the Addis Facility from January 29 to February 1, 2024, to determine Respondent's compliance with Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. Part 68 (the "Addis Inspection").

28. On January 20, 2024, there was an incident at the Plaquemine Facility that resulted in an accidental release (the "Incident").

29. Pursuant to Section 114 of the CAA, 42 U.S.C. § 7414, EPA conducted an inspection of the Plaquemine Facility from December 2 to December 6, 2024, to determine Respondent's compliance with Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. Part 68 (the "Plaquemine Inspection")

30. On January 2, 2025 (Addis Plant A), and June 24, 2025 (Plaquemine Plant), EPA sent Respondent a Notice letter. On July 17, 2025 (Addis Plant A), and July 31, 2025 (Plaquemine Plant), and on various other occasions, EPA conferred with Respondent regarding the violations alleged herein and provided an opportunity for Respondent to submit additional information or materials. EPA responded to the documentation and information received from Respondent as a result of the opportunity to confer and articulated EPA's position concerning Respondent's compliance with Section 112(r) of the CAA, 42 U.S.C. § 7412(r).

31. The Addis Facility and Plaquemine Facility (collectively, the "Shintech Facilities") are each a "stationary source" pursuant to Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and the regulation at 40 C.F.R. § 68.3.

32. Respondent has a polyvinyl chloride (PVC) process at the Addis Facility, meeting the definition of "process", as defined by 40 C.F.R. § 68.3.

33. Respondent has a vertically integrated PVC and vinyl chloride monomer (VCM) manufacturing process at the Plaquemine Facility that also produces intermediate products, including chlorine and caustic soda (NaOH as a byproduct) and ethylene dichloride (EDC), meeting the definition of "process", as defined by 40 C.F.R. § 68.3.

34. Respondent produces, processes, handles, and stores 1,3 butadiene, ethane, ethylene, methane, propylene, butane, butene, chlorine, hydrogen chloride, vinyl chloride, and chloroform at the Plaquemine Facility.

35. 1,3 butadiene, ethane, ethylene, methane, propylene, butane, butene, chlorine, hydrogen chloride, vinyl chloride, and chloroform are each a substance listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), in 40 C.F.R. § 68.130.

36. From the time Respondent first produced, processed, handled, or stored a listed substance at the Plaquemine Facility, Respondent was subject to the requirements of the General Duty Clause in Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

37. 1,3 butadiene, ethane, ethylene, methane, propylene, butane, butene, chlorine, hydrogen chloride, vinyl chloride, and chloroform are each a "regulated substance" pursuant to Section 112(r)(2)(B) of the CAA, 42 U.S.C. § 7412(r)(2)(B), and the regulation at 40 C.F.R. § 68.3. The threshold quantity for 1,3 butadiene, ethane, ethylene, methane, propylene, butane, butene, and vinyl chloride, as listed in 40 C.F.R. § 68.130, is 10,000 pounds. The threshold quantity for chlorine, as listed in 40 C.F.R. § 68.130, is 2,500 pounds. The threshold quantity for

hydrogen chloride, as listed in 40 C.F.R. § 68.130, is 5,000 pounds. The threshold quantity for chloroform, as listed in 40 C.F.R. § 68.130, is 20,000 pounds.

38. Respondent has greater than a threshold quantity of 1,3 butadiene, ethane, ethylene, methane, propylene, butane, butene, chlorine, hydrogen chloride, vinyl chloride, and chloroform (the "Regulated Substances"), in a process at the Addis Facility and/or the Plaquemine Facility, meeting the definition of "covered process" as defined by 40 C.F.R. § 68.3.

39. From the time Respondent first had on-site greater than a threshold quantity of the Regulated Substances in a process, Respondent was subject to the requirements of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and 40 C.F.R. Part 68 because it was the owner or operator of a stationary source that had more than a threshold quantity of a regulated substance in a process.

40. From the time Respondent first had on-site greater than a threshold quantity of the Regulated Substances in a process, Respondent was required to submit an RMP pursuant to 40 C.F.R. § 68.12(a) and comply with the Program 3 prevention requirements because, pursuant to 40 C.F.R. § 68.10(i), the covered process at the Addis Facility and the Plaquemine Facility did not meet the eligibility requirements of Program 1 and were in North American Industry Classification System code 325211 (Plastics Material and Resin Manufacturing) for the Addis Facility and North American Industry Classification System codes 325199 (All Other Basic Organic Chemical Manufacturing), 325211 (Plastics Material and Resin Manufacturing), and 25180 (Other Basic Inorganic Chemical Manufacturing) for the Plaquemine Facility and subject to the OSHA process safety management standard, 29 C.F.R. § 1910.119.

41. Based upon the information gathered during the Inspections, EPA determined that Respondent violated certain provisions of the CAA.

E. <u>ALLEGED VIOLATIONS</u>

42. The facts stated in EPA Findings of Fact and Conclusions of Law above are herein incorporated.

43. Complainant hereby states and alleges that Respondent has violated the CAA and federal regulations promulgated thereunder as stated below.

<u>Addis Plant A</u>

Count 1 – Mechanical Integrity

44. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Pursuant to 40 C.F.R. § 68.73(b), the owner or operator shall establish and implement written procedures to maintain the on-going integrity of process equipment. Additionally, pursuant to 40 C.F.R. § 68.73(d)(1), inspections and tests shall be performed on process equipment.

45. Respondent failed to implement its mechanical integrity procedure "Storage Tank Internal Inspection, SLA-MIP-AGST002.R00" for two vessels: PHL-301 and PHL-302. The two vessels are on a 10-year cycle for internal inspections. Additionally, Respondent failed to perform an internal inspection on PHL-301 and PHL-302. The next internal inspection was due on January 1, 2022, but was not conducted. Shintech also had five (5) overdue inspections for rotating equipment.

46. Respondent's failure to implement its written mechanical integrity pursuant to 40 C.F.R. § 68.73(b), and Respondent's failure to perform inspections on process equipment pursuant to 40 C.F.R. § 68.73(d)(1), as required by 40 C.F.R. § 68.12(d)(3), is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 2 – Compliance Audit

47. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Pursuant to 40 C.F.R. § 68.79(d), the owner or operator shall promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected.

48. Respondent failed to document that the compliance audit deficiencies were corrected promptly. In addition, there were some repeat findings from the 2013, 2016, and 2019 Compliance Audit that are in the 2022 Compliance Audit. Some of the findings have a due date of 2018 but they were extended to January 18, 2023.

49. Respondent's failure to promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected, pursuant to 40 C.F.R. § 68.79(d), as required by 40 C.F.R. § 68.12(d)(3), is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

<u>Plaquemine Plant</u>

Count 3 – General Duty Clause

50. Pursuant to CAA 112(r)(1), the owners and operators of stationary sources producing, processing, handling or storing such substances [i.e., a chemical in 40 CFR part 68 or

any other extremely hazardous substance] have a general duty [in the same manner and to the same extent as the general duty clause in the Occupational Safety and Health Act (OSHA)] to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.

51. Respondent failed to maintain a safe facility. On January 20, 2024, there was an accidental release of 112 lbs. of chlorine, which resulted in 1 injury and 2 exposures to contract employees. The investigation team noted that the root cause of the incident was that the return valve (from ACL-701 to ATK-701B) was missed while removing the lockout/tagout (LOTO) during the startup procedure.

52. Respondent's failure to identify the return valve while removing LOTO during the startup procedure was a failure to maintain a safe facility and a violation of CAA § 112(r)(1), 42 U.S.C. § 7412(r)(1).

Count 4 – Operating Procedures

53. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Pursuant to 40 C.F.R. § 68.69(c), the operating procedures shall be reviewed as often as necessary to assure that they reflect current operating practice, including changes that result from changes in process chemicals, technology, and equipment, and changes to stationary sources. The owner or operator shall certify annually that these operating procedures are current and accurate.

54. Respondent failed to certify annually that the operating procedures were current and accurate. The following operating procedures were certified late: (i) VCM1- Area 100; (ii) VCM1-Area 200; (iii) VCM1-Area 300; (iv) VCM1-Area 400; (v) VCM1-Area 500; (vi) VCM1-Area 550 GTO; (vii) VCM1-Area 600; (viii) VCM1-Area 700; (ix) VCM1-Area 900; and (x) VCM1-Utilities Area. Shintech commissioned the CA-3 unit online on September 16, 2021. However, it did not provide documentation indicating operating procedures for the CA3 unit were annually certified for the year 2022.

55. Respondent's failure to annually certify operating procedures pursuant to 40 C.F.R. § 68.69(c), as required by 40 C.F.R. § 68.12(d)(3), is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 5 – Mechanical Integrity

56. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Pursuant to 40 C.F.R. § 68.73(d)(2), inspection and testing procedures shall follow recognized and generally accepted good engineering practices.

57. Respondent failed to perform external inspections or ultrasonic testing at five-year intervals on piping circuits EDC-3085-2-C01A and VC-3089-2-C01A in accordance with API 570 Section 6.3. Respondent also failed to implement the deferral approval process for external inspections of piping which could not be completed within a 5-year interval as specified in API 570 7.13/7.13.1. Nine piping circuits were overdue for external inspection and were operated beyond their due date without a valid deferral which is not permitted by this code. Additionally,

Respondent failed to implement the deferral approval process for external inspection of pressure vessels which could not be completed within a 5-year interval in accordance with API 510 2014 (Addendum 1, May 2017 Addendum 2, March 2018), Sections 6.7/6.7.1 and API 510 2022 Sections 6.7.1/6.7.2. Nine pressure vessels were overdue for external inspection and were operated beyond their due date without a valid deferral which is not permitted by this code.

58. Respondent's failure to perform inspections and testing pursuant to 40 C.F.R. § 68.73(d)(2), as required by 40 C.F.R. § 68.12(d)(3), is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 6 – Management of Change

59. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Pursuant to 40 C.F.R. § 68.75(a), the owner or operator shall establish and implement written procedures to manage changes (except for "replacements in kind") to process chemicals, technology, equipment, and procedures; and, changes to stationary sources that affect a covered process.

60. Respondent failed to implement written procedures to manage changes to process equipment. Specifically, Respondent did not implement the procedure "Temporary Repair Policy/Procedure" (SLA-MAINT-TR001-R02) Section 5 that governs the installation and removal of pipe clamps and requires "Operations" to perform the changes. Additionally, the management of the installation of pipe clamps was inconsistent with the requirements of the Shintech procedure and the RMP MOC standard.

61. Respondent's failure to implement written procedures to manage changes to process equipment pursuant to 40 C.F.R. § 68.75(a), as required by 40 C.F.R. § 68.12(d)(3), is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 7 – Compliance Audit

62. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Pursuant to 40 C.F.R. § 68.79(e), the owner or operator shall retain the two (2) most recent compliance audit reports.

63. Respondent failed to retain the two (2) most recent compliance audit reports. The Shintech Combined 2023 Compliance Audit (MH CA 1001) identified that the 2020 MH Compliance Audit was not available for review.

64. Respondent's failure to retain the two most recent compliance audit reports pursuant to 40 C.F.R. § 68.79(e), as required by 40 C.F.R. § 68.12(d)(3), is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 8 – Emergency Response Program

65. Pursuant to 40 C.F.R. § 68.95(a)(2), the owner or operator shall develop and implement an emergency response program for the purpose of protecting public health and the environment. Such program shall include the following elements: (2) Procedures for the use of emergency response equipment and for its inspection, testing, and maintenance.

66. Respondent failed to maintain the fire deluge system appropriately. EPA noted multiple reoccurring deficiencies in the annual inspections performed from 2022-2024.

67. Respondent's failure to implement procedures to maintain emergency response equipment pursuant to 40 C.F.R. § 68.95(a)(2) is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

F. ORDER FOR COMPLIANCE

Compliance Actions

68. Based on the EPA Findings of Fact and Conclusions of Law and the Alleged Violations set forth above, and pursuant to the authority of Section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B), as amended, Respondent is hereby ORDERED and agrees to comply with the requirements of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and the regulations promulgated thereunder and codified at 40 C.F.R. Part 68. Specifically, EPA and Respondent agree that Respondent shall, as expeditiously as possible, but in no event later than 365 days from Effective Date of this Order, complete the following actions (Compliance Actions):

a. Submit a completion report of the corrective actions implemented pursuant to the violations identified in Paragraphs 44 through 67 of this Order ("Completion Report").

Addis Plant A

b. In accordance with 40 C.F.R. § 68.73(b), Respondent shall develop a written inspection method for the two (2) vessels (PHL-301 and PHL-302) that aligns with current Recognized And Generally Accepted Good Engineering Practices (RAGAGEP).

c. In accordance with 40 C.F.R. § 68.73(b), Respondent shall develop a proposed plan to inspect the two (2) vessels. The proposed plan shall include the uses of various inspection technologies including:

i. an API 653 Visual Inspection,

ii. B-Scan Single Line Ultrasonic inspection,

iii. 3D Laser Scanning,

iv. Guided Bulk Wave Ultrasonic inspection,

v. Acoustic Emission On-Line Tank Floor inspection, and

vi. an internal On-Stream Robot Ultrasonic Scanner.

d. In accordance with 40 C.F.R. § 68.73(b), Respondent shall provide an approved MOC to proceed with changing the current time-based inspection procedure to a risk-based inspection procedure for PHL-301 and PHL-302.

e. In accordance with 40 C.F.R. § 68.73(d)(1), Respondent shall update the Mechanical Integrity procedure regarding the use of RBI inspections for these two vessels to allow the methods of inspection described in (c) above.

f. In accordance with 40 C.F.R. § 68.73(d)(1), Respondent shall conduct the overdue mechanical integrity inspections for the five (5) pieces of rotating equipment by July 1, 2024 and provide the inspection reports to Region 6.

g. In accordance with 40 C.F.R. § 68.73(d)(1), Respondent shall develop an inspection program and shall conduct the overdue mechanical integrity inspections for vessels PHL-301 and PHL-302 by August 15,2024. The inspection methods shall include:

i. API 653 visual inspection,

ii. internal visual camera inspection,

iii. B-Scan single line and Guided Bulk Wave ultrasonic inspection,

iv. 3D laser scanning,

v. Acoustic Emission tank floor inspection, and

vi. a partial internal tank floor ultrasonic scan.

h. In accordance with 40 C.F.R. § 68.79(d), Respondent shall merge the Warehouse Receiving procedure and the Mechanical Integrity QA/QC procedure. Elements of Mechanical Integrity QA-QC SLA-MIP-G026.R00 shall be incorporated into a revised version of Warehouse Parts & Materials Management procedure SLA-GAD-G017.R00. The modified document shall be called Warehouse Receiving Procedure SLA-GAD-G017.R01. The QA/QC Receiving Form SLA-GAD-G012.R00 accompanies the revised procedure and shall be adopted by Addis without modification. Respondent shall complete these changes by January 14, 2025 and shall provide the updated procedure and associated form to Region 6.

i. In accordance with 40 C.F.R. § 68.79(d), Respondent shall train nested contractors on mechanical integrity procedures and shall update the compliance audit action tracking spreadsheet by June 28, 2024.

j. In accordance with 40 C.F.R. § 68.79(d), Respondent shall review and update the overview training program for employees and update the compliance audit action tracking spreadsheet by March 15, 2024.

k. In accordance with 40 C.F.R. § 68.79(d), Respondent shall review and update the overview training program for nested contractor maintenance personnel update the compliance audit action tracking spreadsheet by June 28, 2024.

l. In accordance with 40 C.F.R. § 68.79(d), Respondent shall review the inspection scheduling program and supporting systems. Respondent shall transfer all of the data and information into the new software and update the compliance audit action tracking spreadsheet by December 23, 2024.

Plaquemine Plant

m. In accordance with 40 C.F.R. § 68.69(c), Respondent shall annually review and update operating procedures in the VCM1 and CA3 units and annually certify the procedures are current and up to date.

n. In accordance with 40 C.F.R. § 68.73(d)(2), Respondent shall perform the required five-year ITPMs per industry standards for overdue piping and pressure vessels that were identified during the inspection of the Plaquemine facility by October 22, 2024 and shall provide these mechanical integrity inspection records to EPA Region 6.

o. In accordance with 40 C.F.R. § 68.75(a), Respondent shall implement the "Temporary Repair Policy/Procedure" (SLA-MAINT- TR001-R02), which requires MOCs for temporary piping repairs. Respondent shall create an MOC for temporary piping repairs.

p. In accordance with 40 C.F.R. § 68.79(e), Respondent shall retain the two (2) most recent compliance audit reports.

q. In accordance with 40 C.F.R. § 68.95(a)(2), Respondent shall maintain the fire deluge system appropriately by addressing any recurring issues and to continue to annually test the fire deluge system per the facility's emergency response program.

r. In accordance with CAA 112(r)(1), Respondent shall maintain a safe facility by implementing proper lockout/tagout (LOTO) procedures in non-RMP covered processes.

69. EPA reserves the right to pursue enforcement of any violations identified as a result of Paragraphs 68 through 69 (Compliance Actions).

Submissions

70. Respondent must provide documentation of completion of the compliance actions described above to EPA within 90 days of the Effective Date of this Order. All documentation shall be submitted as set forth in this sub-section.

71. All submissions to EPA required by this Order shall contain the following certification signed by an authorized representative of Respondent:

> "I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments. Based on my inquiry of those individuals directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment."

72. All submissions to EPA required by this Order shall be sent by electronic mail to:

Carlos Flores
flores.carlos@epa.gov

73. All documents submitted by Respondent to EPA in the course of implementing this Order shall be available to the public unless identified and determined to be confidential business information pursuant 40 C.F.R. Part 2, Subpart B.

Additional Terms

74. By signing this Order, Respondent acknowledges that this Order will be available to the public and agrees that this Order does not contain any confidential business information.

75. By entering into this Order, Respondent (1) consents to and agrees not to contest EPA's authority or jurisdiction to issue or enforce this Order, (2) agrees to undertake all actions required by the terms and conditions of this Order, (3) consents to service by email at the following valid email addresses: george.elizabeth.a@epa.gov (for EPA) and mdevall@shin-tech.com (for Respondent), and (4) consents to be bound by the requirements set forth herein.

76. Respondent waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Order, including, but not limited to, any right of judicial review of this Order under Section 307(b)(1) of the CAA, 42 U.S.C. § 7607(b)(1), or under the Administrative Procedure Act, 5 U.S.C. §§ 701-706.

Stipulated Penalties

77. Respondent shall be liable for stipulated penalties for failure to comply with the requirements of this Order. The following stipulated penalties shall accrue per violation per day for failure to comply with the Compliance Actions or Submissions requirements above:

<u>Penalty per Violation per Day</u> <u>Period of Noncompliance</u>

$5,000	1st through 30th day
$10,000	31st day and beyond

78. All penalties shall begin to accrue on the day after the complete performance is due, or on the day a violation occurs and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity required by this Order.

79. The payment of penalties shall not alter in any way Respondent's obligation to comply with the provisions of this Order.

80. All penalties accruing under this section shall be due and payable to the United States within 30 days of Respondent's receipt from EPA of a demand for payment of stipulated penalties.

81. Respondent shall pay stipulated penalties and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: https://www.epa.gov/financial/makepayment. For additional instructions see: https://www.epa.gov/financial/additional-instructions-making-payments-epa.

82. When making a payment, Respondent shall:

a. Identify every payment with Respondent's name and the docket number of this Order, Docket No. CAA-06-2026-3543. The payment shall also be accompanied by a transmittal letter that shall reference Respondent's name and address, the case name, and docket number CAA-06-2026-3543.

b. Concurrently with any payment, email proof of such payment, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and the transmittal letter to the following email addresses:

Carlos Flores
U.S. EPA Region 6
flores.carlos@epa.gov

and

Region 6 Hearing Clerk
U.S. EPA Region 6
vaughn.lorena@epa.gov

83. Respondent understands that failure to timely pay any portion of the stipulated penalty may result in the commencement of a civil action in Federal District Court to recover the full remaining balance, along with penalties and accumulated interest. In such case, interest shall begin to accrue on the stipulated penalty from the date of delinquency until such stipulated penalty and any accrued interest are paid in full. 31 C.F.R. § 901.9(b)(1). Interest will be assessed at a rate of the United States Treasury Tax and loan rates in accordance with 31 U.S.C. § 3717. Additionally, a charge will be assessed to cover the costs of debt collection including processing and handling costs, and a non-payment penalty charge of six percent (6%) per year compounded annually will be assessed on any portion of the debt which remains delinquent more than 90 days after payment is due. 31 U.S.C. § 3717(e)(2).

84. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to annually send to the Internal Revenue Service ("IRS") , a completed IRS Form 1098-F ("Fines, Penalties, and Other Amounts") with respect to any court order or settlement agreement (including administrative settlements), that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, $50,000 for the payor's violation of any

law or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with a law." EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Failure to comply with providing IRS Form W-9 or Tax Identification Number ("TIN"), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide EPA with sufficient information to enable it to fulfill these obligations, Respondent shall complete the following actions as applicable:

a. Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at https://www.irs.gov/pub/irs-pdf/fw9.pdf.

b. Respondent shall therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN.

c. Respondent shall email its completed Form W-9 to EPA's Cincinnati Finance Division at chalifoux.jessica@epa.gov within 30 days after the Effective Date per Section I of this Order or within 7 days should this Order become effective between December 15 and December 31 of the calendar year. EPA recommends encrypting IRS Form W-9 email correspondence.

d. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide EPA's

Cincinnati Finance Division with Respondent's TIN, via email, within 5 days of Respondent's receipt of a TIN issued by the IRS.

G. <u>GENERAL PROVISIONS</u>

85. Respondent neither admits nor denies any of the factual or legal determinations made by EPA in this Order.

86. The provisions of this Order shall apply and be binding upon Respondent and its agents, officers, directors, employees, trustees, authorized representatives, successors, and assigns. Respondent shall ensure that any agents, officers, directors, employees, contractors, consultants, firms or other persons or entities acting under or for Respondent with respect to matters included herein comply with the terms of this Order. From the Effective Date until termination of this Order, Respondent must give written notice and a copy of this Order to any successors in interest prior to any transfer of ownership or control of any portion or interest in the Facility. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to EPA. In the event of such transfer, assignment, or delegation, Respondent shall not be released from the obligations or liabilities of this Order unless EPA has provided written approval of the release of said obligations or liabilities.

87. This Order does not resolve any civil or criminal claims for violations alleged in this Order. In accordance with Section 113(a)(4) of the CAA, 42 U.S.C. § 7413(a)(4), issuance of this Order does not preclude EPA from assessing penalties, obtaining injunctive relief, or taking any other action authorized under the CAA, or other applicable federal laws or regulation. This Order does not affect the obligation of Respondent to comply with all federal, state, and local statutes, regulations, and permits.

88. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to public health, welfare, or the environment.

89. Nothing in this Order shall limit EPA's right to obtain access to, and/or inspect the Facility, and/or to request additional information from Respondent pursuant to the authority of Section 114 of the CAA, 42 U.S.C. § 7414.

90. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 162-21(b)(2), performance of Section F (Compliance Actions and Submissions) in this Order is restitution, remediation, or required to come into compliance with the law.

91. Respondent and the EPA agree to bear their respective costs and attorney's fees. Respondent waives its right to seek reimbursement of their costs and attorney's fees under the Equal Access to Justice Act (5 U.S.C. § 504), as amended by the Small Business Regulatory Enforcement Fairness Act (P.L. 104-121), and any regulations promulgated thereunder.

92. By signing this Order, the undersigned representative of Respondent certifies that he or she is authorized to enter into the terms and conditions of this Order, and to execute and legally bind Respondent to this Order.

93. EPA and Respondent may subsequently amend this Order, in writing, in accordance with the authority of the CAA. In the event of any amendment to this Order, all requirements for performance of this Order not affected by the amendment shall remain as specified by the original Order.

94. By signing this Order, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and is, to the best of its knowledge and belief, truthful, accurate, and complete for each submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

H. FAILURE TO COMPLY

95. EPA reserves all of its statutory and regulatory powers, authorities, rights, and remedies, both legal and equitable, which may pertain to Respondent's failure to comply with any of the requirements of this Order. This Order shall not be construed as a covenant not to sue, release, waiver, or limitation of any rights, remedies, powers, and/or authorities, civil or criminal, which EPA has under any statutory, regulatory, or common law authority of the United States.

96. Any violation of this Order may result in an additional enforcement action under Section 113 of the CAA, 42 U.S.C. § 7413. EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action. Section 113 of the CAA, 42 U.S.C. § 7413, authorizes the Administrator to:

a. issue an administrative penalty order under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), assessing a civil penalty not to exceed $59,114 (or amount as adjusted by the Civil Monetary Penalty Adjustment Rule) per day of violation, pursuant to Section 113(d)(1)(B) of the CAA, 42 U.S.C. § 7413(d)(1)(B);

b. bring a civil judicial enforcement action for permanent or temporary injunction, or to assess and recover a civil penalty not to exceed $472,901 (or as adjusted by the Civil Monetary Penalty Adjustment Rule) per day of violation, or both, pursuant to Section 113(b)(2) of the CAA, 42 U.S.C. § 7413(b)(2); or

c. request the Attorney General to commence a criminal action pursuant to Section 113(c) of the CAA, 42 U.S.C. § 7413(c).

I. EFFECTIVE DATE

97. Pursuant to Section 113(a)(4) of the CAA, 42 U.S.C. § 7413(a)(4), this Order shall be effective on the date that it is signed by the authorized EPA representative, and shall remain in effect for one year from the Effective Date or on the date that EPA determines that Respondent has achieved compliance with all terms of this Order. This Order shall be nonrenewable.

98. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.

RESPONDENT:

SHINTECH LOUISIANA, LLC

Date: 6/8/2026

Signature

Danny Cedotal
Name

Vice President of Manufacturing
Title

COMPLAINANT:

U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: June 9, 2026

Digitally signed by CHERYL SEAGER
Date: 2026.06.09 09:53:38 -05'00'

Cheryl T. Seager
Director
Enforcement and
Compliance Assurance Division
U.S. EPA, Region 6

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Administrative Order on Consent was filed with me, the Regional Hearing Clerk, U.S. EPA - Region 6, 1201 Elm Street, Suite 500, Dallas, Texas 75270-2102, and that I sent a true and correct copy on this day in the following manner to the email addresses:

Copy via Email to EPA:

george.elizabeth.a@epa.gov
flores.carlos@epa.gov

Copy via Email to Respondent:

mdevall@shin-tech.com
Mark Devall, CSP
Safety Manager
Shintech Louisiana LLC.
26270 Hwy 405 (River Road South)
Plaquemine, LA 70764-6818

Regional Hearing Clerk
U.S. EPA, Region 6