



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 4  
SAM NUNN  
ATLANTA FEDERAL CENTER  
61 FORSYTH STREET  
ATLANTA GEORGIA 30303-8960

SEP 01 2010

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. John Naron  
Operations Manager  
Akzo Nobel Functional Chemicals, LLC  
13440 Highway 43 North  
Axis, Alabama 36505

SUBJECT: Consent Agreement and Final Order  
Akzo Nobel Functional Chemicals LLC  
Docket No. CAA-04-2010-1537(b)

Dear Mr. Naron:

Enclosed please find an executed copy of the Consent Agreement and Final Order (CAFO) that resolves the Clean Air Act (CAA) matter (Docket No. CAA-04-2010-1537(b)) involving Akzo Nobel Functional Chemicals LLC. The CAFO was filed with the Regional Hearing Clerk, as required by 40 CFR Part 22 and became effective on today's date.

As required by the CAFO, within thirty days of receipt of this letter, a cashier's check or certified check in the amount of \$18200, made out to the "Treasurer, United States of America," should be submitted to one of the following addresses:

For payment sent via U.S. Postal Service  
U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
PO Box 979077  
St. Louis, MO 63197-9000; or

For payment sent via overnight mail service (FedEx, UPS)  
U.S. Bank  
1005 Convention Plaza  
Mail Station SL-MO-C2GL  
St. Louis, MO 63101  
Contact: Natalie Pearson @ 314-418-4087

Internet Address (URL) • <http://www.epa.gov>

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

Office of Environmental Enforcement,  
61 Forsyth Street  
Atlanta, Georgia 30303, and

Victor L. Weeks  
U. S. EPA Region 4  
EPCRA Enforcement Section  
61 Forsyth Street  
Atlanta, Georgia 30303.

Also enclosed, please find a copy of the "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts you on notice of your potential duty to disclose to the Security and Exchange Commission (SEC) any environmental enforcement actions taken by the EPA. If you have any questions with regards to the SEC's environmental disclosure requirements, you may refer to the contact phone number at the bottom of the SEC Notice.

If you have any questions, please call Victor Weeks at (404) 562-9189.

Sincerely,



Caron B. Falconer  
Chief, EPCRA Enforcement Section

Enclosures

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 4

IN THE MATTER OF: )  
 )  
Akzo Nobel Functional Chemicals LLC )  
 )  
 )  
Respondent )  
\_\_\_\_\_ )

Docket Number: CAA-04-2010-1537(b)

ALABAMA  
EPA REGION 4  
2010 SEP -1 AM 11:30  
HEAVY METALS

CONSENT AGREEMENT AND FINAL ORDER

I. Nature of the Action

1. This is a civil penalty proceeding pursuant to Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), and pursuant to the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination or Suspension of Permits (Consolidated Rules), published in 40 CFR Part 22. Complainant is the Director of the Air, Pesticides and Toxics Management Division, Region 4, United States Environmental Protection Agency (EPA). Respondent is Akzo Nobel Functional Chemicals LLC (hereinafter, "Respondent").

2. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 CFR § 22.18 and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 CFR § 22.13(b), this Consent Agreement and Final Order (CAFO) will simultaneously commence and conclude this matter.

II. Preliminary Statements

3. The authority to take action under Section 113(d) of the CAA, 42 U.S.C. § 7413(d), is vested in the Administrator of EPA. The Administrator of EPA has delegated this authority under the CAA to the Regional Administrators by EPA Delegation 7-6-A, last updated on August 4, 1994. The Regional Administrator, Region 4, has re-delegated this authority to the Director, Air, Pesticides and Toxics Management Division. Pursuant to that delegation, the Director of the Air, Pesticides and Toxics Management Division has the authority to commence an enforcement action as the Complainant in this matter.

4. Respondent does business in the State of Alabama.

5. Respondent is a “person” within the meaning of Section 302(e) of the CAA, 42 U.S.C. § 7602(e), and is therefore subject to the provisions of the CAA and regulations promulgated thereunder.
6. Respondent operates a “stationary source” as that term is defined by Section 302(z) of the CAA, 42 U.S.C. § 7602(z). The Respondent’s stationary source is located at 13440 Highway 43 North, Axis, Alabama 36505.
7. Section 112(r) of the CAA, 42 U.S.C. § 7412(r), addresses the prevention of releases of substances listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3). The purpose of this section is to prevent the accidental release of extremely hazardous substances and to minimize the consequences of such releases. Pursuant to Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), EPA is authorized to promulgate regulations for accidental release prevention.
8. Pursuant to Section 112(r)(3) and 112(r)(7) of the CAA, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(7), EPA promulgated rules codified at 40 CFR Part 68, Chemical Accident Prevention Provisions. These regulations are collectively referred to as the “Risk Management Program” (RMProgram) and apply to an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process. Pursuant to Sections 112(r)(3) and 112(r)(5) of the CAA, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(5), the list of regulated substances and threshold levels are codified at 40 CFR § 68.130.
9. The Respondent, at its stationary source identified in Paragraph 6 of this CAFO, has two RMProgram covered processes which store or otherwise use chlorine and carbon disulfide in quantities exceeding the applicable RMProgram thresholds (2,500 and 20,000 pounds respectively).
10. Pursuant to Section 112(r)(7)(B)(iii) of the CAA, 42 U.S.C. § 7412(r)(7)(B)(iii), and 40 CFR §§ 68.10 and 68.150, the owner or operator of a stationary source that has 2,500 pounds or more of chlorine or 20,000 pounds or more of carbon disulfide in a “process” as defined in 40 CFR § 68.3, must develop an RMProgram accidental release prevention program, and submit and register a single Risk Management Plan (RMPlan) to EPA.
11. Respondent has submitted and registered an RMPlan to EPA for the stationary source identified in Paragraph 6 of this CAFO. Respondent has developed an RMProgram accidental release prevention program for the stationary source identified in Paragraph 6 of this CAFO.
12. Based on an RMProgram compliance monitoring inspection conducted on June 17, 2009, EPA alleges that the Respondent violated the codified rules governing the CAA Chemical Accident Prevention Provisions, because Respondent did not adequately implement a provision of 40 CFR Part 68 when it:

Failed to implement written operating procedures that address the following elements found at 40 CFR § 68.69(a): (3) safety and health considerations, including (i) properties of, and hazards presented by the chemicals used in the process; and (iii) control measures to be taken if physical contact or airborne exposure occurs;

Failed to annually certify that its operating procedures are current and accurate, to assure that the procedures reflect current operating practices as required by 40 CFR § 68.69(c); and

Failed to provide refresher training at least every three years, or more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process as required by 40 CFR § 68.71(b).

### III. Consent Agreement

13. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set out above but neither admits nor denies the factual allegations set out above.

14. Respondent waives any right to contest the allegations and its right to appeal the proposed final order accompanying the Consent Agreement.

15. Respondent consents to the assessment of and agrees to pay the civil penalty as set forth in this CAFO.

16. Respondent certifies that as of the date of execution of this CAFO, to the best of the Respondent's knowledge, it is compliant with the applicable requirements of Section 112(r) of the CAA.

17. Compliance with the CAFO shall resolve the allegations of violations contained herein. This CAFO shall not otherwise affect any liability of Respondent to the United States other than as expressed herein. Neither EPA nor Complainant waives any right to bring an enforcement action against Respondent for violation of any federal or state statute, regulation or permit, to initiate an action for imminent and substantial endangerment, or to pursue criminal enforcement.

18. Complainant and Respondent agree to settle this matter by their execution of this CAFO. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of the RMProgram.

### IV. Final Order

19. Respondent agrees to pay a civil penalty of EIGHTEEN THOUSAND and TWO HUNDRED DOLLARS (\$18,200). Payment is to be paid within thirty (30) days of the effective date of this CAFO.

St. Louis, MO 63197-9000; or

For payment sent via overnight mail service (FedEx, UPS)

U.S. Bank

1005 Convention Plaza

Mail Station SL-MO-C2GL

St. Louis, MO 63101

Contact: Natalie Pearson @ 314-418-4087

**The check shall reference on its face the name and the Docket Number of the CAFO.**

21. At the time of payment, Respondent shall send a separate copy of the check, and a written statement that payment has been made in accordance with this CAFO, to the following persons at the following addresses:

Regional Hearing Clerk

U.S. EPA Region 4

61 Forsyth Street, S.W.

Atlanta, Georgia 30303

Victor L. Weeks

EPCRA Enforcement Section

U.S. EPA Region 4

61 Forsyth Street, S.W.

Atlanta, Georgia 30303

Saundi Wilson

Office of Environmental Accountability

U.S. EPA Region 4

61 Forsyth Street, S.W.

Atlanta, Georgia 30303

22. For the purposes of state and federal income taxation, Respondent shall not be entitled, and agrees not to attempt, to claim a deduction for any civil penalty payment made pursuant to this CAFO. Any attempt by Respondent to deduct any such penalty payment shall constitute a violation of this CAFO.

23. Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on the civil penalty from the date of entry of the CAFO if the penalty is not paid by the date required. Interest will be assessed at the rate established by the Secretary of Treasury pursuant to 31 U.S.C. § 3717. A charge will be assessed to cover the costs of debt collection, including processing and handling costs and attorney fees. In addition, a penalty charge up to six percent per year compounded annually will be assessed on any portion of the debt that remains delinquent more than ninety (90) days after payment is due.

24. Complainant and Respondent shall bear their own costs and attorney fees in this matter.

25. This CAFO shall be binding upon the Respondent, its successors, and assigns.

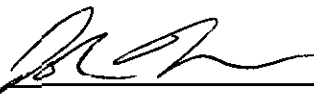
27. Each undersigned representative of the parties to this CAFO certifies that he or she is fully authorized by the party represented to enter into this CAFO and legally bind that party to it.

V. Effective Date

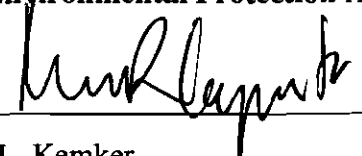
28. The effective date of this CAFO shall be the date on which the CAFO is filed with the Regional Hearing Clerk.

**AGREED AND CONSENTED TO:**

**Akzo Nobel Functional Chemicals LLC**

By:  Date: 8/19/2010 Marshall Rainwater 8/19/10  
Name: John Noron (Typed or Printed) MARSHALL RAINWATERS  
Title: Site Manager (Typed or Printed) PRESIDENT  
AKZO Nobel FUNCTIONAL CHEMICALS LLC

**U.S. Environmental Protection Agency**

By:  Date: 8/5/2010

Carol L. Kemker  
Acting Director  
Air, Pesticides & Toxics  
Management Division  
Region 4

**APPROVED AND SO ORDERED** this 31<sup>st</sup> day of August, 2010.



Susan B. Schub  
Regional Judicial Officer



CERTIFICATE OF SERVICE

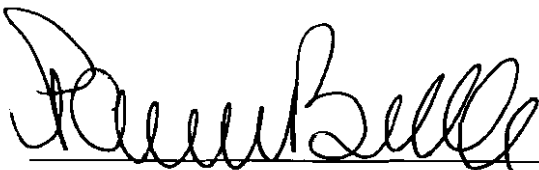
I hereby certify that I have this day served a true and correct copy of the foregoing Consent Agreement and Final Order, in the matter of Akzo Nobel Functional Chemicals LLC, CAA-04-2010-1537(b), on the parties listed below in the manner indicated:

Caron B. Falconer (Via EPA's internal mail)  
U. S. EPA - Region 4  
Air, Pesticides and Toxics  
Management Division  
61 Forsyth Street  
Atlanta, GA 30303

Ellen Rouch (Via EPA's internal mail)  
U. S. EPA - Region 4  
Office of Environmental Accountability  
61 Forsyth Street  
Atlanta, GA 30303

Mr. John Naron (Via Certified Mail -  
Site Manager Return Receipt Requested)  
Akzo Nobel Functional Chemicals, LLC  
13440 Highway 43 North  
Axis, Alabama 36505

Date: 9-1-10

  
Patricia A. Bullock, Regional Hearing Clerk  
Unites States Environmental Protection Agency  
Region 4  
Sam Nunn Atlanta Federal Center  
61 Forsyth Street  
Atlanta, Georgia 30303  
404-562-9511