



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
GREAT LAKES NATIONAL PROGRAM OFFICE
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 22 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Justin Prien
Environmental Manager
Solutia Inc.
W.G. Krummrich Plant
500 Monsanto Avenue
Sauget, Illinois 62206-1198

Dear Prien:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves Solutia Inc (Solutia), Docket No. CAA-05-2011-0054. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on SEP 22 2011.

Pursuant to paragraph 31 of the CAFO, Solutia must pay the civil penalty within 30 days of . Your electronic funds transfer must display the case name, the docket number, CAA-05-2011-0054, and the billing document number, 2751103A053.

Please direct any questions regarding this case to Michael Berman, Associate Regional Counsel, at (312) 886-6837.

Sincerely,

Sara Breneman

Sara Breneman
Air Enforcement and Compliance Assurance Section
(MI/WI)

Enclosure

cc: Marcy Toney, Regional Judicial Officer/C-14J
Ray Pilapil, Manager, IEPA

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:) Docket No. CAA-05-2011-0054
)
Solutia Inc.) Proceeding to Assess a Civil Penalty
Sauget, Illinois) Under Section 113(d) of the Clean Air Act
) 42 U.S.C. § 7413(d)
Respondent.)

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Consent Agreement and Final Order

Preliminary Statement

REGIONAL HEARING CLERK
U.S. ENVIRONMENTAL
PROTECTION AGENCY

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the Act), 42 U.S.C. § 7413(d), and Sections 22.1(a)(2), 22.13(b), and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. Part 22.
2. Complainant is the Director of the Air and Radiation Division, U.S. Environmental Protection Agency, Region 5.
3. Respondent is Solutia Inc (Solutia), a corporation doing business in Illinois.
4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).
5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.
6. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

7. Respondent admits the jurisdictional allegations in this CAFO, and neither admits nor denies the factual allegations in this CAFO.

8. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO, and its right to appeal this CAFO.

Statutory and Regulatory Background

9. Section 112(d) of the Act, 42 U.S.C. § 7412(d), authorizes EPA to promulgate regulations for particular industrial sources that emit one or more of the hazardous air pollutants (HAPs) listed in Section 112(b) of the Act, 42 U.S.C. § 7412(b), in significant quantities.

10. Pursuant to Section 112(d) of the Act, 42 U.S.C. § 7412(d), EPA promulgated the National Emissions Standards for Equipment Leaks – Control Level 2 at 40 C.F.R. Part 63, Subpart UU (Subpart UU) on June 29, 1999, 64 Fed. Reg. 34899 (June 29, 1999).

11. Pursuant to Section 112(d) of the Act, 42 U.S.C. § 7412(d), EPA promulgated the National Emissions Standards for HAPs: Miscellaneous Organic Chemical Manufacturing at 40 C.F.R. Part 63, Subpart FFFF (the MON regulations) on November 10, 2003, 68 Fed. Reg. 63888 (November 10, 2003). The owner or operator of an existing affected source as of November 10, 2003 must comply with the provisions of this subpart no later than May 10, 2008, as required under 40 C.F.R. § 63.2445(b).

12. The MON regulations, at 40 C.F.R. § 63.2440, apply to each miscellaneous organic chemical manufacturing affected source, which is the facility-wide collection of miscellaneous organic chemical manufacturing process units (MCPUs) and heat exchange systems, wastewater, and waste management units that are associated with manufacturing materials described in 40 C.F.R. § 63.2435(b)(1).

13. The MON regulations, at 40 C.F.R. § 63.2435(a), apply to owners or operators of MPCUs that are located at, or are part of, a major source of HAP emissions as defined in Section 112(a) of the Act, 42 U.S.C. § 7412(a).

14. The MON regulations, at 40 C.F.R. § 63.2435(b), state that an MCPU includes equipment necessary to operate a miscellaneous organic chemical manufacturing process, as defined in 40 C.F.R. § 63.2550, that satisfies all the conditions specified in paragraphs (b)(1) through (3) of this section. The MCPU also includes any assigned storage tanks and transfer racks; equipment in open systems that is used to convey or store water having the same concentration and flow characteristics as wastewater; and components such as pumps, compressors, agitators, pressure relief devices, sampling connection systems, open-ended valves or lines, valves, connectors, and instrumentations systems that are used to manufacture any material or family of materials described above.

15. The MON regulations, at 40 C.F.R. § 63.2480(a), state that the owner or operator of an affected source must meet each requirement in Table 6 to this subpart that applies to its equipment leaks, except as specified in paragraphs (b) through (d) of this section.

16. The MON regulations, at 40 C.F.R. § 63.2550, define “equipment” as “each pump, compressor, agitator, pressure relief device, sampling connection system, open-ended valve or line, valve, connector, and instrumentation system in organic HAP service; and any control devices or systems used to comply with Table 6 to this subpart.”

17. The MON regulations, at 40 C.F.R. § 63.2550, define “in organic HAP service” as “a piece of equipment that either contains or contacts a fluid (liquid or gas) that is at least 5 percent by weight of total organic HAP as determined according to the provisions of 40 C.F.R. § 63.180(d).”

18. Table 6 to the MON regulations states that for all equipment that is in organic HAP service, the owner or operator of an affected source must comply with the requirements of Subpart UU of Part 63 and the requirements referenced therein, except as specified in 40 C.F.R. §§ 63.2480(b) and (d).

19. Subpart UU, at 40 C.F.R. § 63.1033(b), requires each open-ended valve or line to be equipped with a cap, blind flange, plug, or second valve.

20. Subpart UU, at 40 C.F.R. § 63.1020, defines an open-ended valve or line as “any valve, except relief valves, having one side of the valve seat in contact with process fluid and one side open to atmosphere, either directly or through open piping.”

21. The Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461 note (1990), as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701 note (1996), required federal agencies to issue regulations adjusting for inflation the maximum civil penalties that may be assessed pursuant to each agency’s statutes. The Administrator may assess a civil penalty of up to \$32,500 per day of violation, up to a total of \$270,000, for violations that occurred after March 15, 2004 through January 12, 2009, and up to \$37,500 per day of violation, up to a total of \$295,000, for violations that occurred after January 12, 2009, under Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

22. Section 113(d)(1) limits the Administrator’s authority to matters where the first alleged date of violation occurred no more than 12 months prior to initiation of the administrative action, except where the Administrator and the Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.

23. The Administrator and the Attorney General of the United States, each through their respective delegates, have determined jointly that an administrative penalty action is appropriate for the period of violations alleged in this CAFO.

Factual Allegations and Alleged Violations

24. Solutia owns and operates a chemical intermediate manufacturing facility at 500 Monsanto Avenue, Sauget, Illinois (the facility).

25. Solutia emits methyl isobutyl ketone and chlorine in a combined quantity of over 25 tons per year, and is thus a major source of HAP emissions as defined in Section 112(a) of the Act, 42 U.S.C. § 7412(a).

26. The facility contains two MCPUs as that term is defined at 40 C.F.R. § 63.2435(b): the Santoflex process unit and the ACL process unit. The equipment leak standards of the MON regulations apply only to the Santoflex process unit because it contains equipment that is in organic HAP service, as that term is defined at 40 C.F.R. § 63.2550.

27. EPA inspected the facility on August 4-6, 2009 for compliance with the equipment leak standards of the MON.

28. During the inspection, EPA discovered seven open-ended lines in the Santoflex process unit without a cap, blind flange, plug, or second valve, identified as the line between valves 6101 and 6108 and the line off of valve 6038 in Line 1, and the lines off of valves 6022, 6029, 7595, 7891, and tank 463 in Line 2. Tank 463 had a bucket with product hanging nearby, which is regarded as an open-ended line.

29. Solutia failed to equip each open-ended line subject to the MON equipment leak standards with a cap, blind flange, plug, or second valve, in violation of 40 C.F.R. § 63.1033(b) and 40 C.F.R. § 63.2480(a).

Civil Penalty

30. Based on analysis of the factors specified in Section 113(e) of the Act, 42 U.S.C. § 7413(e), the facts of this case, Respondent's cooperation, and Respondent's prompt return to compliance, Complainant has determined that an appropriate civil penalty to settle this action is \$23,794.

31. Within 30 days after the effective date of this CAFO, Respondent must pay a \$23,794 civil penalty by cashier's or certified check, payable to the "Treasurer, United States of America," and sent by regular U.S. Postal service mail to:

U.S. EPA
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

or sent by express mail to:

U.S. Bank
Government Lockbox 979077
U.S. EPA Fines and Penalties
1005 Convention Plaza
Mail Station SL-MO-C2-GL
St. Louis, Missouri 63101

The check must note the case name, the docket number of this CAFO, and the billing document number.

32. Respondent must send a notice of payment that states the case name, the docket number of this CAFO, and the billing document number to the Compliance Tracker, Air

Enforcement and Compliance Assurance Branch and to Michael Berman at the following addresses when it pays the penalty:

Attn: Compliance Tracker, (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

Michael Berman (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

33. This civil penalty is not deductible for federal tax purposes.

34. If Respondent does not timely pay the civil penalty, EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties, and the United States' enforcement expenses for the collection action under Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). The validity, amount, and appropriateness of the civil penalty are not reviewable in a collection action.

35. Pursuant to 31 C.F.R. § 901.9 and 31 U.S.C. § 3717, Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury. Respondent must pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue according to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). This nonpayment penalty will be 10 percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter.

General Provisions

36. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in this CAFO.

37. This CAFO does not affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

38. This CAFO does not affect Respondent's responsibility to comply with the Act and other applicable federal, state, and local laws. Except as provided in paragraph 36, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

39. Respondent certifies that it is complying fully with the Act, Subpart UU, and the MON regulations.

40. This CAFO constitutes an "enforcement response" as that term is used in EPA's Clean Air Act Stationary Source Civil Penalty Policy to determine Respondent's "full compliance history" under Section 113(e) of the Act, 42 U.S.C. § 7413(e).

41. The terms of this CAFO bind Respondent, its successors, and assigns.

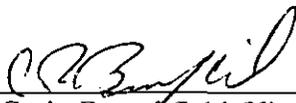
42. Each person signing this CAFO certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

43. Each party agrees to bear its own costs and attorneys' fees in this action.

44. This CAFO constitutes the entire agreement between the parties.

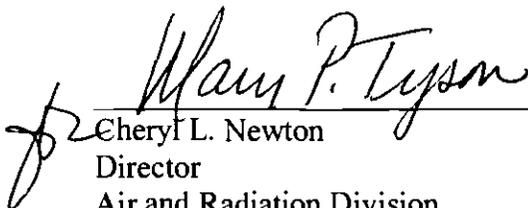
Solutia Inc, Respondent

9/12/11
Date


Craig Branchfield, Vice President
Environmental Safety and Health
Solutia Inc.

United States Environmental Protection Agency, Complainant

9/16/11
Date


Cheryl L. Newton
Director
Air and Radiation Division
U.S. Environmental Protection Agency
Region 5

**Consent Agreement and Final Order
In the Matter of: Solutia Inc.
Docket No. CAA-05-2011-0054**

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

9-19-11

Date

S. Hedman

Susan Hedman
Regional Administrator
U.S. Environmental Protection Agency
Region 5

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**Consent Agreement and Final Order
In the Matter of: Solutia Inc.
Docket No. CAA-05-2011-0054**

Certificate of Service

I certify that I filed the original and one copy of the Consent Agreement and Final Order (CAFO), docket number CAA-05-2011-0054 with the Regional Hearing Clerk (E-19J), United States Environmental Protection Agency, Region 5, 77 W. Jackson Boulevard, Chicago, Illinois 60604, and that I mailed correct copies to Respondent by first-class, postage prepaid, certified mail, return receipt requested, by placing it in the custody of the United States Postal Service addressed as follows:

Justin Prien
Environmental Manager
Solutia Inc.
W.G. Krummrich Plant
500 Monsanto Avenue
Sauget, Illinois 62206-1198

and

Jeffrey N. Quinn
President
Solutia Inc.
575 Maryville Center Drive
Saint Louis, Missouri 63166

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U.S. ENVIRONMENTAL
PROTECTION AGENCY

I certify that I delivered a correct copy of the CAFO by intra-office mail, addressed as follows:

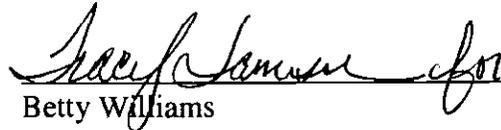
Marcy Toney
Regional Judicial Officer
U.S. Environmental Protection Agency
77 West Jackson Boulevard/Mail Code C-14J
Chicago, Illinois 60604

I also certify that I mailed a correct copy of the CAFO by first-class mail to:

Ray Pilapil, Manager
Bureau of Air
Compliance and Enforcement Section
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62702

**Consent Agreement and Final Order
In the Matter of: Solutia Inc.
Docket No. CAA-05-2011-0054**

on the 22 day of September, 2011.



Betty Williams
Administrative Program Assistant
Planning and Administration Section

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7670 4830
7009 1680 0000 7670 4847

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