UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 Ross Avenue
Dallas, Texas 75202-2733

November 7, 2013

Via Certified Mail – Return Receipt Requested: 7007 0710 0002 1385 1644 and via e-mail – eddie.lewis@nortonrosefulbright.com

Eddie Lewis
Fulbright & Jaworski L.L.P.
1301 McKinney
Suite 5100
Houston, Texas 77010-3095

RE: Calumet Shreveport Lubricant and Waxes, L.L.C., Docket No. CAA-06-2013-3318

Dear Eddie:

Enclosed is a fully executed file-stamped copy of the Consent Agreement and Final Order (CAFO) in the above-entitled case. Please note that the effective date of the CAFO is the date that the CAFO is filed with the Regional Hearing Clerk. Thank you for your assistance in resolving this matter. If you have any questions, please feel free to call me at (214) 665-8074.

Sincerely,

Evan L. Pearson
Senior Enforcement Counsel

Enclosure

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TEXAS

FILED
2013 NOV -7 PM 2:23
REGIONAL HEARING CLERK
EPA REGION VI

IN THE MATTER OF:	)	
CALUMET SHREVEPORT LUBRICANT AND WAXES, L.L.C.	)	DOCKET NO. CAA-06-2013-3318
SHREVEPORT, LOUISIANA	)	
RESPONDENT	)	

CONSENT AGREEMENT AND FINAL ORDER

The Director of the Compliance Assurance and Enforcement Division of the United States Environmental Protection Agency (EPA), Region 6 (Complainant) and Calumet Shreveport Lubricant and Waxes, L.L.C. (Respondent) in the above-referenced proceeding, hereby agree to resolve this matter through the issuance of this Consent Agreement and Final Order (CAFO).

I. PRELIMINARY STATEMENT

1. This proceeding for the assessment of civil penalties is brought by EPA pursuant to Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), and is simultaneously commenced and concluded through the issuance of this CAFO pursuant to 40 C.F.R. §§ 22.13(b), 22.18(b)(2) and (3), and 22.34.

2. For the purposes of this proceeding, the Respondent admits the jurisdictional allegations contained herein; however, the Respondent neither admits nor denies the specific factual allegations or conclusions of law contained in this CAFO.

3. The Respondent explicitly waives any right to contest the allegations and its right to appeal the proposed Final Order set forth therein, and waives all defenses which have been raised or could have been raised to the claims set forth in the CAFO.

4. Compliance with all the terms and conditions of this CAFO shall resolve only those violations which are set forth herein.

5. The Respondent consents to the issuance of the CAFO, and to the assessment and payment of the civil penalty in the amount and by the method set forth in this CAFO.

6. Each undersigned representative of the parties to this agreement certifies that he or she is fully authorized by the party represented to enter into the terms and conditions of this agreement, to execute it, and to legally bind that party to it.

7. This CAFO shall apply to and be binding upon the Respondent, its officers, directors, servants, employees, agents, successors and assigns.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. PRELIMINARY ALLEGATIONS

8. Calumet Shreveport Lubricant and Waxes, L.L.C. (Respondent) is a limited liability company authorized to do business in the State of Louisiana.

9. "Person" is defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e), as "an individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency of the United States and any officer, agent, or employee thereof."

10. The Respondent is a "person" as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

11. The Respondent owns and operates a petroleum refinery located at 3333 Midway Avenue, Shreveport, Louisiana 71109.

12. "Stationary source" is defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and 40 C.F.R. § 68.3 as meaning:

> 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.

13. The Respondent's petroleum refinery identified in Paragraph 11 is a "stationary source" as that term is defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and 40 C.F.R. § 68.3.

14. The Respondent is the owner and/or operator of the stationary source identified in Paragraph 11.

15. Butane, ethane, hydrogen, isobutane, isopentane, methane, pentane, propane, and propylene are regulated substances. 40 C.F.R. § 68.130.

16. "Process is defined in 40 C.F.R. § 68.3 as meaning:

> any activity involving a regulated substance including any use, storage, manufacturing, handling, or on-site movement of such substances, or combination of activities. For the purpose 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.

17. The Respondent has the following processes at the stationary source identified in Paragraph 11:

A. Penex;
B. LPG Tanks;
C. MEK;
D. Naphtha Unifiner/Dehex;
E. Propane Deasphalting;
F. Platformers;
G. Sour Crude Unit;
H. Crude/Vac/Depropanizer;
I. Catalytic Dewaxing Unit;
J. Lube Oil Hydrotreater; and
K. Diesel Hydrotreater.

18. The Respondent has exceeded the threshold quantity for one or more of the regulated substances listed in Paragraph 15 in each of the following processes:

A. Penex;
B. LPG Tanks;
C. MEK;
D. Naphtha Unifiner/Dehex;
E. Propane Deasphalting;
F. Platformers;
G. Sour Crude Unit;
H. Crude/Vac/Depropanizer;
I. Catalytic Dewaxing Unit;
J. Lube Oil Hydrotreater; and
K. Diesel Hydrotreater.

19. "Covered process" is defined in 40 C.F.R. § 68.3 as meaning "a process that has a regulated substance present in more than a threshold quantity as determined under § 68.115."

20. Each of the processes identified in Paragraphs 17 and 18 is a "covered process" as that term is defined by 40 C.F.R. § 68.3.

21. Each of the covered processes identified in Paragraphs 17, 18, and 20 is subject to the "Program 3" requirements of the RMP regulations and must, among other things, comply with the Program 3 Prevention Program of 40 C.F.R. Part 68, Subpart D.

22. Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d), authorizes EPA to bring an administrative action for penalties that exceed $295,000[1] and/or the first alleged date of violation occurred more than twelve (12) months prior to the initiation of the action, if the Administrator and the United States Attorney General jointly determine that the matter is appropriate for administrative action.

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[1] The maximum penalty that can be assessed (without a waiver) under Section 113 of the Clean Air Act was increased by the Civil Monetary Penalty Inflation Adjustment Rule codified at 40 C.F.R. Part 19 to $220,000 for violations occurring between January 30, 1997 and March 15, 2004, to $270,000 for violations occurring between March 15, 2004 and January 12, 2009, and to $295,000 for violations occurring after January 12, 2009.

23. EPA and the U.S. Department of Justice have jointly determined that the Complainant can administratively assess a civil penalty even though the penalty might exceed the statutory amount and alleged violations have occurred more than twelve (12) months prior to the initiation of the administrative action.

24. On or about August 15 – 18, 2011, EPA inspectors conducted an inspection of the Respondent's facility.

B. VIOLATIONS

Count One – Failure to Annually Certify that Operating Procedures are Current and Accurate

25. 40 C.F.R. § 68.69(a) and (c) provide the following:

(a) The owner or operator shall develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each covered process consistent with the process safety information. . . .

* * * *

(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.

26. The Respondent failed to timely certify the following operating procedures:

	Procedure	Document Number	2010 Certification Date	2011 Certification Date
	PDA			
1	Emergency Shutdown Including a Fire/Vapor Release	39-E-0001	7/7/2010	11/1/2011
2	Loss of Electrical Power	39-E-0002	7/7/2010	11/1/2011
3	Loss of Instrument Air	39-E-0003	7/7/2010	11/1/2011
4	Loss of Fuel Gas	39-E-0004	7/7/2010	11/1/2011
5	Loss of Cooling Water	39-E-0005	7/7/2010	11/1/2011
6	Loss of Steam	39-E-0007	2/25/2010	11/1/2011
7	Propane Deasphalting Unit Normal Operations	39-N-0005	7/7/2010	11/1/2011
8	Flushing With Diesel	39-P-0001	7/31/2010	11/1/2011
9	Hot Oil Flushing	39-P-0002	7/7/2010	11/1/2011
10	Deasphalting Tower Turnaround	39-S-0003	7/7/2010	11/1/2011
11	PDA Shutdown for Turnaround Checklist	39-S-0007	7/7/2010	11/1/2011
12	Loss of DAO Storage Pumps	39-T-0006	7/7/2010	11/1/2011
13	Propane Circulation	39-T-0017	7/7/2010	11/1/2011
14	Draining Flare Blowdown Drum	39-T-0020	7/7/2010	11/1/2011
15	Loss of Asphalt Pressure	39-T-0022	7/7/2010	11/1/2011
16	Bypass Old Low Temperature Evaporator	39-T-0025	7/7/2010	11/1/2011
17	Hot Diesel Flush of Asphalt/Propane Container	39-T-0026	2/23/2010	11/1/2011
18	Asphalt Recovery System	39-U-0003	7/7/2010	11/1/2011
19	PDA Startup Checklist	39-U-0006	7/7/2010	11/1/2011
20	Normal Startup Checklist	39-U-0009	7/7/2010	11/1/2011

27. The Propane Deasphalting Process (PDA) is a "covered process" as that term is defined by 40 C.F.R. § 68.3.

28. On or about August 18, 2011, Calumet sent a letter to EPA stating that "Calumet Shreveport Lubricants and Waxes, LLC was partially compliant on certification of procedures during 2006, 2007, and 2008."

29. Therefore, the Respondent violated 40 C.F.R. § 68.69(c) by failing to annually certify that certain operating procedures are current and accurate.

Count Two – Failure to Timely Conduct Inspections and Tests of Certain Process Equipment

30. 40 C.F.R. § 68.73(a) provides that the requirements of 40 C.F.R. § 68.73(d) applies to the following process equipment:

A. Pressure vessels and storage tanks;
B. Piping systems (including piping components and valves);

C. Relief and vent systems and devices;
D. Emergency shutdown systems;
E. Controls (including monitoring devices and sensors, alarms, and interlocks); and
F. Pumps.

31. 40 C.F.R. § 68.73(d)(1) - (3) provides that inspections and tests shall be performed on process equipment. Inspection and testing procedures shall follow recognized and generally accepted good engineering practices. The frequency of inspections and tests of process equipment shall be consistent with applicable manufacturers' recommendations and good engineering practices, and more frequently if determined to be necessary by prior operating experience.

32. As of the date of the August 15 – 18, 2011 EPA inspection, the Respondent failed to timely conduct inspections and/or testing of certain corrosion monitored equipment at the following "covered processes" (as defined by 40 C.F.R. § 68.3), as set forth below:

RMP Covered Processes	Unit	Equipment ID	Equipment	Last Inspection	Inspection Due
Crude/Vac/Depropanizer	4 CRU	105804	Tower	12/28/2005	12/28/2010
	4 CRU	165406	Vessel	07/28/2005	07/28/2010
	4 VAC	123201	Exchanger	08/23/2005	08/23/2010
	4 VAC	123202	Exchanger	10/12/2004	10/12/2009
	4 VAC	163202	Vessel	11/23/2004	11/23/2009
MEK	MEK	127171	Exchanger	04/20/2004	08/27/2010
	MEK	127227	Exchanger	08/17/2006	08/17/2011
	MEK	127228	Exchanger	08/17/2006	08/17/2011
Platformers	2 Plat	121916	Exchanger	09/07/2004	05/20/2011
Propane Deasphalting	PDA	123906	Exchanger	02/23/2004	08/03/2011

33. The equipment identified in Paragraph 32 is process equipment as set forth in 40 C.F.R. § 68.73(a).

34. Therefore, the Respondent violated 40 C.F.R. § 68.73(d) by failing to timely perform inspections and/or tests of certain process equipment.

Count Three – Failure to Correct Deficiencies in Piping at the No. 4 Vacuum Unit

35. 40 C.F.R. § 68.73(a) provides that the requirements of 40 C.F.R. § 68.73(e) applies to the following process equipment:

A. Pressure vessels and storage tanks;
B. Piping systems (including piping components and valves);
C. Relief and vent systems and devices;
D. Emergency shutdown systems;
E. Controls (including monitoring devices and sensors, alarms, and interlocks); and
F. Pumps.

36. 40 C.F.R. § 68.73(e) provides that the owner or operator shall correct deficiencies in equipment that are outside acceptable limits (defined by the process safety information in 40 C.F.R. § 68.65) before further use or in a safe and timely manner when necessary means are taken to assure a safe operation.

37. On or before February 24, 2008, certain piping from the Vac Tower to a flange going to a pump at the No. 4 Vacuum Unit was past its retirement thickness.

38. On or before February 24, 2008, certain piping from the discharge of the 700 Vis pumpdown pump through the filter back to the 700 Vis Stripper was past its retirement thickness.

39. The piping identified in Paragraph 37 is process equipment as set forth in 40 C.F.R. § 68.73(a).

40. The piping identified in Paragraph 38 is process equipment as set forth in 40 C.F.R. § 68.73(a).

41. The No. 4 Vacuum Unit is part of the Crude/Vac/Depropanizer Process.

42. The Crude/Vac/Depropanizer Process is a "covered process" as that term is defined by 40 C.F.R. § 68.3.

43. Therefore, the Respondent violated 40 C.F.R. § 68.73(e) by failing to correct deficiencies in piping at the No. 4 Vacuum Unit.

Count Four – Failure to Conduct a Management of Change Prior to Disabling Flare Diverter Valve in the Open Position

44. 40 C.F.R. § 68.75(a) and (b) provide that 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. The procedures shall assure that the following considerations are addressed prior to any change:

(1) The technical basis for the proposed change;
(2) Impact of change on safety and health;
(3) Modifications to operating procedures;
(4) Necessary time period for the change; and
(5) Authorization requirements for the proposed change.

45. On or about December 2009, the Respondent disabled the flare diverter valve in the open position at the Sulfur Recovery Unit (SRU) No. 2.

46. SRU No. 2 is part of Lube Oil Hydrotreater process.

47. The Lube Oil Hydrotreater process is a "covered process" as that term is defined by 40 C.F.R. § 68.3.

48. Disabling the flare diverter in the open position at SRU No. 2 was a change in procedure.

49. The Respondent failed to conduct a management of change prior disabling the flare diverter valve in the open position at SRU No. 2.

50. On or about the February 5, 2010, the Belco Spray Tower, Cyclolabs section, and Stack were severely damaged by an explosion.

51. The Respondent determined that the underlying cause of the explosion was the failure to resolve the backpressure problems in the tail gas line and disabling the flare diverter valve in the open position at SRU No. 2.

52. Therefore, the Respondent violated 40 C.F.R. § 68.75 by failing to conduct a management of change prior to disabling the flare diverter valve in the open position at SRU No. 2.

Count Five – Failure to Conduct a Management of Change Prior to Venting Propane Vapors from the Platformer Stabilizer to the Fuel Drums

53. 40 C.F.R. § 68.75(a) and (b) provide that 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. The procedures shall assure that the following considerations are addressed prior to any change:

(1) The technical basis for the proposed change;
(2) Impact of change on safety and health;
(3) Modifications to operating procedures;
(4) Necessary time period for the change; and
(5) Authorization requirements for the proposed change.

54. On or before February 22 – 23, 2012, the Respondent vented the Platform Stabilizer to the fuel gas system. The mode of operation was changed to vaporize the Depropanizer feed to the fuel drum due to the Depropanizer being down.

55. The Platformer Stabilizer is part of the Platformer process.

56. The Platformer process is a "covered process" as that term is defined by 40 C.F.R. § 68.3.

57. The venting of propane vapors from the Platformer Stabilizer to the fuel drums was a change in procedure.

58. The Respondent failed to conduct a management of change prior to venting the propane from the Platformer Stabilizer to the fuel system for the #5 Boiler.

59. This change in procedure allowed naphtha to be carried to the fuel system, where it was routed to the #5 Boiler. This impacted the performance of the boilers. Rich fuel and liquids accumulated in the main fuel gas lines at the boiler during start-up of the #5 Boiler.

60. On or about the February 23, 2012, an explosion occurred at the #5 Boiler.

61. The Respondent determined that the liquid present in the main fuel gas line at the startup of the #5 Boiler was the root cause of the explosion at the #5 Boiler.

62. Therefore, the Respondent violated 40 C.F.R. § 68.75 by failing to conduct a management of change prior to venting propane vapors from the Platformer Stabilizer to the fuel drums.

Count Six – Failure to Conduct a Management of Change Prior to Replacing Solenoid and Air Regulator at #5 Boiler

63. 40 C.F.R. § 68.75(a) and (b) provide that 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. The procedures shall assure that the following considerations are addressed prior to any change:

(1) The technical basis for the proposed change;
(2) Impact of change on safety and health;
(3) Modifications to operating procedures;
(4) Necessary time period for the change; and
(5) Authorization requirements for the proposed change.

64. On or about February 23, 2012, the Respondent replaced a solenoid at the #5 Boiler.

65. On or about February 23, 2012, the Respondent replaced an air regulator at the #5 Boiler.

66. "Stationary source" is defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and 40 C.F.R. § 68.3 as meaning:

> 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.

67. The #5 Boiler is a "stationary source" as that term is defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and 40 C.F.R. § 68.3.

68. "Replacement in kind" is defined at 40 C.F.R. § 68.3 as meaning "a replacement that satisfies design specifications".

69. The solenoid replacement identified in Paragraph 64 was not a "replacement in kind" as that term is defined in 40 C.F.R. § 68.3.

70. The air regulator replacement identified in Paragraph 65 was not a "replacement in kind" as that term is defined in 40 C.F.R. § 68.3.

71. The solenoid replacement identified in Paragraph 64 was a change to a stationary source that affected a covered process.

72. The air regulator replacement identified in Paragraph 65 was a change to a stationary source that affects a covered process.

73. The Respondent failed to conduct a management of change prior to replacing the solenoid identified in Paragraph 64.

74. The Respondent failed to conduct a management of change prior to replacing the air regulator identified in Paragraph 65.

75. Therefore, the Respondent violated 40 C.F.R. § 68.75 by failing to conduct a management of change prior to replacing a solenoid and air regulator at the #5 Boiler.

Count Seven – Failure to Include Documentation of Proper First-Aid and Emergency Medical Treatment Necessary to Treat Accidental Human Exposures in Emergency Response Program

76. 40 C.F.R. § 68.90(a) provides that except as provided in 40 C.F.R. § 68.90(b), the owner or operator of a stationary source with Program 2 and Program 3 processes shall comply with the requirements of 40 C.F.R. § 68.95.

77. 40 C.F.R. § 68.90(b) provides that the owner or operator of stationary source whose employees will not respond to accidental releases of regulated substances need not comply with 40 C.F.R. § 68.95 provided they meet certain criteria.

78. The Respondent's employees will respond to accidental releases of regulated substances.

79. 40 C.F.R. § 68.95(a)(1)(ii) provides that the owner or operator shall develop and implement an emergency response program for the purpose of protecting public health and the environment. The program shall include documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures.

80. As of the date of the August 15 – 18, 2011 EPA inspection, the Respondent's Emergency Response Program (Calumet Emergency Operating Procedures Standard Operating Procedure, Doc. No. 00-H-0025) did not have include documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures.

81. Therefore, the Respondent violated 40 C.F.R. § 68.95(a)(1)(ii) by failing to include documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures in its emergency response program.

Count Eight – Failure to Include Procedures and Measures for Emergency Response after an Accidental Release of a Regulated Substance

82. 40 C.F.R. § 68.90(a) provides that except as provided in 40 C.F.R. § 68.90(b), the owner or operator of a stationary source with Program 2 and Program 3 processes shall comply with the requirements of 40 C.F.R. § 68.95.

83. 40 C.F.R. § 68.90(b) provides that the owner or operator of stationary source whose employees will not respond to accidental releases of regulated substances need not comply with 40 C.F.R. § 68.95 provided they meet certain criteria.

84. The Respondent's employees will respond to accidental releases of regulated substances.

85. 40 C.F.R. § 68.95(a)(1)(iii) provides that the owner or operator shall develop and implement an emergency response program for the purpose of protecting public health and the environment. The program shall include procedures and measures for emergency response after an accidental release of a regulated substance.

86. As of the date of the August 15 – 18, 2011 EPA inspection, the Respondent's Emergency Response Program (Calumet Emergency Operating Procedures Standard Operating Procedure, Doc. No. 00-H-0025) did not have include specific procedures and measures for emergency response after an accidental release of a regulated substances.

87. Therefore, the Respondent violated 40 C.F.R. § 68.95(a)(1)(iii) by failing to include procedures and measures for emergency response after an accidental release of a regulated substance in its emergency response program.

Count Nine – Failure to Adequately Train Fire Brigade Employees

88. 40 C.F.R. § 68.90(a) provides that except as provided in 40 C.F.R. § 68.90(b), the owner or operator of a stationary source with Program 2 and Program 3 processes shall comply with the requirements of 40 C.F.R. § 68.95.

89. 40 C.F.R. § 68.90(b) provides that the owner or operator of stationary source whose employees will not respond to accidental releases of regulated substances need not comply with 40 C.F.R. § 68.95 provided they meet certain criteria.

90. The Respondent's employees will respond to accidental releases of regulated substances.

91. 40 C.F.R. § 68.95(a)(3) provides that 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, among other things, training for all employees in relevant procedures.

92. The Respondent's Standard Operating Procedure 00-G-0032 set forth the required training for members of the Fire Brigade.

93. As of the date of the August 15 – 18, 2011 EPA inspection, the following fire brigade members failed to receive the required training set forth below:

Volunteer Fire Brigade Training	Matt Spearman	Daniel Garland	Chris Frazier	L.C. Lister	Michael Ashby	John Clayton	Carlos Netter	Roger Griffie
Fire Fighter Safety								
PPE	X	X	X	X	X	X	X	X
Special Hazards								
SCBA				X	X	X		
Solvent			X					
Fire Behavior								
Vapor Chemicals								
Hose Handling								
Hydrogen Sulfide		X	X	X	X	X	X	X
Fire Streams								
LPG								
Pump Operations		X	X		X	X		X
Boil-over								
Foam Application	X	X	X	X	X	X	X	X
Water Application	X	X	X	X	X	X	X	X
Portable Extinguishers	X	X	X	X	X	X	X	X
Wheeled Extinguishers	X	X	X	X	X	X	X	X
Fixed Monitors					X		X	
Portable Monitors					X		X	
Steam Application	X							
HAZWOPER	X	X	X	X	X	X	X	X
Fixed Systems								
CPR-First Aid		X		X	X	X	X	
Ladders	X	X	X	X	X	X	X	X
Ventilation								
Tools and Appliances	X	X	X	X		X		
Live Fire								

Volunteer Fire Brigade Training	Kenny Zylicz	Gerald Boyum Jr.	Lee Stephens	Colby Roy	Louis Mayfield	Casey Hamiter	Todd Hall
Fire Fighter Safety							
PPE	X	X	X	X	X	X	X
Special Hazards							
SCBA		X	X			X	X
Solvent		X					
Fire Behavior							
Vapor Chemicals							
Hose Handling							
Hydrogen Sulfide	X	X	X	X	X	X	X
Fire Streams							
LPG							
Pump Operations	X	X	X	X	X	X	X
Boil-over							
Foam Application	X	X	X	X	X	X	X
Water Application	X	X	X	X	X	X	X
Portable Extinguishers	X	X	X	X	X	X	X
Wheeled Extinguishers	X	X	X	X	X	X	X
Fixed Monitors	X		X			X	
Portable Monitors	X		X			X	
Steam Application							
HAZWOPER	X	X	X	X	X	X	X
Fixed Systems							
CPR-First Aid	X	X	X		X	X	X
Ladders	X	X	X	X	X	X	X
Ventilation							
Tools and Appliances		X					
Live Fire							

94. Therefore, the Respondent violated 40 C.F.R. § 68.95(a)(3) by failing to adequately train its fire brigade members under its emergency response program.

III. TERMS OF SETTLEMENT

A. CIVIL PENALTY

95. For the reasons set forth above, the Respondent has agreed to pay a civil penalty of **THREE HUNDRED TWENTY-SIX THOUSAND DOLLARS ($326,000).**

96. Within thirty (30) days of the effective date of this CAFO, the Respondent shall pay the assessed civil penalty by certified check, cashier's check, or wire transfer, made payable to "Treasurer, United States of America, EPA - Region 6". Payment shall be remitted in one of three (3) ways: regular U.S. Postal mail (including certified mail), overnight mail, or wire transfer. For regular U.S. Postal mail, U.S. Postal Service certified mail, or U.S. Postal Service express mail, the check(s) should be remitted to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

For overnight mail (non-U.S. Postal Service, e.g. Fed Ex), the check(s) should be remitted to:

U.S. Bank
Government Lockbox 979077
US EPA Fines & Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101
Phone No. (314) 418-1028

For wire transfer, the payment should be remitted to:

Federal Reserve Bank of New York
ABA: 021030004
Account No. 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045
Field Tag 4200 of the Fedwire message should read
"D 68010727 Environmental Protection Agency"

PLEASE NOTE: Docket number CAA-06-2013-3318 shall be clearly typed on the respective checks to ensure proper credit. If payment is made by check, the check shall also be accompanied by a transmittal letter and shall reference the Respondent's name and address, the case name, and docket number of the CAFO. If payment is made by wire transfer, the wire transfer instructions shall reference the Respondent's name and address, the case name, and docket number of the CAFO. The Respondent shall also send a simultaneous notice of such payment, including a copy of the check and transmittal letter, or wire transfer instructions to the following:

Samuel Tates
Chief, Surveillance Section (6EN-AS)
Air Enforcement Enforcement Branch
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Lorena Vaughn
Regional Hearing Clerk (6RC-D)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

The Respondent's adherence to this request will ensure proper credit is given when penalties are received in the Region.

97. The Respondent agrees not to claim or attempt to claim a federal income tax deduction or credit covering all or any part of the civil penalty paid to the United States Treasurer.

98. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, unless otherwise prohibited by law, EPA will assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim. Interest on the civil penalty assessed in this CAFO will begin to accrue thirty (30) days after the effective date of the CAFO and will be recovered by EPA on any amount of the civil penalty that is not paid by the respective due date. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a). Moreover, the costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. *See* 40 C.F.R. § 13.11(b).

99. EPA will also assess a $15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional $15.00 for each subsequent thirty (30) day period that the penalty remains unpaid. In addition, a penalty charge of up to six percent per year will be assessed monthly on any portion of the debt which remains delinquent more than ninety (90) days. *See* 40 C.F.R. § 13.11(c). Should a penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. *See* 31 C.F.R. § 901.9(d). Other penalties for failure to make a payment may also apply.

B. SUPPLEMENTAL ENVIRONMENTAL PROJECT

100. The Respondent will implement an enhanced fenceline monitoring system, as set forth below. The expanded system will monitor for hydrogen sulfide (H_2S), sulfur dioxide (SO_2), and flammable gas lower explosive limit (LEL).

A. The Respondent will install a total of thirty-two new sensors set at approximately 5-foot heights around the fence line perimeter. These monitors would cover all four sides of the facility. The sensors would include fourteen H_2S sensors, fourteen SO_2 sensors, and four LEL sensors.

B. The thirty-two sensors would feed into five FMC2000 Controller & Alarm Panels, three of which are already existing and two additional units that will be installed as a part of the expansion.

C. The five FMC2000 Controller & Alarm Panels will then be linked to the Control Room DCS system through interfaces that will be a part of the expansion project.

D. When complete, the FMC2000 Controllers will feed sensor value information, including alarms into the DCS system. The above will be continually monitored by the Console Operator.

E. The following alarm set points will be established (based on short term exposure limits): H_2S - 15 PPM, SO_2 5 PPM, and LEL 10%.

F. The Respondent shall complete installation and begin operation of the Enhanced Fenceline Monitoring System within two hundred and ten (210) days from the effective date of this CAFO.

101. The Respondent is responsible for the satisfactory completion of the SEP. The total expenditure for the SEP described in Paragraph 100 above shall be no less than $248,000.

Eligible SEP costs do not include inventory on hand, overhead, additional employee time and salary, administrative expenses, legal fees, and oversight of a contractor. The Respondent shall include documentation of the expenditures made in connection with the SEP as part of the SEP Completion Report.

102. The Respondent hereby certifies that, as the date of this CAFO, the Respondent is not required to perform or develop the SEP by any federal, state or local law or regulation; nor is the Respondent required to perform or develop the SEP by any other agreement, grant, or as injunctive relief in this or any other case. The Respondent further certifies that the SEP was not a project that the Respondent was planning or intending to construct, perform, or implement other than in settlement of this action. Finally, the Respondent certifies that it has not received, and is not presently negotiating to receive credit in any other enforcement action for this SEP.

103. The Respondent's signatory to this CAFO, by signing the CAFO, makes the following additional certification:

> The Respondent is not a party to any open federal financial assistance transaction that is funding or could be used to fund the same activity as the SEP. I further certify that, to the best of my knowledge and belief after reasonable inquiry, there is no such open federal financial transaction that is funding or could be used to fund the same activity as the SEP, nor has the same activity been described in an unsuccessful federal financial assistance transaction proposal submitted to EPA within two years of the date of this settlement (unless the project was barred from funding as statutorily ineligible). For the purpose of this certification, the term "open federal financial assistance transaction" refers to a grant, cooperative agreement, loan, federally-guaranteed loan guarantee or other mechanism for providing federal financial assistance whose performance period has not yet expired.

104. For federal income tax purposes, the Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP.

SEP Completion Report

105. The Respondent shall submit a SEP Completion Report to EPA within thirty (30) days after completion of the SEP. The SEP Completion Report shall contain the following information:

A. A detailed description of the SEP as implemented;

B. A description of any operating or logistical problems encountered and the solutions thereto;

C. Itemized final costs with copies of receipts for all expenditures;

D. Certification that the SEP has been fully implemented pursuant to the provisions of this CAFO; and

E. A description of the environmental, emergency preparedness, and/or public health benefits resulting from implementation of this SEP.

106. The Respondent agrees that failure to timely submit the final SEP Completion Report shall be deemed a violation of this CAFO and Respondent shall become liable for stipulated penalties pursuant to Paragraph 111.F.

107. In itemizing its costs in the SEP Completion Report, Respondent shall clearly identify and provide acceptable documentation for all eligible SEP costs. Where the SEP Completion Report includes costs not eligible for SEP credit, those costs must be clearly identified as such. For purposes of this Paragraph, "acceptable documentation" includes invoices, purchase orders, or other documentation that specifically identifies and itemizes the individual costs of the goods and/or services for which payment is being made. Canceled drafts do not constitute acceptable documentation unless such drafts specifically identify and itemize the individual costs of the goods and/or services for which payment is being made.

108. The Respondent shall submit the following certification in the SEP Completion Report, signed by a responsible corporate official:

> I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

109. After receipt of the SEP Completion Report described in Paragraph 105 above, EPA will notify the Respondent, in writing, regarding: (a) any deficiencies in the SEP Report itself along with a grant of an additional thirty (30) days for Respondent to correct any deficiencies; or (b) indicate that EPA concludes that the project has been completed satisfactorily; or (c) determine that the project has not been completed satisfactorily and seek stipulated penalties in accordance with Paragraph 111 below.

110. If EPA elects to exercise option (a) in Paragraph 109 above, i.e., if the SEP Report is determined to be deficient but EPA has not yet made a final determination about the adequacy of SEP completion itself. EPA shall permit the Respondent the opportunity to object in writing to the notification of deficiency given pursuant to Paragraph 109 within ten (10) days of receipt of such notification. EPA and the Respondent shall have an additional thirty (30) days from the receipt by EPA of the notification of objection to reach agreement on changes necessary to the SEP Report. If agreement cannot be reached on any such issue within this thirty (30) day period, EPA shall provide a written statement of its decision on adequacy of the completion of the SEP to Respondent, which decision shall be final and binding upon the Respondent. The Respondent agrees to comply with any requirements imposed by EPA as a result of any failure to comply with the terms of this CAFO. In the event the SEP is not completed as reasonably contemplated

herein, as determined by EPA, stipulated penalties shall be due and payable by Respondent to EPA in accordance with Paragraph 111 herein.

Stipulated Penalties for Failure to Complete SEP/Failure to Spend Agreed-On Amount

111. In the event that the Respondent fails to comply with any of the terms or provisions of this CAFO relating to the performance of the SEP described in Paragraph 100 of this CAFO and/or to the extent that the actual expenditures for the SEP do not equal or exceed the cost of the SEP described in Paragraph 101 above, the Respondent shall be liable for stipulated penalties according to the provisions set forth below:

A. Except as provided in subparagraph (B) immediately below, for a SEP which has not been completed satisfactorily pursuant to this CAFO, the Respondent shall pay a stipulated penalty to the United States in the amount of $198,400 (100% of the amount the penalty was mitigated).

B. If the SEP is not completed in accordance with Paragraphs 100 - 101, but EPA determines that the Respondent: a) made good faith and timely efforts to complete the project; and b) certifies, with supporting documentation, that at least 90 percent of the amount of money which was required to be spent was expended on the SEP, the Respondent shall not be liable for any stipulated penalty.

C. If the SEP is completed in accordance with Paragraphs 100 – 101, but the Respondent spent less than 90 percent of the amount of money required to be spent for the project, the Respondent shall pay a stipulated penalty to the United States in the amount of $49,600 [25% of the amount the penalty was mitigated penalty ($198,400)].

D. If the SEP is completed in accordance with Paragraphs 100 - 101 and the Respondent spent at least 90 percent of the amount of money required to be spent for the project, the Respondent shall not be liable for any stipulated penalty.

E. If the Respondent fails to timely complete the SEP for any reason, the Respondent shall pay stipulated penalties as follows:

Period of Noncompliance	Penalty Per Violation Per Day
1st through 15th day	$ 1,000
16th through 30th day	$ 1,500
31st day and beyond	$ 2,500

F. For failure to submit the SEP Completion Report required by Paragraph 105 above, the Respondent shall pay a stipulated penalty in the amount of $500 for each day after the report was originally due, until the report is submitted.

112. The determinations of whether the SEP has been satisfactorily completed and whether the Respondent has made a good faith, timely effort to implement the SEP shall be in the sole discretion of EPA.

113. Stipulated penalties for Paragraphs 111.E and 111.F above shall begin to accrue on the day after performance is due, and shall continue to accrue through the final day of the completion of the activity.

114. Respondent shall pay stipulated penalties not more than fifteen (15) days after receipt of written demand by EPA for such penalties. Method of payment shall be in accordance with the provisions of Paragraph 96 herein. Interest and late charges shall be paid as stated in Paragraphs 98 - 99 herein.

C. STIPULATED PENALTIES

115. In addition to any other remedies or sanctions available to EPA, if the Respondent fails or refuses to comply with any provision of this CAFO (except as provided in Section III.C), the Respondent shall pay stipulated penalties in the following amounts for each day during which each failure or refusal to comply continues:

Period of Noncompliance	Penalty Per Violation Per Day
1st through 15th day	$ 1,000
16th through 30th day	$ 1,500
31st day and beyond	$ 2,500

Penalties shall accrue from the date of the noncompliance until the date the violation is corrected, as determined by EPA.

116. The Respondent shall pay stipulated penalties not more than fifteen (15) days after receipt of written demand by EPA for such penalties. Method of payment shall be in accordance with the provisions of Paragraph 96 herein. Interest and late charges shall be paid as stated in Paragraphs 98 - 99 herein.

117. Nothing in this agreement shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of the Respondent's violation of this CAFO or of the statutes and regulations upon which this agreement is based, or for the Respondent's violation of any applicable provision of law.

D. DISPUTE RESOLUTION

118. If the Respondent objects to any decision or directive of EPA in regard to Section III.B, III.C, or III.D, the Respondent shall notify the following persons in writing of its objections, and the basis for those objections, within fifteen (15) calendar days of receipt of EPA's decision or directive:

Associate Director
Air Enforcement Branch (6EN-A)
Compliance Assurance and Enforcement Division
U.S. EPA - Region 6
1445 Ross Avenue
Dallas, TX 75202-2733

Chief, RCRA Enforcement Branch (6RC-ER)
Office of Regional Counsel
U.S. EPA - Region 6
1445 Ross Avenue
Dallas, TX 75202-2733

119. The Associate Director of the Air Enforcement Branch or his/her designee (Associate Director), and the Respondent shall then have an additional fifteen (15) calendar days from EPA's receipt of the Respondent's written objections to attempt to resolve the dispute. If an agreement is reached between the Associate Director and the Respondent, the agreement shall be reduced to writing and signed by the Associate Director and the Respondent and incorporated by reference into this CAFO.

120. If no agreement is reached between the Associate Director and the Respondent within that time period, the dispute shall be submitted to the Director of the Compliance Assurance and Enforcement Division or his/her designee (Division Director). The Division Director and the Respondent shall then have a second fifteen (15) calendar day period to resolve the dispute. If an agreement is reached between the Division Director and the Respondent, the resolution shall be reduced to writing and signed by the Division Director and the Respondent and incorporated by reference into this CAFO. If the Division Director and the Respondent are unable to reach agreement within this second fifteen (15) calendar day period, the Division Director shall provide a written statement of EPA's decision to the Respondents, which shall be binding upon the Respondents and incorporated by reference into the CAFO.

121. If the Dispute Resolution process results in a modification of this CAFO, the modified CAFO must be approved by the Regional Judicial Officer and filed pursuant to Section III.G (Modifications).

122. The invocation of dispute resolution procedures under this Section shall not extend, postpone, or affect in any way, any obligations of the Respondent under this CAFO, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute. If the Respondents do not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in Section III.C or III.D.

E. NOTIFICATION

123. Unless otherwise specified elsewhere in this CAFO, whenever notice is required to be given, whenever a report or other document is required to be forwarded by one party to another, or whenever a submission or demonstration is required to be made, it shall be directed to the individuals specified below at the addresses given (in addition to any action specified by law or regulation), unless these individuals or their successors give notice in writing to the other parties that another individual has been designated to receive the communication:

Complainant:

Samuel Tates
Chief, Surveillance Section (6EN-AS)
Air Enforcement Branch
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Respondent

Michael Rhoades
EH&S Manager
Calumet Shreveport Lubricants and Waxes, L.L.C.
3333 Midway Avenue
Shreveport, LA 71109

With a copy to:

Edward Lewis
Norton Rose Fulbright
1301 McKinney, Suite 5100
Houston, TX 77010

F. MODIFICATION

124. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except as otherwise specified in this CAFO, or upon the written agreement of the Complainant and the Respondent, and approved by the Regional Judicial Officer, and such modification or amendment being filed with the Regional Hearing Clerk.

G. RETENTION OF ENFORCEMENT RIGHTS

125. EPA does not waive any rights or remedies available to EPA for any other violations by the Respondents of Federal or State laws, regulations, or permitting conditions.

126. Nothing in this CAFO shall relieve the Respondent of the duty to comply with Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. Part 68.

127. Nothing in this CAFO shall limit the power and authority of EPA or the United States to take, direct, or order all actions to protect public health, welfare, or the environment, or prevent, abate or minimize an actual or threatened release of hazardous substances, pollutants, contaminants, hazardous substances on, at or from the Respondent's facility. Furthermore, nothing in this CAFO shall be construed or to prevent or limit EPA's civil and criminal

authorities, or that of other Federal, State, or local agencies or departments to obtain penalties or injunctive relief under other Federal, State, or local laws or regulations.

128. The Complainant reserves all legal and equitable remedies available to enforce the provisions of this CAFO. This CAFO shall not be construed to limit the rights of the EPA or United States to obtain penalties or injunctive relief under the Clean Air Act or under other federal or state laws, regulations, or permit conditions.

129. In any subsequent administrative or judicial proceeding initiated by the Complainant or the United States for injunctive relief, civil penalties, or other appropriate relief relating to this Facility, the Respondent shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the Complainant or the United States in the subsequent proceeding were or should have been brought in the instant case, except with respect to claims that have been specifically resolved pursuant to this CAFO.

130. This CAFO is not a permit, or a modification of any permit, under any federal, State, or local laws or regulations. The Respondent is responsible for achieving and maintaining complete compliance with all applicable federal, State, and local laws, regulations, and permits. The Respondent's compliance with this CAFO shall be no defense to any action commenced pursuant to any such laws, regulations, or permits, except as set forth herein. The Complainant does not warrant or aver in any manner that the Respondent's compliance with any aspect of this CAFO will result in compliance with provisions of the Clean Air Act or with any other provisions of federal, State, or local laws, regulations, or permits.

H. INDEMNIFICATION OF EPA

131. Neither EPA nor the United States Government shall be liable for any injuries or damages to person or property resulting from the acts or omissions of the Respondent, its officers, directors, employees, agents, receivers, trustees, successors, assigns, or contractors in carrying out the activities required by this CAFO, nor shall EPA or the United States Government be held out as a party to any contract entered into by the Respondents in carrying out the activities required by this CAFO.

I. COSTS

132. Each party shall bear its own costs and attorney's fees. Furthermore, the Respondent specifically waives its right to seek reimbursement of its costs and attorney's fees under 5 U.S.C. § 504 and 40 C.F.R. Part 17.

J. TERMINATION

133. At such time as the Respondent believes it has completed all of the requirements of this CAFO, it may request that EPA concur whether all of the requirements of this CAFO have been satisfied. Such request shall be in writing and shall provide the necessary documentation to establish whether there has been full compliance with the terms and conditions of this CAFO. EPA will respond to said request in writing within ninety (90) days of receipt of the request. This CAFO shall terminate when all actions required to be taken by this CAFO have been completed, and the Respondents have been notified by the EPA in writing that this CAFO has been satisfied and terminated.

K. EFFECTIVE DATE

134. This CAFO, and any subsequent modifications, become effective upon filing with the Regional Hearing Clerk.

THE UNDERSIGNED PARTIES CONSENT TO THE ENTRY OF THIS CONSENT AGREEMENT AND FINAL ORDER:

FOR THE RESPONDENT:

Date: October 30, 2013

Calumet Shreveport Lubricant
and Waxes, L.L.C.

FOR THE COMPLAINANT:

Date: 11·6·13

John Blevins
Director
Compliance Assurance and
Enforcement Division

FINAL ORDER

Pursuant to the Section 113 of the CAA, 42 U.S.C. § 7413, and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22, the foregoing Consent Agreement is hereby ratified. This Final Order shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive relief or other equitable relief for criminal sanctions for any violations of law. This Final Order shall resolve only those causes of action alleged herein. Nothing in this Final Order shall be construed to waive, extinguish or otherwise affect the Respondent's (or their officers, agents, servants, employees, successors, or assigns) obligation to comply with all applicable federal, state, and local statutes and regulations, including the regulations that were the subject of this action. The Respondent is ordered to comply with the terms of settlement as set forth in the Consent Agreement. Pursuant to 40 C.F.R. § 22.31(b), this Final Order shall become effective upon filing with the Regional Hearing Clerk.

Date: 11-7-13

Patrick Rankin
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of November 2013, the original and one copy of the foregoing Consent Agreement and Final Order (CAFO) was hand delivered to the Regional Hearing Clerk, U.S. EPA - Region 6, 1445 Ross Avenue, Dallas, Texas 75202-2733, and that true and correct copies of the CAFO were sent to the following by certified mail, return receipt requested 7007 0710 0002 1385 1644

Eddie Lewis
Fulbright & Jaworski, L.L.P.
Fulbright Tower
1301 McKinney
Suite 5100
Houston, Texas 77010-3095