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Vol. 7

Formosa Plastics®

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Air/Toxics & Inspection Coordination Branch 6EN-A

January 31, 2014

EPA Region 6
Associate Director, Air Toxics and Inspection Coordination Branch (6EN-A)
Compliance Assurance and Enforcement Division
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202

Certified Mail: 7012 3460 0001 7691 0595

EPA Headquarters
Director, Special Litigation and Projects Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW (MC 2248-A)
Washington, DC 20460

Certified Mail: 7012 3460 0001 7691 0601

Re: Submittal of Annual Reports Required by Consent Decree Entered on February 3, 2010; Formosa Plastics Corporation, Texas, Formosa Hydrocarbons, Inc., and Formosa Plastics Corporation, Louisiana (Formosa); Civil Action No. 6:09-cv-00061

Dear Madam or Sir:

In accordance with Section VI, Paragraph 23 and Appendix A, Subsection M, Paragraphs 34 and 35 of the above-referenced consent decree; Formosa is submitting its Annual Report (for the Period of 07/01/2012 - 06/30/2013) and its Leak Detection and Repair (LDAR) Annual Compliance Status Report (for the Period of 01/01/2013 -12/31/2013). The reports cover Formosa Plastics Corporation, Texas (FPC TX), Formosa Hydrocarbons, Inc. (FHC) and Formosa Plastics Corporation, Louisiana (FPC LA). The referenced consent decree was lodged on 9/29/2009 and was entered on 2/3/2010.

This submittal consists of individual reports for FPC TX, which includes FHC, and FPC LA. Under the terms of the decree, reports are due to EPA by January 31 of the following year.

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons 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 fine and imprisonment for knowing violations.

Should you have any questions regarding these reports, please contact Grace Chang by email at gchang2@fpcusa.com or by phone at (973)716-7341 or Mary Bachynsky by email at mbachynsky@fpcusa.com or phone at (973) 716-7342.

Sincerely,

R. P. Smith
Vice President/General Manager
Formosa Plastics Corporation, Texas

Attachments

Certification Statement for Formosa Plastics Corporation Texas (FPC TX) and Formosa Hydrocarbons Company, Inc (FHC).

I, Randall P. Smith, certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons 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 fine and imprisonment for knowing violations.

I also certify that "LDAR trainings in accordance with this Consent Decree have been done" in FPC TX and FHC per Appendix A, Subsection H, Paragraph 22.

R. P. Smith
Vice President/General Manager
Formosa Plastics Corporation, Texas

List of Attachments for CD/LDAR Annual Report FPC TX

Attachment I – Table of Non-Compliances with the Consent Decree
(Reference: Consent Decree Paragraph 23b and Appendix A, Subsection M, Paragraph 34a)

Attachment II – "Valve Technology Survey" Commercial Unavailability of a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology
(Reference: Appendix A, Subsection G, Paragraph 20 and Appendix A, Subsection M, Paragraph 34c)

Attachment III – Identification of Any Problems Encountered In Complying with the Requirements of Appendix A
(Reference: Appendix A, Subsection M, Paragraph 34a)

Attachment IV – List of Deviations Identified in the QA/QC Performed Under Appendix A, Subsection I
(Reference: Appendix A, Subsection M, Paragraph 34e)

Attachment V – Status of Corrective Action Taken During the Reporting Period (1/1/2013 – 12/31/2013)
(Reference: Appendix A, Subsection M, Paragraph 34g)

Attachment VI – List of Locations Where Carbon Canister Systems Are Used As Control Devices under Subpart FF
(Reference: Appendix B, Paragraph 5a)

Attachment VII – Quarterly Uncontrolled Benzene Quantity and Projected Uncontrolled Benzene Quantity for Reporting Period from 7/1/2012 through 6/30/2013
(Reference: Appendix B, Paragraph 10a(3))

Attachment VIII - BWON Sampling Plan
(Reference Appendix B, Paragraph 13a(8)) Incorporated by Reference

Attachment IX– Measures Taken to Comply with Training Provisions of Appendix B, Paragraph 9
(Reference: Appendix B, Paragraph 13a(7))

List of Attachments for CD/LDAR Annual Report FPC TX

Attachment X – Summary of BWON Sampling Results Required Under Subparagraph 10a
(Reference: Appendix B, Paragraph 13a(9))

Attachment XI – Summary of Results from the Quarterly Trend Analysis
(Reference: Appendix C, Paragraph 5)

Attachment XII – CPI Sampling Results
(Reference: Appendix D, Paragraph 1f)

Attachment I

Table of Non-Compliances with the Consent Decree with Attached Letters

(Consent Decree paragraph 23b and Appendix A, Subsection M, paragraph 34a)

CD Attachment I: Noncompliance Events

Event No.	Consent Decree Section	Subsection, Paragraph	Date	Description of CD Noncompliance	Likely Cause	Corrective Action Steps
	Appendix D - RCRA	Subsection B, paragraph 3	1/15/2013	A hazardous waste drum was stored for greater than three days beyond the accumulation date in a designated Satellite Area.	Failure to implement the existing written procedure.	1. The drum was immediately removed from the Satellite Area and taken to the designated Container Storage Area. 2. Disciplinary actions were under evaluation for the personnel involved.
	Appendix D - RCRA	Subsection B, paragraph 1.b	4/15/2013	The Olefins I Plant failed to analyze the CPI effluent water going to the cooling tower as make-up water in the first calendar quarter of 2013.	Failure to put out orders for the shift supervisors to bring a non-routine grab sample of the CPI effluent cooling tower make-up water to the lab.	1. The CPI effluent water was sampled as soon as the omission was noted. 2. The Olefins I Plant will sample the CPI effluent to the cooling tower on a more frequent basis.
	Appendix A - LDAR		5/7/2013	During the LDAR Evaluation, 270 LDAR components were identified as being in VOC or HAP service but were not included in the LDAR Program.	Failure to add components to the LDAR Program during initial tagging.	1. The components were added to the LDAR Program and will be monitored as required.
	Appendix D - RCRA	Subsection B, paragraph 3	6/27/2013	A hazardous waste drum was stored for one day without an accumulation date in a designated 90 day storage area.	Failure to implement the existing written procedure.	1. The accumulation date was entered on the same day the problem was discovered. 2. Disciplinary actions were under evaluation for the personnel involved.
	Appendix A - LDAR		6/28/2013	During the LDAR Evaluation, 557 LDAR components were identified as being in VOC or HAP service but were not included in the LDAR Program.	Failure to add components to the LDAR Program during initial tagging.	1. The components were added to the LDAR Program and will be monitored as required.
	Appendix D - RCRA	Subsection B, paragraph 3	7/12/2013	A hazardous waste drum was stored for three days without an accumulation date in a designated 90 day storage area.	Failure to implement the existing written procedure.	1. The accumulation date was entered on the same day the problem was discovered. 2. Disciplinary actions were under evaluation for the personnel involved.
	Appendix D - RCRA	Subsection B, paragraph 3	8/8/2013	A hazardous waste drum was stored for two hours without an accumulation date in a designated 90 day storage area.	Failure to implement the existing written procedure.	1. The accumulation date was entered on the same day the problem was discovered. 2. Disciplinary actions were under evaluation for the personnel involved.
	Appendix A - LDAR		11/25/2013	During the LDAR Evaluation, 377 LDAR components were identified as being in VOC or HAP service but were not included in the LDAR Program.	Failure to add components to the LDAR Program during initial tagging.	1. The components were added to the LDAR Program and will be monitored as required.
	Appendix A - LDAR		12/6/2013	During the LDAR Evaluation, 422 LDAR components were identified as being in VOC or HAP service but were not included in the LDAR Program.	Failure to add components to the LDAR Program during initial tagging.	1. The components were added to the LDAR Program and will be monitored as required.
	Appendix A - LDAR		1/17/2014	During the LDAR Evaluation, 165 LDAR components were identified as being in VOC or HAP service but were not included in the LDAR Program.	Failure to add components to the LDAR Program during initial tagging.	1. The components were added to the LDAR Program and will be monitored as required.
	Appendix A - LDAR		1/22/2014	During the LDAR Evaluation, 268 LDAR components were identified as being in VOC or HAP service but were not included in the LDAR Program.	Failure to add components to the LDAR Program during initial tagging.	1. The components were added to the LDAR Program and will be monitored as required.

Attachment II

"Valve Technology Survey" Commercial Unavailability of a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology

(Reference: Appendix A, Subsection G, paragraph 20)

"Valve Technology Survey"
Commercial Unavailability of a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology

Prior to six (6) months after the leak definitions of Appendix A, Subsection C were effective, Formosa Plastics began implementing mechanisms to evaluate the commercial availability and unavailability of Certified Low-Leaking Valves or Certified Low-Leaking Valve Packing Technology ("Valve Technology Survey").

As of December 31, 2013, Formosa Plastics has not needed to claim that a valve affected by Appendix A, Subsection G during the period covered within the first LDAR Compliance Status Report, could not be replaced or repacked with a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology.

As such, the following CD reporting requirements do not apply at this time:

In the Compliance Status Reports due under Subsection M ~~N~~, Formosa shall:

(i) identify each valve for which it could not comply with the requirement to replace or repack the valve with a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology;

(ii) identify the vendors it contacted to determine the unavailability of such a Valve or Packing Technology; and

(iii) include the written representations or documentation that Formosa secured from each vendor regarding the unavailability.

Attachment III

Identification of Any Problems Encountered In Complying With the Requirements of Appendix A

(Reference: Appendix A, Subsection M, Paragraph 34a)

Identification of Any Problems Encountered In Complying With the Requirements of Appendix A

FPC TX did not encounter any problems in complying with the requirements of Appendix A.

Attachment IV

List of Deviations Identified in the QA/QC Performed Under Appendix A, Subsection I

(Reference: Appendix A, Subsection M, Paragraph 34e)

List of Deviations Identified in the QA/QC Performed Under Appendix A, Subsection I

Quarterly QA/QC reviews were performed according to Appendix A, Subsection I. The following items were reviewed:

a. whether any pieces of equipment that are required to be in the LDAR program are not included;
b. verify that equipment was monitored at the appropriate frequency;
c. verify that proper documentation and sign-offs have been recorded for all equipment placed on the DOR list;
d. verify that repairs have been performed in the required periods;
e. review monitoring data and equipment counts for feasibility and unusual trends;
f. verify that proper calibration records and monitoring instrument maintenance information are maintained; and
g. verify that other LDAR program records are maintained as required.

No deviations were identified during these reviews.

Attachment V

Status of Corrective Action Taken During the Reporting Period from 1/1/2013 – 12/31/2013

(Reference: Appendix A, Subsection M, Paragraph 34g)

Corrective Actions According to Appendix A, Subparagraph 34g

Corrective Actions for Deviations identified in the quarterly QA/QC performed under Appendix A, Subsection I, Paragraph 24 are listed in Attachment IV. Other than these, there are no Corrective Actions to be implemented during this period for FPC TX.

Certification Statement for Formosa Plastics Corporation, Louisiana (FPC LA)

I, Kelly Serio, certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons 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 fine and imprisonment for knowing violations.

I also certify that "LDAR trainings in accordance with this Consent Decree have been done" in FPC LA per Appendix A, Subsection H, Paragraph 22.

Kelly Serio
Vice President/General Manager
Formosa Plastics Corp., Louisiana

List of Attachments for CD/LDAR Annual Report FPC LA

Attachment I – Table of Non-Compliances with the Consent Decree
(Reference: Consent Decree Paragraph 23b and Appendix A, Subsection M, Paragraph 34a)

Attachment II – "Valve Technology Survey" Commercial Unavailability of a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology
(Reference: Appendix A, Subsection G, Paragraph 20 and Appendix A, Subsection M, Paragraph 34c)

Attachment III – Identification of Any Problems Encountered In Complying with the Requirements of Appendix A
(Reference: Appendix A, Subsection M, Paragraph 34a)

Attachment IV – List of Deviations Identified in the QA/QC Performed Under Appendix A, Subsection I
(Reference: Appendix A, Subsection M, Paragraph 34e)

Attachment V – Status of Corrective Action Taken During the Reporting Period (1/1/2013 – 12/31/2013)
(Reference: Appendix A, Subsection M, Paragraph 34g)

Attachment VI – Summary of Results from the Quarterly Trend Analysis
(Reference: Appendix C, Paragraph 5)

Attachment I

Table of Non-Compliances with the Consent Decree with Attached Letters

(Consent Decree paragraph 23b and Appendix A, Subsection M, paragraph 34a)

Formosa Plastics®

Formosa Plastics Corporation, Louisiana
P.O. Box 271
Baton Rouge, LA 70821-0271
Telephone: (225)-356-3341
Fax: (225)-356-8611

July 5, 2013

U. S. CERTIFIED MAIL No. 7011 3500 0000 7906 8285
RETURN RECEIPT

Associate Director, Air/Toxics and Inspection Coordination Branch (6EN-A)
Compliance Assurance and Enforcement Division
U.S. Environmental Protection Agency, Region VI
1445 Ross Avenue, Suite 1200
Dallas, TX 75202

Subject: Consent Decree Between U.S. Environmental Protection Agency and Formosa
Civil Action No. 6:09-cv-00061

Dear Sir:

In accordance with Section VI, Paragraph 23.b of the subject consent decree, Formosa Plastics Corporation, Louisiana (FPC LA) is hereby providing timely notice of potential noncompliance with Appendix A of the Decree. It was discovered that some Existing Covered Equipment was inadvertently not included in the Leak Detection and Repair (LDAR) program within one year of the Date of Lodging as detailed below, but was subsequently added to the system to immediately resolve this issue.

Upon discovery on June 27, 2013, 227 components (175 connectors and 52 valves) in the VCM Unit were added to the LDAR system. The components were small ancillary equipment essentially associated with two (2) transfer pumps located in a remote part of the unit. While these 2 (dual mechanical seal) transfer pumps were properly included in the LDAR program, historically, these associated components were grouped in a previously existing VCM1 Unit. This unit has since been shut down and physically removed except for certain equipment which is now accounted as part of the existing VCM (aka, VCM2) Unit.

The cause of non-inclusion appears to be that these ancillary components were not properly imported into the LDAR program database during the conversion process from one database software provider to another. This software change was performed in conjunction with a change in LDAR contractors at the facility during Consent Decree negotiations. It appears that the components may have been inadvertently grouped with otherwise removed equipment in the area listed as out of service and subsequently were not imported into the current LDAR database during the software conversion.

Discovery of these components was actually the result of implementing the LDAR "green-tag program" included in the corrective action plan improvement implemented as reported in our

January 7, 2013, correspondence. Upon such discovery, and as the immediate corrective action, these components were re-tagged, monitored, and entered into the existing LDAR database. In all instances, these components were confirmed to be non-leakers.

FPC LA regrets that these inadvertent errors have occurred in its system and is committed to improving its LDAR system as necessary to prevent future occurrence.

Sincerely,

Jay Su 7/5/13
VP Vinyl Division
Formosa Plastics Corporation, USA

cc: via Certified Mail: 7011 3500 0000 7906 8292
Director, Special Litigation and Projects Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW (MC 2248-A)
Washington, DC 20460

via Certified Mail: 7011 3500 0000 7906 8308
Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
Box 7611 Ben Franklin Station
Washington, D.C. 20044-7611
Re: DOJ No. 90-5-2-1-08995

Attachment II

"Valve Technology Survey" Commercial Unavailability of a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology

(Reference: Appendix A, Subsection G, paragraph 20)

"Valve Technology Survey"
Commercial Unavailability of a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology

Prior to six (6) months after the leak definitions of Appendix A, Subsection C were effective, Formosa Plastics began implementing mechanisms to evaluate the commercial availability and unavailability of Certified Low-Leaking Valves or Certified Low-Leaking Valve Packing Technology ("Valve Technology Survey").

As of December 31, 2013, Formosa Plastics has not needed to claim that a valve affected by Appendix A, Subsection G during the period covered within the first LDAR Compliance Status Report, could not be replaced or repacked with a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology.

As such, the following CD reporting requirements do not apply at this time:

In the Compliance Status Reports due under Subsection M, Formosa shall:

(i) identify each valve for which it could not comply with the requirement to replace or repack the valve with a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology;

(ii) identify the vendors it contacted to determine the unavailability of such a Valve or Packing Technology; and

(iii) include the written representations or documentation that Formosa secured from each vendor regarding the unavailability.

Attachment III

Identification of Any Problems Encountered
In Complying With the Requirements of
Appendix A

(Reference: Appendix A, Subsection M,
Paragraph 34a)

Identification of Any Problems Encountered In Complying With the Requirements of Appendix A

Other than those listed in Attachment I, FPC LA did not encounter any problems in complying with the requirements of Appendix A.