AI/AI/EN 1100 1892587

44/855 v.c. 6

Formosa Plastics

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RECEIVE

FEB - 4 2013

Air/Toxics & Inspection Coordination Branch 6EN-A

January 31, 2013

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
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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: 7011 0110 0000 1782 9671

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 07/01/2011 - 06/30/2012) and its Leak Detection and Repair (LDAR) Annual Compliance Status Report (for the Period of 01/01/2012 -12/31/2012). 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

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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 – Findings and Corrective Actions for LDAR Audit, Including Updates to Any Corrective Actions that are Necessary
(Reference: Appendix A, Subsection L, Paragraph 33 and Subsection M, Paragraph 34f)

Attachment III – "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)

Attachment IV - Identification of any Problems Encountered in Complying with the Requirements of Appendix A
(Reference: Appendix A, Subsection M, Paragraph 34a)

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

Attachment VI – Status of Corrective Action Taken During the Reporting Period from 1/1/2012 – 12/31/2012
(Reference: Appendix A, Subsection M, Paragraph 34g)

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

Attachment VIII – Quarterly Uncontrolled Benzene Quantity and Projected Uncontrolled Benzene Quantity for Reporting Period from 7/1/2011 – 6/30/2012
(Reference: Appendix B, Paragraph 10a(3))

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

List of Attachments for CD/LDAR Annual Report FPC TX

Attachment X – Laboratory Audit Reports
(Reference: Appendix B, Paragraph 13a(6))

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

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

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

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

Reporting Period:
LDAR App A Sub M only: 01/01/12-12/31/12
All other: 07/01/11-06/30/12

FPC TX Consent Decree Annual Report

Consent Decree Section	Subsection	Paragraph	Consent Decree Requirement	Compliance Date	Comments
VI Reporting Requirement	NA	23.a	Defendants shall submit to EPA an Annual Report. The first Annual Report shall be due 31 days after the first full calendar half-year after the Effective Date of this Consent Decree (*i.e.,* either: (i) January 31 of the year after the Effective Date, if the Effective Date is between January 1 and June 30 of the preceding year; or (ii) July 31 of the year after the Effective Date, if the Effective Date is between July 1 and December 31). The initial Annual Report shall cover the period between the Date of Lodging and the first full half-year calendar date (*i.e* ., June 30 or December 31) after the Date of Lodging (a "half-year" runs between January 1 and June 30 and between July 1 and December 31). Until termination of this Decree, each subsequent report will be due on the same date in the following year and shall cover the prior two half-years (*i.e.* , either January 1 to December 31 or July 1 to June 30). The Annual Report shall include:	1/31/13	No Comment
VI Reporting Requirement	NA	23.a	all information required to be reported in the Annual Report under Appendices A through F of this Consent Decree (which may reference specific information previously submitted to EPA pursuant to this Consent Decree without re-submitting same);	1/31/13	See Attachments detailed below
VI Reporting Requirement	NA	23.b.1	a description of any noncompliance with the requirements of this Consent Decree and an explanation of the likely cause and of the remedial steps taken, or to be taken, to prevent or minimize such noncompliance.	1/31/13	See Attachment I
Appendix A Enhanced LDAR Program	G Equipment Replacement / Improvement	20	In the Compliance Status Reports due under Subsection 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.	9/29/10	See Attachment III
Appendix A Enhanced LDAR Program	G Equipment Replacement / Improvement	20	In such event, Defendants shall comply with the vendor inquiry requirements of this Paragraph 20 and submit the Valve Technology Survey with the first Compliance Status Report under Subsection M. Such survey shall include the information required in Subparagraphs 20 (i) through (iii) above. Any changes in commercial unavailability will be updated thereafter within the next Compliance Status Report(s).	9/29/10	See Attachment III

FPC TX Consent Decree Annual Report

Consent Decree Section	Subsection	Paragraph	Consent Decree Requirement	Compliance Date	Comments
Appendix A Enhanced LDAR Program	L Recordkeeping	33	After the completion of any LDAR Audit, Defendants shall include the following information in the next Annual Report due under this Consent Decree: (i) a summary, including findings, of each such LDAR Audit; (ii) a list of corrective actions taken during the reporting period, if necessary; and any schedule for implementing future corrective actions, if necessary. Upon request by EPA, Defendants shall make all such documents available to EPA and shall provide, in their original electronic format, all LDAR monitoring data generated during the life of this Consent Decree.	Begin by 3/29/10; thereafter every two years	See Attachment II
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.a	Compliance Status Reports. On the dates and for the time periods set forth in Paragraph 35, Defendants shall submit to EPA, in the manner set forth in Section XIV ("Notices") of this Decree, the following information: a. An identification and description of any non-compliance with the requirements of this Appendix A;	1/31/13	See Attachment I
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.b	An identification of any problems encountered in complying with the requirements of this Appendix A;	1/31/13	See Attachment IV
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.c	The information required in Subsection G, Paragraph 20;	1/31/13	See Attachment III
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.d	A certification that LDAR trainings in accordance with this Consent Decree have been done;	1/31/13	Included within Certification
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.e	Any deviations identified in the QA/QC performed under Subsection I of this Appendix A;	1/31/13	See Attachment V

Reporting Period:
LDAR App A Sub M only: 01/01/12-12/31/12
All other: 07/01/11-06/30/12

FPC TX Consent Decree Annual Report

Consent Decree Section	Subsection	Paragraph	Consent Decree Requirement	Compliance Date	Comments
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.f	A summary of LDAR audit results including specifically identifying all areas of non-compliance; and	1/31/13	See Attachment II
Appendix A Enhanced LDAR Program	M LDAR Reporting and Recordkeeping Requirements	34.g	The status of all Corrective Action that was undertaken during the reporting period.	1/31/13	See Attachments VI
Appendix B Benzene Waste Operations NESHAP	Carbon Canisters	5.a	By no later than six (6) months after the Date of Lodging of this Decree, FPC TX shall complete installation of primary and secondary carbon canisters at locations currently using single canisters and shall operate them in series. As part of the first Annual Report (Section VI of this Decree) due following completion of the installation of the dual canisters, FPC TX shall notify EPA that installation has been completed (if necessary). The report shall include a list of all locations in FPC TX where carbon canister systems are used as control devices under Subpart FF.	3/29/10	See Attachment VII
Appendix B Benzene Waste Operations NESHAP	Sampling.	10.a.3	At the end of each calendar quarter following the commencement of quarterly sampling, FPC TX shall calculate a quarterly uncontrolled benzene quantity and shall estimate a projected calendar year uncontrolled benzene quantity based on the quarterly end of line sampling results, non-end of line sampling results, and the flow calculations. FPC TX shall submit the uncontrolled benzene quantity in the Annual Reports due under Section VII of this Consent Decree. If the projected calendar year calculations demonstrate an uncontrolled benzene quantity of greater than 1.5 Mg/yr, FPC TX shall provide this information to EPA within 30 days of the end of the calendar quarter.	Begin by 7/31/10 Thereafter, quarterly	See Attachment VIII
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a	As part of the Annual Reports required by Section VII or as otherwise required under this Subsection, FPC TX shall submit, as and to the extent required, the following information to EPA:	1/31/13	No Comment

FPC TX Consent Decree Annual Report

Consent Decree Section	Subsection	Paragraph	Consent Decree Requirement	Compliance Date	Comments
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.1	BWON Compliance Review and Verification Report (under Subparagraph 3.a.), as amended, if necessary;	1/31/13	Not necessary for this report
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.2	Amended TAB Report, if necessary (under Subparagraph 4.a.);	1/31/13	Not necessary for this report
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.3	BWON Corrective Measures Plan, if necessary (under Subparagraph 4.b.);	1/31/13	Not necessary for this report
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.4	Certifications of Compliance, if necessary (under Subparagraph 4.c.) (Actions Necessary to Correct Non-Compliance, Certification of Compliance);	1/31/13	Not necessary for this report
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.5	notification, if necessary, that FPC TX has completed the installation of primary and secondary carbon canisters at locations using single canisters prior to the Date of Lodging, and is operating the primary and secondary carbon canisters in series (under Subparagraph 5.a. (Carbon Canisters));	1/31/13	Not necessary for this report
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.6	Initial and subsequent Laboratory Audit Reports (under Paragraph 7);	1/31/13	See Attachment X

FPC TX Consent Decree Annual Report

Consent Decree Section	Subsection	Paragraph	Consent Decree Requirement	Compliance Date	Comments
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.7	a description of the measures taken, if any, during the preceding twelve (12) month period to comply with the training provisions of Paragraph 9;	1/31/13	See Attachment XI
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.8	BWON Sampling Plan, and revised BWON Sampling Plan, if necessary (under Subparagraph 10.a.); and,	1/31/13	See Attachment IX
Appendix B Benzene Waste Operations NESHAP	Recordkeeping and Reporting Requirements	13.a.9	a summary of the sampling results required under Subparagraph 10.a.	1/31/13	See Attachment XII
Appendix C Vinyl Chloride NESHAP	Trend Analysis	5	A summary of the results of the quarterly trend analysis will be included in the Annual Report.	1/31/13	See Attachment XIII
Appendix C Vinyl Chloride NESHAP	LDE Audits	9	LDE Audit Reports will be submitted in the next Annual Report due under this Consent Decree.	1/31/13	Not necessary for this report
Appendix D Resource Conservation and Recovery Act	B	1.f	FPC TX shall report all sampling results in the Annual Report that is required under this Consent Decree.	1/31/13	See Attachment XII

Attachment I

Table of Non-Compliances with the Consent Decree

(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
1	Appendix A - LDAR		1/5/2012	Equipment was discovered that had not been added to the LDAR Program within one year of the Date of Lodging.	While conducting routine inventory maintenance activities, it was determined that the equipment was in VOC service. The affected equipment was not identified by the operating department as being in VOC service when the LDAR tagging was previously completed.	1. Upon discovery, the covered equipment was added to the LDAR system and monitored as required per Method 21.
2	Appendix A - LDAR		2/14/2012	Equipment was discovered that had not been added to the LDAR Program within one year of the Date of Lodging.	While conducting routine inventory maintenance activities, it was discovered that this VOC equipment was not in the LDAR program.	1. The equipment had been included in the required AVO inspections, and there was no indication of leaks. 2. Upon discovery, the covered equipment was added to the LDAR system and monitored as required per Method 21.
3	Appendix A - LDAR		4/5/2012	Equipment was discovered that had not been added to the LDAR Program within one year of the Date of Lodging.	During the required third-party LDAR audit, components were identified as being in VOC service but not in the LDAR program. While conducting routine inventory maintenance activities three days later, it was determined that a second section of VOC equipment was not in the LDAR program.	1. Upon discovery, the covered equipment was added to the LDAR system and monitored as required per Method 21.
4	Appendix D - RCRA	Subsection B, paragraph 3	5/3/2012	A hazardous waste drum was stored without a bung in a Satellite Area. Two hazardous waste drums containing the same type of waste were stored without an accumulation date allowing an excess accumulation of waste in a Satellite Area.	Failure to implement the existing written procedure.	1. A bung was placed on the open container. 2. The two drums were removed from the Satellite Area to the Less then 90 Day Storage Area. 3. The responsible employee was retrained by his supervisor and disciplinary actions are under review for the personnel involved.

Formosa Plastics®

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January 5, 2012

Certified Mail: 7008 1830 000 9417 1441

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

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

Dear Madam and Sirs:

In accordance with Section VI, Paragraph 23.b. of the subject Consent Decree, Formosa Plastics Corporation, Texas is hereby providing timely notice of a noncompliance with Appendix A of the Decree. It was discovered that Existing Covered Equipment was not included in the facility-wide Leak Detection and Repair (LDAR) program. This situation has been resolved.

Cause of Violation:
On December 19, 2011, FPC TX discovered that 9 Valves and 29 Connectors had not been added to the LDAR program within one year of the Date of Lodging. While conducting routine inventory maintenance activities, it was discovered that this VOC equipment was not in the LDAR program. The affected equipment was not identified by the operating department as being in VOC service when the LDAR tagging was previously completed.

Corrective Actions Taken:
Upon discovery, the covered equipment was added to the LDAR system and monitored as required per Method 21.

Sincerely,

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

ISO 9001:2000 FM 31429
ISO 14001 EMS 35710

cc: Certified Mail: 7008 1830 0000 9417 1458
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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

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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

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Formosa Plastics

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FILE

February 14, 2012

Certified Mail: 7008 1830 0000 9417 1908

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

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

Dear Madam and Sirs:

In accordance with Section VI, Paragraph 23.b. of the subject Consent Decree, Formosa Plastics Corporation, Texas is hereby providing timely notice of a noncompliance with Appendix A of the Decree. It was discovered that Existing Covered Equipment was not included in the facility-wide Leak Detection and Repair (LDAR) program. This situation has been resolved.

Cause of Violation:
On January 31, 2012, FPC TX discovered that 35 Valves and 106 Connectors had not been added to the LDAR program within one year of the Date of Lodging. While conducting routine inventory maintenance activities, it was discovered that this VOC equipment was not in the LDAR program. The equipment had been included in the required AVO inspections, and there was no indication of any leaks.

Corrective Actions Taken:
Upon discovery, the covered equipment was added to the LDAR system and monitored as required per Method 21 with no leaks found.

Sincerely,

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

cc: Certified Mail: 7008 1830 0000 9417 1915
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Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
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Washington, DC 20460

Certified Mail: 7008 1830 0000 9417 1922
Chief, Environmental Enforcement Section
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Washington, D.C. 20044-7611
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April 5, 2012

Certified Mail: 7011 0110 0000 1782 5147

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

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

Dear Madam and Sirs:

In accordance with Section VI, Paragraph 23.b. of the subject Consent Decree, Formosa Plastics Corporation, Texas is hereby providing timely notice of a noncompliance with Appendix A of the Decree. It was discovered that Existing Covered Equipment was not included in the facility-wide Leak Detection and Repair (LDAR) program. This situation has been resolved.

Cause of Violation:
On March 23, 2012, FPC TX discovered that 46 Valves, 115 Connectors, 1 PRV, and 2 Pumps had not been added to the LDAR program within one year of the Date of Lodging. During the Third-Party LDAR Audit required under Appendix A, Section J, Paragraph 26 of the subject Consent Decree, these components were identified as being in VOC service but were not in the LDAR Program. These missed components will be included in the Audit report that will be submitted at a later date.

On March 26, 2012, FPC TX discovered that 18 Valves and 44 Connectors had not been added to the LDAR program within one year of the Date of Lodging. While conducting routine inventory maintenance activities, it was discovered that this VOC equipment was not in the LDAR program.

Corrective Actions Taken:
Upon discovery, the covered equipment was added to the LDAR system and monitored as required per Method 21.

Sincerely,

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

ISO 9001:2000 FM 31479 ISO 14001 EMS 35710

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Office of Enforcement and Compliance Assurance
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1200 Pennsylvania Avenue, NW (MC 2248-A)
Washington, DC 20460

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Environment and Natural Resources Division
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Box 7611 Ben Franklin Station
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Formosa Plastics

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May 3, 2012

Certified Mail: 7011-0110-0000-1782-6199

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

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

Dear Madam and Sirs:

In accordance with Section VI, Paragraph 23.b. of the subject Consent Decree, Formosa Plastics Corporation, Texas is hereby providing timely notice of noncompliances with Appendix D, Provision B.3 of the Decree. A hazardous waste drum was stored without a bung at the Satellite Area. Additionally, two hazardous waste drums both containing the same type of waste were stored without an accumulation date in two containers allowing an excess accumulation of waste in a satellite. The situations were addressed as described below.

Cause of Violation:

Failure to implement the existing written procedure is the likely cause of the non-compliance. The drum violations were immediately resolved. A hazardous waste drum was stored without a bung at the Satellite Area. The missing bung was replaced closing the contents of the container. Additionally, two hazardous waste drums both containing the same type of waste were stored without an accumulation date in two containers allowing an excess accumulation of waste in a satellite. The situations were addressed as described below. An accumulation date was entered on each drum and both were taken to the <90 day storage area the following day.

Remedial Actions Taken to Prevent Reoccurrence:

The drum deficiencies were resolved. (A bung was placed on the container. The two drums were accumulated and removed from the satellite storage area to the less than 90 day storage area.) Employee was retrained by his supervisor. Disciplinary actions are under evaluation for the personnel involved, and such actions will follow the site's standard progression for disciplinary matters.

Sincerely,

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

cc: Certified Mail: 7011-0110-0000-1782-6205
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Attachment II

Findings and Corrective Actions for LDAR Audit, Including Updates to Any Corrective Actions that are Necessary

(Reference: Appendix A, Subsection L, Paragraph 33 and Subsection M, Paragraph 34f)

Findings and Corrective Actions for LDAR Audit, Including Updates to Any Corrective Actions that are Necessary

The two findings included in the March 19-23, 2012 LDAR Compliance Audit Report are listed below along with the status of the associated corrective actions.

1. **Finding** – Eight open-ended lines were observed during field walkthroughs of the facility's process units. The open-ended lines were observed in the Olefins II (OLII) and Formosa Hydrocarbons (FHC) units.

   Corrective Action – The open-ended lines were corrected immediately upon discovery in both units. FPC TX will continue to require OEL awareness training for applicable personnel.

   Status – Completed and confirmed 3/23/2012

2. **Finding** – Forty-seven (47) components were observed that were excluded from the LDAR database. There were also three single sealed pumps that were not being monitored properly. These components and pumps were located in the Olefins II (OLII) and Formosa Hydrocarbons (FHC) units.

   Corrective Action – All components were tagged and added to the database upon discovery. Monitoring immediately followed for these components. The components have been incorporated into the regular monitoring schedule. USEPA was notified as required by letter dated April 5, 2012.

   Status – Completed 3/30/2012

Other than these findings, there are no other Corrective Actions required to be implemented during this reporting period.

Attachment III

"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").

For the reporting period of January 1, 2012, to December 31, 2012, Formosa Plastics does not need to claim that a valve affected by the requirements of Appendix A, Subsection G, could not be replaced or repacked with a Certified Low-Leaking Valve or Certified Low-Leaking Valve Packing Technology due to commercial unavailability.

As such, the following CD reporting requirements were not triggered for this LDAR Compliance Status Report:

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 IV

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 V

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 VI

Status of Corrective Action Taken During
the Reporting Period from
1/1/2012 – 12/31/2012

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

Status of Corrective Actions Taken During the Reporting Period from 1/1/2012 – 12/31/2012

Corrective Actions for the LDAR Audit are listed in Attachment II. 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 (1/1/2012– 12/31/2012)
(Reference: Appendix A, Subsection M, Paragraph 34g)

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

Attachment VII – Findings and Corrective Actions for LDAR Audit, including Updates to any Corrective Actions that are necessary
(Reference: Appendix A, Subsection L Paragraph 33 and Appendix A, Subsection M Paragraph 34f)

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
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Baton Rouge, LA 70821-0271
Telephone: (225)-356-3341
Fax: (225)-356-8611

January 7, 2013

U. S. CERTIFIED MAIL No. 7011 0110 0001 4196 9519
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, and as originally referenced in our October 2, 2012 correspondence, Formosa Plastics Corporation, Louisiana (FPC LA) is hereby providing this notification for the timely notice of noncompliance with Appendix A of the Decree. As the result of follow-up action to our investigation reported on October 19, 2012, FPC LA has identified some additional components to those provided in the supplemental notification as described below.

Upon discovery on December 20, 2012, 33 components in the VCM Unit were added to the LDAR system. As previously reported, the cause of these instances was also determined to be inappropriate application of the Management of Change procedure for small changes to this process. All such components were confirmed to be non-leakers.

Also, as requested by EPA, a report which summarizes the investigation associated with the discovery of reported findings, causes determined, and corrective action plan implemented is included herein.

Sincerely,

Jay Su
VP Vinyl Division
Formosa Plastics Corporation, USA

cc: via Certified Mail: 7011 0110 0001 4196 9533
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 0110 0001 4196 9496
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

Report of Enhanced LDAR Program Corrective Actions 2012 at Formosa Plastics Corporation, Louisiana

Purpose

Notifications of potential non-conformances with Appendix A of the Consent Decree Between U.S. EPA and Formosa Plastics, Civil Action No. 6:09-cv-00061, specifically as related to the enhanced LDAR requirements, were made to EPA and DOJ in accordance with Section VI, Paragraph 23.b of the consent decree. These notifications and supplements to such notifications were provided to EPA HQ, EPA Region VI, and DOJ on October 2, 2012; October 19, 2012; November 7, 2012; and January 7, 2013. This report summarizes details associated with those reports and the actions either already put in place or planned to be put in place to correct these issues and further assure future prevention in order to maintain compliance with the enhanced LDAR program requirements.

Introduction

More than 40,000 components are maintained in the Formosa Plastics Corporation, LA (FPC) LDAR Program with over 77,000 monitoring events conducted each year. Several layers of rigorous procedures and efforts are in place which involve many individuals in multiple disciplines to maintain compliance with this important program. In addition, the program also utilizes various quality assurance and quality control checks and audits to verify the system integrity and to identify ways to improve the system or otherwise assure the intended functionality. FPC remains diligent to improvements via periodic evaluations and in fact, such evaluations of its systems have led to the findings which resulted in these notifications to EPA.

This document summarizes the investigation associated with discovery of the reported findings, the causes determined, and the corrective action plan put in place as a result. This report was developed and is being provided to EPA at their request on November 9, 2012, and will also be included as an attachment to the next subsequent annual report due under the terms of the consent decree on January 30, 2013.

Investigation

Field observations and reviews led to FPC reminding its LDAR contractor of its contractual task to maintain physical component identifications in accordance with FPC procedures. This included timely replacement of missing tags, illegible tags, painted tags, etc. for which replacements would be required regardless of any contractor field route mapping which may otherwise be used or in place to assure monitoring completion. As a result of this discussion, the contractor conducted additional field checks specifically to address this issue and subsequently provided a listing of components for which additional and replacement tags were placed.

As this listing appeared more comprehensive than originally envisioned from the initial discussion with the contractor, a series of meetings with the contractor resulted in them identifying during their routine monitoring tasks a universe of components that needed further FPC review relative to the enhanced LDAR program requirements. FPC then launched a broader investigation in order to determine the legitimacy of the contractor-determined components on the list which had been tagged and added to the LDAR database. This investigation was then used to categorize the causes and types of components included on this list in order to not only correct any potential non-compliances but also to understand the root cause(s) of such and then to develop corrective actions. It is noted that all of the components (of which at least 70% were connectors) that were added to the system, upon discovery at the time of being added, were monitored and that all were determined to be non-leakers.

As this investigation continued, it became obvious that a team of operations and EHS personnel would have to work with the LDAR contractor personnel to review each and every component identified in order to assure the component service, size, type, etc. such that each was properly classified in accordance with regulatory and consent decree requirements. During the course of the investigation, as questions were raised with operational personnel, additional awareness caused personnel to further evaluate systems and subsequently resulted in another set of unidentified components that needed to be rectified. An additional notification to EPA and DOJ was made as a result and the investigation was expanded to include these.

To accomplish this broadened effort for the ultimately concluded 944 components (initially 662, then 282 more), an accelerated schedule was developed with a team of personnel from each unit. Each component was logged and documented with the details necessary to properly categorize the components into the database

appropriately and then to use this information to determine the root cause(s) for why the components were not historically identified in the system.

It is noted that during the course of this writing, a few other components were identified as missing from the system (33 components) and subsequently added to this investigation, again attributed to the same root cause as noted below. Notice of these components was provided on January 7, 2013, along with this report. While it is difficult to understand why there have been multiple discoveries of such components, it appears that these have been the result of the same root cause noted below as an insufficiency of an existing procedure, especially for inclusion of relatively minor changes to the process ancillary piping.

Causes

A comprehensive review of the results led to only two more broadly identified causes for the categorized components from the database.

The first and most significant conclusion was that the existing management of change (MOC) procedure for small changes to the process was misapplied. In this case, there were 560 components, none of which were leakers, and of which approximately 70-75% were connectors, with the remaining components being relatively small valves. Many of the components in this classification were determined to be components associated with exclusions erroneously applied; i.e., instrumentation valves greater than 0.5 inches and therefore not exempt. Other components were the result of minor changes which failed to follow the MOC procedure to get these components properly added to the database by the LDAR contractor and the LDAR contractor did not otherwise flag these during its routine screenings. Such minor changes to the process included such items as:

- Instrumentation changes which increased the 0.5 inch nipple to 0.75 inch via additional reducing connectors in order to replace a pressure gauge (for example)
- Addition of "block and bleed" components at the end of OEL's to assist with equipment decontamination prior to system shutdown, but such additions were not properly removed prior to startup (while not included in the database, these components were monitored as being part of the Open Ended Line Closure Device (OELCD) per the LDAR contractors statements)

- Relatively minor piping changes for small in diameter (1 inch) connectors that were missed due t inappropriate application of the broader MOC procedure for larger project type changes
- Miscommunication between LDAR contractor and Operations/Maintenance personnel when adding/removing components perhaps thought to be temporary
- Confusion associated with OELCD monitoring results by the LDAR contractor based on this new component type as defined in the consent decree.

The other conclusion resulted in 384 components missing from the database, none of which were determined to be leakers and again of which approximately 70-75% were connectors, with the remaining components being relatively small valves. This grouping of components was more mysterious in that a common root cause could not be definitively determined for these. It is generally unknown, but is perhaps due to historic changes in LDAR database software, software upgrades, and/or changes in LDAR contractors who manage the software and tagging/monitoring program. The following is noted concerning this conclusion as reference:

- New LDAR contractor change was done on an accelerated pace without the normal transition that would have been conducted as a result of the consent decree settlement discussions that were on-going at the time.
- FPC has read-only access to the LDAR database.
- Perhaps some LDAR tag duplication from missing tags associated with the component routings and potential routing changes for some of the components may account for some of these.
- There is evidence of previous existence of these components in the LDAR system due to the obvious physical proximity of these components that are in line with other components that are properly included in the system.

Corrective Actions and Conclusion

As a result of its observations and reviews, FPC directed its LDAR contractor to review both the VCM and PVC units to look for concerns identified with component tagging. This resulted in the need for subsequent and further

comprehensive investigation to determine proper classification of components identified and root causes for those components that were not included in the LDAR system. FPC held several meetings with supervisors and managers of the units and the LDAR contractor to communicate the concerns and develop a path forward. As a result, and now indicative of better awareness by personnel of the importance of following the procedures on even relatively minor changes, some additional components were identified and attributed to the same root cause associated with the existing MOC procedure.

FPC has developed a much more rigorous LDAR MOC procedure which is now being implemented. This procedure is designed to complement and supplement the existing broader MOC procedure as well as the corporate and facility LDAR procedures for the enhanced LDAR program. The procedure incorporates a better approval process for even minor changes and provides for overlapping provisions to enhance the capture of changed components in the system at multiple levels, including the designation of unit LDAR coordinators to review all such changes within the respective unit.

In addition, the procedure incorporates the LDAR contractor driven "green tag program" which provides another element for evaluating and timely correcting any discrepancies in the field. The green tag program may be implemented by the LDAR contractor as well as by operations personnel and fosters communication between both groups and also provides a tracking mechanism to assure completion of identified concerns. This program provides a method which may be systematically implemented to flag and timely correct component discrepancies which may be questioned by personnel familiar with the process in each unit.

While none of the identified components during the course of this exercise were noted as leakers, and while most (over 70%) were small connectors, FPC remains diligent in its efforts to review and improve its systems. It is noted that even this investigation's concern was only identified as a result of continuing review of systems in place to prevent such findings, and was only recently discovered despite numerous reviews and evaluations by many personnel and third parties in various disciplines. The components identified are a relatively small addition to the thousands of components included in the program. The corrective action should provide improvement to existing systems to assure additional attention is focused on even the small changes that may otherwise go unnoticed.

Formosa Plastics®

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November 7, 2012

U. S. CERTIFIED MAIL No. 7011 0110 0001 4196 9472
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, and as originally referenced in our October 2, 2012 correspondence, Formosa Plastics Corporation, Louisiana (FPC LA) is hereby providing this notification for the timely notice of noncompliance with Appendix A of the Decree. As the result of follow-up action to our investigation reported on October 19, 2012, FPC LA has identified some additional components to those provided in the supplemental notification as described below.

Upon discovery on October 26, 2012, 282 components in the VCM Unit were added to the LDAR system. As previously reported, the cause of these instances was also determined to be inappropriate application of the Management of Change procedure for small changes to this process. All such components were confirmed to be non-leakers.

Also, as previously reported as our corrective action, a more rigorous procedure and tracking mechanism is being implemented to better emphasize handling of LDAR components associated with changes integral to the process.

Sincerely,

Jay Su / Kelly Seno

Jay Su
VP Vinyl Division
Formosa Plastics Corporation, USA

ISO 9001:2000 FM 31430
ISO 14001 EMS 36149

cc: via Certified Mail: 7011 0110 0001 4196 9489
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 0110 0001 4196 9496
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

Formosa Plastics®

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October 19, 2012

U. S. CERTIFIED MAIL No. 7011 0110 0001 4196 9410
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, and as noted in our October 2, 2012 correspondence, Formosa Plastics Corporation, Louisiana (FPC LA) is hereby providing this supplemental notification for the timely notice of noncompliance with Appendix A of the Decree. As the result of our investigation initiated from auditing and monitoring activities, FPC LA has resolved recent component identification concerns as summarized herein.

While conducting routine LDAR monitoring and upon discovery, 43 components in the PVC Unit and 235 components in the VCM Unit were confirmed for addition to the LDAR system. The cause of these instances was determined to be inappropriate application of the Management of Change procedure for small changes to the process. Additionally, 118 components in the PVC Unit and 266 components in the VCM Unit, appear to have been inadvertently missing from, duplicated in, or otherwise removed from the LDAR database for unknown reasons and subsequently added back to the database. At the time of discovery, all components were confirmed to be non-leakers.

A more rigorous procedure and tracking mechanism is being implemented to better emphasize handling of LDAR components associated with all changes integral to the process. FPC LA regrets that these errors have occurred in its system and is committed to improving its LDAR system as necessary to prevent future occurrences.

Sincerely,

Jay Su
VP Vinyl Division
Formosa Plastics Corporation, USA

Formosa Plastics Corporation, USA

cc: via Certified Mail: 7011 0110 0001 4196 9427
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 0110 0001 4196 9434
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

Formosa Plastics

Formosa Plastics Corporation, Louisiana
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October 2, 2012

U. S. CERTIFIED MAIL No. 7011 0110 0000 1782 8360
RETURN RECEIPT

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

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

Dear Madam and Sirs:

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. FPC LA has reason to believe that it will more likely than not fail to have timely added new and/or existing Covered Equipment to the Leak Detection and Repair (LDAR) program pursuant to Appendix A. In making this determination on September 19, 2012, FPC LA has been working diligently to assess the magnitude of and remediate the situation as detailed below.

While conducting routine LDAR monitoring, component identification associated with the LDAR system resulted in initiation of an investigation in both the PVC and VCM units. Preliminary results indicate that approximately 200 components (mostly connectors) may ultimately become permanent additions to the system for the PVC Unit, but the investigation in the VCM Unit has not progressed enough to reasonably estimate the number of affected components in this unit as well. It is believed that many of these components in question may not be subject to LDAR requirements due to various regulatory exemptions or exclusions such as misidentification of components as being in VOC service that in fact, are not in VOC service; exempted instrumentation system components; and insulated connectors.

As this investigation is still on-going, FPC LA wanted to provide this timely notification, but must complete this effort in order to summarize the results. A supplemental notification will be

provided by October 19, 2012, barring any unexpected circumstances, that will include the cause(s) and remedial steps to be taken to prevent or minimize identified noncompliance. In the interim, the recently identified Covered Equipment was entered into the LDAR system for applicable monitoring until the investigation and determinations are complete.

Sincerely,

Jay Su
VP Vinyl Division
Formosa Plastics Corporation, USA

cc: via Certified Mail: 7011 0110 0000 1782 8735
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 0110 0000 1782 8742
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, 2012, 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 LA 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 1/1/2012 – 12/31/2012

(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. Corrective actions associated with non-compliances with the Consent Decree are included in Attachment I.

Attachment VII

Findings and Corrective Actions for LDAR Audit, Including Updates to Any Corrective Actions that are Necessary

(Reference: Appendix A, Subsection L, Paragraph 33, and Appendix A, Subsection M, Paragraph 34f and g)

Corrective Actions according to Appendix A, Subparagraph 34f

The one finding included in the May 4, 2012 LDAR Compliance Audit Report is listed below along with the status of the associated corrective action.

1. **Finding** – One (1) open-ended lines was observed during field walkthroughs of the facility's process units. The open-ended lines were observed in the Vinyl Chloride Monomer (VCM) Unit.

   Corrective Action – The open-ended lines (OELs) were corrected immediately upon discovery on 2/14/12. FPC LA will continue to require OEL awareness training for LDAR program requirements for applicable personnel.

   Status – Completed 2/14/2012

Other than the findings reported within the Initial LDAR Report and Attachment I, there are no other Corrective Actions required to be implemented during this reporting period.