



Department of Justice



ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 21, 2010
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UNITED STATES ANNOUNCES TWO MAJOR CLEAN AIR ACT NEW SOURCE REVIEW SETTLEMENTS AT 28 INDUSTRIAL PLANTS NATIONWIDE

WASHINGTON—The United States today filed two major Clean Air Act settlements to reduce air emissions from container glass and Portland cement plants throughout the country, announced Ignacia S. Moreno, Assistant Attorney General for the Environment and Natural Resources Division and Cynthia Giles, Assistant Administrator for the U.S. Environmental Protection Agency's (EPA) Office of Enforcement and Compliance Assurance.

The settlements cover 15 U.S. plants owned by Saint-Gobain Containers Inc., the nation's second largest container glass manufacturer, and all 13 U.S. plants owned by the Lafarge Company and two subsidiaries, the nation's second largest manufacturer of Portland cement. These settlements are the first system-wide settlements for these sectors under the Clean Air Act and require pollution control upgrades, acceptance of enforceable emission limits and payment of civil penalties.

The facilities are estimated to reduce a combined 41,000 tons of sulfur dioxide (SO₂), nitrogen oxides (NO_x), and particulate matter (PM) each year. SO₂, NO_x and PM can trigger respiratory difficulties and asthma, and environmental harms such as acid rain, visibility impairments and water quality impacts.

"These two settlements are excellent examples of businesses working with government to achieve compliance at their facilities around the country, which will benefit the health of local communities and the environment," said Ignacia S. Moreno, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Enforcing the Clean Air Act's new source review program is a priority, not just in the coal-fired power plant industry, but also in industries like cement and glass manufacturing that have been identified as major sources of air pollution. Companies in these industries should strongly consider the benefits of these types of settlements as we intend to aggressively enforce compliance with the law."

"Consistent with Administrator Lisa P. Jackson's seven priorities, these settlements call for tough new controls and innovative technologies to cut down on harmful air emissions that threaten the health of millions of Americans," said Cynthia Giles, assistant administrator for EPA's Office of Enforcement and Compliance Assurance. "I am also pleased that 17 states and two local governments have joined as signatories to these actions."

These settlements are part of the federal government's focus on improving compliance among industries that emit significant amounts of air pollution, including cement manufacturing, glass manufacturing, acid production and coal-fired power. The settlements also reflect the seven key themes EPA Administrator Lisa P. Jackson outlined last week to guide EPA's work. Installing tough new controls and technology at these facilities will greatly reduce air pollution in the communities that are downwind of the facilities covered by the settlements. The settlements also build on strong state partnerships as 17 states and two local air control agencies are joining in the settlements.

Saint-Gobain Containers

Saint-Gobain Containers Inc. of Muncie, Ind., has agreed, in a consent decree filed today in federal court in Seattle, to install pollution control equipment at an estimated cost of \$112 million to reduce emissions of NO_x, SO₂ and PM by approximately 6,000 tons each year. The settlement covers 15 plants in 13 states. Two of the 15 plants have been closed by Saint-Gobain for independent business reasons.

This is the federal government's first nationwide Clean Air Act settlement with a glass manufacturer that covers all of a company's plants. The states of Illinois, Indiana, Louisiana, Commonwealth of Massachusetts, Missouri, North Carolina, Oklahoma, Commonwealth of Pennsylvania, Washington and Wisconsin, as well as the Puget Sound Clean Air Agency and the San Joaquin Valley Unified Air Pollution Control District, joined in today's settlement.

In addition, as part of the settlement, Saint-Gobain has agreed to pay a \$2.25 million civil penalty to resolve its alleged violations of the Clean Air Act's new source review regulations. Of the \$2.25 million civil penalty, Saint-Gobain will pay \$1.15 million to the United States and \$1.1 million to the 10 states and two local regulatory agencies that joined the case.

The settlement covers the following 15 facilities located in the following cities: Burlington, Wis. (two furnaces); Carteret, N.J. (one furnace) (closed); Dolton, Ill. (three furnaces); Dunkirk, Ind. (two furnaces); Henderson, N.C. (two furnaces); Lincoln, Ill. (one furnace); Madera, Calif. (one furnace); Milford, Mass. (two furnaces); Pevely, Mo. (two furnaces); Port Allegany, Pa. (three furnaces) (one closed); Ruston, La. (two furnaces); Sapulpa, Okla. (three furnaces); Seattle (four furnaces); Waxahachie, Texas (one furnace) (closed); and Wilson, N.C. (two furnaces).

Saint-Gobain has agreed to implement pollution controls, including the installation of the first-ever selective catalytic reduction (SCR) system at a container glass plant in the U.S. Saint-Gobain will also install continuous emission monitoring systems (CEMS) at all of their glass plants.

In the complaint filed concurrently with today's settlement, the federal government and the 10 state and two local governments alleged that the company constructed new glass furnaces or modified existing ones over the course of two decades without first obtaining pre-construction permits and installing required pollution control equipment. The alleged violations were discovered after an EPA investigation that included inspections, file reviews, information requests, and the review and analysis of data obtained from the company. The Clean Air Act

requires major sources of air pollution to obtain such permits before making changes that would result in a significant increase in emissions of any pollutant.

The consent decree, lodged today in the U.S. District Court for the Western District of Washington, is subject to a 30-day public comment period and approval by the federal court.

Lafarge North America

Lafarge North America Inc., based in Herndon, Va., and two of its subsidiaries have agreed in a consent decree filed in federal court in Benton, Ill., to install and implement control technologies at an expected cost of up to \$170 million to reduce emissions of NO_x by more than 9,000 tons each year and SO₂ by more than 26,000 tons per year at their cement plants

The states of Alabama, Illinois, Iowa, Kansas, Michigan, Missouri, New York, Ohio and the Commonwealth of Pennsylvania Department of Environmental Protection, the South Carolina Department of Health and Environmental Control, the Washington State Department of Ecology, the Oklahoma Department of Environmental Quality, and the Puget Sound Clean Air Agency are joining the settlement.

In addition, as part of the settlement, Lafarge has agreed to pay a \$5 million civil penalty to resolve alleged violations of the Clean Air Act's new source review regulations. Of the \$5 million civil penalty, Lafarge will pay \$3.4 million to the United States and \$1.7 million to the 13 participating states and agencies. The facilities included in the settlement are located in or near: Whitehall, Pa.; Ravena, N.Y.; Calera, Ala.; Atlanta; Harleyville, S.C.; Paulding, Ohio; Alpena, Mich.; Tulsa, Okla.; Sugar Creek, Mo.; Buffalo, Iowa; Fredonia, Kan.; Grand Chain, Ill. and Seattle.

Lafarge has agreed to install the first-ever SCR system at a cement plant in the United States. In addition, Lafarge has also agreed to install seven selective non-catalytic reduction (SNCR) systems at long dry cement kilns. This is among the first application of this technology to this type of kiln in the United States. Lafarge will also install CEMS at all of their cement kilns.

In the complaint filed concurrently with today's settlement, the United States alleged that Lafarge and its subsidiaries, or their predecessors, modified one or more of each of their facilities without first obtaining pre-construction permits and installing required pollution control equipment as required by the Clean Air Act. These violations were discovered as a result of EPA investigations and review of company submitted data. The states and agencies joining in the settlement have made similar allegations in their complaint, which is filed separately.

The consent decree, lodged today in the U.S. District Court for the Southern District of Illinois, is subject to a 30-day public comment period and approval by the federal court.

Nitrogen oxides are one of the main ingredients involved in the formation of ground-level ozone, which can trigger serious respiratory problems. They react to form nitrate particles, acid aerosols, as well as nitrogen dioxides (NO₂), which also cause respiratory problems. They also contribute to formation of acid rain, nutrient overload that deteriorates water quality, the creation

of atmospheric particles that cause visibility impairment most noticeable in national parks, react to form toxic chemicals and contribute to climate change.

Exposure to SO₂ can aggravate asthma, cause respiratory difficulties, and result in emergency room visits and hospitalization. People with asthma, children and the elderly are especially vulnerable to SO₂'s effects. Exposure to particulate matter is also linked to respiratory problems like asthma and other adverse health effects.

Copies of the consent decrees are available on the Justice Department Web site at http://www.justice.gov/enrd/Consent_Decrees.html.

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