

**STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION
ORDER BY CONSENT
ISSUED TO
HONEYWELL INTERNATIONAL INC.
Registration No. 50232**

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 & 10.1-1316, between the State Air Pollution Control Board and Honeywell International Inc. for the purpose of resolving certain alleged violations of environmental law and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. “Va. Code” means the Code of Virginia (1950), as amended.
2. “Board” means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184.
3. “Department” or “DEQ” means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
4. “Director” means the Director of the Department of Environmental Quality.

5. “Order” means this document, also known as a Consent Order.
6. “Honeywell” means Honeywell International Inc. certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.
7. “Facility” means the Honeywell International Inc. facility located at 905 East Randolph Road in Hopewell, Virginia.
8. “PRO” means the Piedmont Regional Office of DEQ, located in Glen Allen, Virginia.
9. “Permit” means the air permit issued to Honeywell, Inc. (Honeywell International Inc.) on April 18, 2000, superseded by the permit issued on October 12, 2001.
10. “EMCAMS” means Electronic Monitoring, Compliance Assurance, and Management System.

SECTION C: Findings of Fact and Conclusions of Law

1. Honeywell owns and operates a chemical manufacturing facility in Hopewell, Virginia that produces caprolactam and specialty oximes. This facility is the subject of the Permit.
2. Honeywell's 2000 Annual Emission Statement for the Hopewell Plant, dated February 27, 2001, reported emissions of NO_x from the hydroxylamine diammonium sulfonate tower of the “B” train and the ammonium nitrite tower of the “C” train exceeded the permit limits.
3. Honeywell's 2000 Annual Emission Statement for the Hopewell Plant, dated February 27, 2001, reported emissions of PM-10 from the ammonium nitrite tower of the “E” train exceeded the permit limits.
4. In a letter dated September 27, 2001, the Department requested Honeywell provide both equipment emissions and throughput data for CY2000. Honeywell responded to the request in a letter dated October 5, 2001.
5. The October 5, 2001 letter documented additional permitted throughput exceedances in Area 9.
6. On December 3, 2001, a Notice of Violation was issued for the above violations.
7. On April 12, 2002, May 3, 2002, and May 31, 2002, meetings were held to discuss the Notice of Violation.

SECTION D: Agreement and Order

Accordingly, the Board, by virtue of the authority granted it in Va. Code §10.1-1316(C) and §10.1-1455(F) orders Honeywell and Honeywell agrees that:

1. To remedy the alleged violations described above and bring the facility into compliance, Honeywell shall perform the actions described in Appendix A of this Order.
2. In settlement of the violations cited in this Order, the Board orders Honeywell, and Honeywell voluntarily agrees, to pay a civil charge of \$69,705 (sixty nine thousand seven hundred five dollars). Of this amount, \$50,000 (fifty thousand dollars) shall be offset by the completion of the Supplemental Environmental Project (SEP) set forth in Appendix B to this Order. Within 60 days of the effective date of this Order, Honeywell shall pay \$19,705 (nineteen thousand, seven hundred five dollars) by check payable to the "Treasurer of Virginia," delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 10150
Richmond, Virginia 23240

Honeywell shall record its Federal Tax Identification number on the check.

3. Honeywell shall perform a Supplemental Environmental Project ("SEP") pursuant to Virginia Code §10.1-1186.2, as detailed in Appendix B of this Order. The total cost of the SEP shall be at least \$50,000, and shall be completed within eight months of the effective date of this Order. In the event that the project detailed in Appendix B is later determined to be impossible to perform, or otherwise not available or feasible, Honeywell shall propose a substitute project(s) in conformity with Virginia Code §10.1-1186.2, for the Board's consideration and approval as an Amendment to this Order. In the event that Honeywell publicizes its participation in this project, it will state in a prominent matter that the Project is being undertaken as part of the settlement of an enforcement action.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Honeywell, for good cause shown by Honeywell, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves those violations specifically identified herein, including those matters addressed in the Notice of Violation issued to Honeywell by DEQ on December 3, 2001. This Order shall not preclude the

Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein. Honeywell does not waive any rights it may have to object to enforcement actions by other federal, state, or local authorities arising out of the same or similar facts alleged in this Order.

3. For purposes of this Order and subsequent actions with respect to this Order, Honeywell admits the jurisdictional allegations, but does not admit the factual findings and conclusions of law contained herein.
4. Honeywell consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Honeywell declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 9-6.14:1 *et seq.*, and the State Air Pollution Control Law. Honeywell waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein, except that Honeywell reserves its right to a hearing or other administrative proceeding authorized or required by law or to judicial review of any issue of fact or law contained in any subsequent amendments to this Order issued by the Board without the consent of Honeywell. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by Honeywell to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority. Honeywell does not waive any rights it may have to object to enforcement actions by other federal, state, or local authorities arising out of the same or similar facts alleged in this Order.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Honeywell shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Honeywell shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Honeywell shall notify the DEQ Regional

Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

- a. The reasons for the delay or noncompliance;
- b. The projected duration of any such delay or noncompliance;
- c. The measures taken and to be taken to prevent or minimize such delay or noncompliance; and
- d. The timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director within 24 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Honeywell . Notwithstanding the foregoing, Honeywell agrees to be bound by any compliance date which precedes the effective date of this Order.
11. After the Department receives payment of the civil charge specified in section D of this Order and Honeywell fulfills all the requirements specified in Appendix A and B to this Order, Honeywell may petition the Director or the Board to terminate this Order. The Director or the Board may terminate this Order in his or its sole discretion upon 30 days written notice to Honeywell. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Honeywell from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.
12. By its signature below, Honeywell International Inc. voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of _____ 2002.

Robert G. Burnley, Director
Department of Environmental Quality

Honeywell International Inc. voluntarily agrees to the issuance of this Order.

By: _____
Richard Higbie, Plant Manager
Honeywell International Inc.

Date: _____

Commonwealth of Virginia
City/County of _____

The foregoing document was signed and acknowledged before me this ____ day of

_____, 2002, by _____, who is
Richard Higbie

Plant Manager of Honeywell's Hopewell Plant, on behalf of the Corporation.

Notary Public

My commission expires: _____

APPENDIX A

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Honeywell International Inc. shall:

1. EMCAMS shall be installed and used to ensure compliance in A, B, and C trains in Area 9. If the annual limit for nitrogen oxides ("NO_x") in the permit is exceeded by any amount at any time during the first four years of EMCAMS operation for either A, B, or C trains, then within 17 months of the exceedance, Continuous Emission Monitors (CEMS) for NO_x shall be installed on both the nitrite and disulfonate towers in the train(s) where the annual NO_x emission limit was exceeded. If EMCAMS is not operational for A, B, and C trains by May 31, 2003, then by no later than November 30, 2004, CEMS for NO_x shall be installed on both towers in any such train for which EMCAMS is not operational. A permit application to install NO_x CEMs as required above shall be submitted within 90 days of exceeding the annual permit limit for NO_x for any train or for failing to install and operate EMCAMS by May 31, 2003.
2. Honeywell shall conduct an initial accuracy audit on the NO_x emission calculation model and EMCAMS for all six towers in A, B, and C trains within 180 days of the EMCAMS becoming operational and annually thereafter as follows: (1) within the period between 12 and 24 months after EMCAMS becomes operational, Honeywell shall retest the relative accuracy of the two towers in the A train; (2) within the period between 24 and 36 months after EMCAMS becomes operational, Honeywell shall retest the relative accuracy of the two towers in the B train; (3) within the period between 36 and 48 months after EMCAMS becomes operational, Honeywell shall retest the relative accuracy of the two towers in the C train. If any accuracy audit results in relative accuracy values higher than 15%, Honeywell shall retest any tower(s) exceeding 15% along with the towers scheduled for the next annual audit as set forth above. Honeywell shall submit an approvable accuracy audit protocol at least 30 days prior to conducting the audits to the Director of PRO.

If any accuracy audit conducted on A, B, and C train NO_x calculation models results in relative accuracy values higher than 20%, Honeywell shall, at its option, either: (1) within 17 months of the receipt of the results of the accuracy audit, install CEMS for NO_x on any tower(s) in A, B, or C trains that failed to show a relative accuracy of 20% or better, or (2) within 180 days of the receipt of the results of the accuracy audit, recalibrate the EMCAMS NO_x emission model if necessary and retest the relative accuracy of any tower(s) that failed to show 20% or better in the prior audit. Honeywell shall, within 17 months of the receipt of the results of the relative accuracy retest, install CEMS for NO_x on any tower(s) in A, B, or C trains that failed to show a relative accuracy of 20% or better.

3. A permit application shall be submitted within 60 days of the effective date of this Order to modify the permit to require the installation and operation of EMCAMS for A, B, and C trains in Area 9 and associated reporting and record keeping requirements.

Honeywell shall, at a minimum, maintain records of:

- (a) hourly ammonia input rates for A, B, and C train nitrite towers in pounds/hour;
- (b) hourly sulfur input rates for A, B, and C train disulfonate towers in pounds/hour;
- (c) annual NOx emission rates for A, B, and C train nitrite towers in pounds/hour; and
- (d) annual NOx emission rates for A, B, and C train disulfonate towers in pounds/hour.

Honeywell shall, at a minimum, make the following reports to the Director, PRO:

- (a) semi-annual reports of the annual ammonia input rates for A, B, and C train nitrite towers in tons/year calculated monthly as the sum of each previous consecutive 12 month period;
- (b) semi-annual reports of the annual sulfur input rates for A, B, and C train disulfonate towers in tons/year calculated monthly as the sum of each previous consecutive 12 month period;
- (c) annual reports of the annual NOx emission rates for A, B, and C train nitrite towers in tons/year;
- (d) annual reports of the annual NOx emission rates for A, B, and C train disulfonate towers in tons/year.

APPENDIX B
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1. Honeywell shall conduct a Supplemental Environmental Project (SEP), pursuant to Virginia Code §10.1-1186.2, by modifying the existing air emissions control system(s) to reduce emissions of ammonia from one or more nitrite tower(s) in Area 9 at a minimum cost of \$50,000.00 (fifty thousand dollars). Control of these ammonia emissions is not required by the federal Clean Air Act or the Virginia Air Pollution Control Law. Honeywell shall complete the SEP by installing the ammonia controls within eight months of the effective date of this Order. Honeywell shall submit a report, including documentation of costs, to the Director, PRO, within 60 days of completion of the SEP.

2. All documents pertaining to this SEP shall be submitted to:

Homer L. Lisle
Air Compliance Manager
Department of Environmental Quality
4949-A Cox Road
Glen Allen, Virginia 23060