

# ENFORCEMENT NEWS



United States  
Department of  
Justice



United States  
Environmental Protection  
Agency

## EPA RECOVERS \$11.1 MILLION PENALTY AND \$70 MILLION IN POLLUTION CONTROLS FROM LOUISIANA-PACIFIC CORP.

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Lauren Milone Mical 202-260-4358  
Joe Krovisky 202-514-2007

U.S. Attorney General Janet Reno and EPA Administrator Carol M. Browner today announced the second largest civil penalty ever under any federal environmental law, an \$11.1 million penalty against Louisiana-Pacific Corp., of Portland, Ore. The record-breaking civil penalty, the largest ever under the federal Clean Air Act, is for failure to comply with permitting procedures. To protect the environment and public health, the settlement requires Louisiana-Pacific to install state-of-the-art pollution control equipment, valued at approximately \$70 million, at 11 of its facilities located in nine states.

"Today's settlement," Reno said, "illustrates the vital role the federal government can and will take in enforcing our environmental laws. Penalties are necessary to make sure our business community knows that companies that 'play by the rules' are not at a competitive disadvantage to those willing to risk violating the law. We hope our aggressive enforcement of the laws against Louisiana-Pacific and our resolve to continue such aggressive actions elsewhere will deter those who would otherwise violate environmental laws."

Browner said, "This settlement sends a loud and clear message that the Clinton Administration will vigorously enforce our environmental laws and make polluters pay the true cost of

(more)

pollution. It also underscores the need for companies to accurately report information to EPA and the states so we can effectively protect public health and the environment. In addition, the state-of-the-art pollution control equipment, which Louisiana-Pacific will install under the settlement, not only contributes to a cleaner, healthier environment, but is in harmony with economic growth."

The \$11.1 million civil penalty against Louisiana-Pacific is only exceeded by a \$15 million civil penalty paid by the Texas Eastern Natural Gas Pipeline Co. in 1987 for violation of the federal toxics and hazardous waste laws.

Louisiana-Pacific Corp., a leader in the wood products industry, failed to properly obtain the appropriate air emissions permits or fully identify air emissions for 14 of its facilities. The facilities include: Houlton, Maine; Clayton, Ala.; Jackson County, Ga.; Sagola, Mich.; Two Harbors, Minn.; Hayward, Wis.; Tomahawk, Wis.; Corrigan, Texas; New Waverly, Texas; Silsbee, Texas; Urania, La.; Missoula, Mont.; Oroville, Calif.; and Chilco, Idaho.

There are significant environmental benefits derived from the consent decree, which was lodged in Federal District Court in the Western District of Louisiana. The installation of state-of-the-art pollution control equipment at 11 of Louisiana-Pacific's facilities over the next two years, with three additional facilities to potentially follow, will mean emission reductions of 6,900 tons per year of carbon monoxide (CO), 9,600 tons per year of volatile organic compounds (VOCs) and 5,600 ton per year of particulate matter (PM), resulting in significantly cleaner air in those regions.

EPA believes that the introduction of this technology, called regenerative thermal oxidation, will encourage its use by other companies emitting these pollutants, and should create additional jobs in the pollution-control manufacturing industry.

The consent decree also requires the company to conduct Clean Air Act management and compliance audits at all 28 of its wood-panel facilities; to install and maintain enhanced monitoring equipment for PM, VOCs, CO and nitrogen oxide (NO<sub>x</sub>); and to apply for proper air permits for the facilities currently out of compliance.

One of the requirements Louisiana-Pacific failed to comply with is to obtain proper permits. Under the law, a company seeking to construct or modify a major facility that emits air pollution must obtain a permit before proceeding. To comply with the permitting procedures, a company must determine the nature of

the emissions created by its manufacturing processes and report its findings to state and federal air permitting authorities.

Louisiana-Pacific either failed to obtain air permits or obtained them by using misleading information. Inspections of a number of facilities found high levels of PM, VOCs, CO, NO<sub>x</sub>, SO<sub>2</sub>, and other pollutants. The facilities emit these pollutants during the manufacturing of oriented strand board, a wood-panel building product.

"We must demand that companies that seek environmental permits do so with absolute integrity," Reno said, "and that they investigate and fully disclose the nature and extent of their emissions."

Browner said, "The settlement we have announced today is the result of close cooperation among EPA, the Justice Department and state environmental agencies. I look forward to a continued close working relationship with these agencies to assure that public health and the environment are protected."

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