

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.:** 2006-1438-AIR-E    **TCEQ ID:** RN100217926    **CASE NO.:** 30883  
**RESPONDENT NAME:** Sequa Corporation

**ORDER TYPE:**

<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> EMERGENCY ORDER	

**CASE TYPE:**

<input type="checkbox"/> AGRICULTURE	<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE	<input type="checkbox"/> MUNICIPAL SOLID WASTE
<input type="checkbox"/> OCCUPATIONAL CERTIFICATION	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> RADIOACTIVE WASTE
<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL	<input type="checkbox"/> USED OIL
<input type="checkbox"/> USED OIL FILTER	<input type="checkbox"/> WATER QUALITY		

**SITE WHERE VIOLATION(S) OCCURRED:** Precoat Metals Division of Sequa, 16402 Jacintoport Boulevard, Houston, Harris County

**TYPE OF OPERATION:** Metal coating

**SMALL BUSINESS:**     Yes     No

**OTHER SIGNIFICANT MATTERS:** There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

**INTERESTED PARTIES:** No one other than the ED and the Respondent has expressed an interest in this matter.

**COMMENTS RECEIVED:** The *Texas Register* comment period expired on February 26, 2007. No comments were received.

**CONTACTS AND MAILING LIST:**

**TCEQ Attorney/SEP Coordinator:** None

**TCEQ Enforcement Coordinator:** Ms. Nadia Hameed, Enforcement Division, Enforcement Section III, MC R-12, (713) 767-3629; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

**TCEQ Field Investigator:** Mr. Robert James, Houston Regional Office, MC R-12, (713) 767-3735

**Respondent:** Mr. Robert Mead, Director of Environmental Affairs, Sequa Corporation, 16402 Jacintoport Boulevard, Houston, Texas 77015

Mr. Gerard M. Dombek, Senior Vice President, Sequa Corporation, 16402 Jacintoport Boulevard, Houston, Texas 77015

**Respondent's Attorney:** Not represented by counsel on this enforcement matter

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b> <input type="checkbox"/> Complaint <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement-Follow-up <input checked="" type="checkbox"/> Records Review</p> <p><b>Date of Complaint Relating to this Case:</b> None</p> <p><b>Dates of Investigations Relating to this Case:</b> April 6, 7, and 11, 2006</p> <p><b>Date of NOE Relating to this Case:</b> August 4, 2006 (NOE)</p> <p><b>Background Facts:</b> This was a routine record review. Six violations were documented.</p> <p><b>AIR:</b></p> <p>1) Failed to comply with permitted emission rate of 3.74 pounds per hour for carbon monoxide from the Finish Oxidizer. A stack test conducted on March 16, 2005, showed the carbon monoxide emissions to be 78.6 pounds per hour [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.115(c), TCEQ Air Permit No. 56588, Special Condition 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failed to comply with permitted emission rate of 3.74 pounds per hour for carbon monoxide from the Prime Oxidizer. A stack test conducted on March 16, 2005, showed the carbon monoxide emissions to be 24.2 pounds per hour [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.115(c), TCEQ Air Permit No. 56588, Special Condition 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3) Failed to comply with permitted emission rate of 0.06 pounds per hour for volatile organic compounds from the Boiler. A stack test conducted on March 17, 2005, showed the volatile organic compound emissions to be 0.23 pounds per hour [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.115(c), TCEQ Air Permit No. 56588, Special Condition 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$58,225</p> <p><b>Total Deferred:</b> \$11,645  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$46,580</p> <p><b>Site Compliance History Classification:</b> <input type="checkbox"/> High <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification:</b> <input type="checkbox"/> High <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>1) The Executive Director recognizes that Sequa has implemented the following corrective measures at the Plant:</p> <p>a. On October 7, 2005, obtained a permit amendment to TCEQ Air Permit No. 56588 to increase the permitted emissions limit to accommodate the carbon monoxide measured during the emissions test for the Prime Oxidizer and the Finish Oxidizer;</p> <p>b. Demonstrated that the Boiler Emission Point Number B-E qualifies for a Permit by Rule authorization under 30 TEX. ADMIN. CODE §106.183. On August 16, 2006, Sequa submitted a permit alteration request to remove this unit from TCEQ Air Permit No. 56588; and</p> <p>c. On August 16, 2006, submitted a Level of Activity Certification ECT-3 Form which was required by the Mass Emissions Cap and Trade to establish an account under the Program.</p> <p><b>Ordering Provisions:</b></p> <p>2) The Order will require the Respondent to:</p> <p>a. Within 30 days of an account being established by TCEQ based on the ECT-3 form which was submitted on August 16, 2006, submit Annual Compliance Report Form ECT-1 Forms for the 2004 and 2005 annual control periods, including documentation demonstrating the level of activity;</p> <p>b. Within 180 days after the effective date of this Agreed Order, obtain a permit amendment approval to remove the Boiler Emission Point Number B-E from TCEQ Air Permit No. 56588; and</p> <p>c. Within 195 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision Nos. 2.a. and 2.b. The certification should include documentation demonstrating compliance and shall be notarized by a State of Texas Notary Public.</p>

RESPONDENT'S NAME: Sequa Corporation  
DOCKET NO.: 2006-1438-AIR-E

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>4) Failed to submit an Emission Cap and Trade ("ECT") -3 Form by April 17, 2003. Sequa is a major source and was required to certify its level activity for nitrogen oxide emissions and establish an account by April 17, 2003 [30 TEX. ADMIN. CODE § 101.351(a)(1) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>5) Failed to submit ECT-1 Forms by March 31st summarizing Nitrogen Oxide emissions for the 2004 and 2005 annual control periods [30 TEX. ADMIN. CODE § 101.359(a) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>6) Failed to ensure that a quantity of Nitrogen Oxide allowances were maintained for use in the 2004 and 2005 annual control periods [30 TEX. ADMIN. CODE § 101.352(b) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>		

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Policy Revision 2 (September 2002)

# Penalty Calculation Worksheet (PCW)

PCW Revision April 25, 2006

<b>DATES</b>	<b>Assigned</b>	07-Aug-2006	<b>Screening</b>	18-Aug-2006	<b>EPA Due</b>	
	<b>PCW</b>	12-Sep-2006				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Sequa Corporation
<b>Reg. Ent. Ref. No.</b>	RN100217926
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major Source

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	30883	<b>No. of Violations</b>	6
<b>Docket No.</b>	2006-1438-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air Quality	<b>Enf. Coordinator</b>	Nadia Hameed
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 6
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$42,500
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	37% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$15,725
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**Notes**  
Penalty enhancements due to one same or similar NOV, twenty-one non-related NOVs of which nineteen were Discharge Monitoring Reports (DMR). Reduction for having environmental management systems in place for one year.

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	\$0
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**Notes**  
The respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	\$0
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	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with a small x)

**Notes**  
The respondent does not meet the good faith criteria.

<b>Economic Benefit</b>	0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$4,812	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$14,296	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$58,225
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

**Notes**

<b>Final Penalty Amount</b>	\$58,225
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$58,225
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<b>DEFERRAL</b>	20% Reduction	<b>Adjustment</b>	-\$11,645
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**  
Deferral recommended for expedited settlement.

<b>PAYABLE PENALTY</b>	\$46,580
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<b>Screening Date</b> 18-Aug-2006	<b>Docket No.</b> 2006-1438-AIR-E	<b>PCW</b>
<b>Respondent</b> Sequa Corporation	<i>Policy Revision 2 (September 2002)</i>	
<b>Case ID No.</b> 30883	<i>PCW Revision April 25, 2006</i>	
<b>Reg. Ent. Reference No.</b> RN100217926		
<b>Media [Statute]</b> Air Quality		
<b>Enf. Coordinator</b> Nadla Hameed		

### Compliance History Worksheet

>> Compliance History *Site Enhancement (Subtotal 2)*

Component	Number of...	<i>Enter Number Here</i>	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action <i>(number of NOVs meeting criteria)</i>	1	5%
	Other written NOVs	21	42%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government <i>(number of judgements or consent decrees meeting criteria)</i>	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which notices were)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	Yes	-10%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2) 37%**

>> Repeat Violator (Subtotal 3)

No  **Adjustment Percentage (Subtotal 3) 0%**

>> Compliance History *Person Classification (Subtotal 7)*

Average Performer  **Adjustment Percentage (Subtotal 7) 0%**

>> Compliance History Summary

**Compliance History Notes** Penalty enhancements due to one same or similar NOV, twenty-one non-related NOVs of which nineteen were Discharge Monitoring Reports (DMR). Reduction for having environmental management systems in place for one year.

**Total Adjustment Percentage (Subtotals 2, 3, & 7) 37%**

<b>Screening Date</b>	18-Aug-2006	<b>Docket No.</b>	2006-1438-AIR-E	<b>PCW</b>
<b>Respondent</b>	Sequa Corporation	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	30883	<i>PCW Revision April 25, 2006</i>		
<b>Reg. Ent. Reference No.</b>	RN100217926			
<b>Media [Statute]</b>	Air Quality			
<b>Enf. Coordinator</b>	Nadia Hameed			
<b>Violation Number</b>	1			
<b>Primary Rule Cite(s)</b>	Air Permit No. 56588, Special Condition 1 and 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 116.115(c)			
<b>Secondary Rule Cite(s)</b>	Tex. Health and Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to comply with the permitted emission rate for carbon monoxide from the Finish Oxidizer. Specifically, during a stack test report review conducted on April 7, 2006, it was noted that the carbon monoxide emissions during an emissions test on March 16, 2005 were 78.6 pounds per hour. The permitted maximum allowable emission rate at the time was 3.74 pounds per hour.			
<b>Base Penalty</b>				\$10,000

>> **Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

OR

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent

Matrix Notes

Human health and the environment has been exposed to an insignificant amount of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. The permit has been amended to increase the carbon monoxide limit to 117 pounds per hour.

**Adjustment** - \$7,500

**Base Penalty Subtotal** \$2,500

**Violation Events**

Number of Violation Events        Number of violation days

mark only one use a small x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	

single event

**Violation Base Penalty** \$7,500

Three quarterly events based on the test date of March 16, 2005, to the compliance date of October 7, 2005.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
Estimated EB Amount <input type="text" value="\$127"/>	Violation Final Penalty Total <input type="text" value="\$10,275"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$10,275"/>	

### Economic Benefit Worksheet

Respondent: Sequa Corporation  
 Case ID No: 30883  
 Reg. Ent. Reference No: RN100217926  
 Media [Statute]: Air Quality  
 Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime Costs	EB Amount
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Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$4,523	16-Mar-2005	07-Oct-2005	0.6	\$127	n/a	\$127
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost to implement measures to ensure that the unit is operated within permitted limits. Required date based on the date of the testing. Final date based on the date the permit was amended.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering Item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance \$4,523 TOTAL \$127

<b>Screening Date</b>	18-Aug-2006	<b>Docket No.</b>	2006-1438-AIR-E	<b>PCW</b>
<b>Respondent</b>	Sequa Corporation	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	30883	<i>PCW Revision April 25, 2006</i>		
<b>Reg. Ent. Reference No.</b>	RN100217926			
<b>Media [Statute]</b>	Air Quality			
<b>Enf. Coordinator</b>	Nadia Hameed			
<b>Violation Number</b>	<input type="text" value="2"/>			
<b>Primary Rule Cite(s)</b>	Air Permit No. 56588, Special Condition 1 and 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 116.115(c)			
<b>Secondary Rule Cite(s)</b>	Tex. Health and Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to comply with the permitted emission rate for carbon monoxide from the Prime Oxidizer. Specifically, during a stack test report review conducted on April 6, 2006, it was noted that the carbon monoxide emissions during an emissions test on March 16, 2005 were 24.2 pounds per hour. The permitted maximum allowable emission rate at the time was 3.74 pounds per hour.			
<b>Base Penalty</b>				<input type="text" value="\$10,000"/>

>> **Environmental, Property and Human Health Matrix**

		<b>Harm</b>			
	<b>Release</b>	Major	Moderate	Minor	
<b>OR</b>	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<b>Percent</b> <input type="text" value="25%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text"/>

**Matrix Notes**

Human health and the environment has been exposed to an insignificant amount of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. The permit has been amended to increase the carbon monoxide limit to 45.4 pounds per hour.

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

Number of Violation Events        Number of violation days

<i>mark only one use a small x</i>	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="checkbox"/>
	semi-annual	<input type="text"/>
	annual	<input type="text"/>

**Violation Base Penalty**

Three quarterly events based on the test date of March 16, 2005, to the compliance date of October 7, 2005.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
Estimated EB Amount <input type="text" value="\$127"/>	Violation Final Penalty Total <input type="text" value="\$10,275"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$10,275"/>	

### Economic Benefit Worksheet

Respondent: Sequa Corporation  
 Case ID No.: 30883  
 Reg. Ent. Reference No.: RN100217926  
 Media [Statute]: Air Quality  
 Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$4,523	16-Mar-2005	07-Oct-2005	0.6	\$127	n/a	\$127

Notes for DELAYED costs: Estimated cost to implement measures to ensure that the unit is operated within permitted limits. Required date based on the date of the testing. Final date based on the date the permit was amended.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance \$4,523 TOTAL \$127

**Screening Date** 18-Aug-2006 **Docket No.** 2006-1438-AIR-E **PCW**  
**Respondent** Sequa Corporation *Policy Revision 2 (September 2002)*  
**Case ID No.** 30883 *PCW Revision April 25, 2006*  
**Reg. Ent. Reference No.** RN100217926  
**Media [Statute]** Air Quality  
**Enf. Coordinator** Nadia Hameed

**Violation Number**

**Primary Rule Cite(s)**

**Secondary Rule Cite(s)**

**Violation Description**

**Base Penalty**

>> **Environmental, Property and Human Health Matrix**

		Harm			
		Major	Moderate	Minor	
OR	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<b>Percent</b> <input type="text" value="25%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text"/>

**Matrix Notes**

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

Number of Violation Events   Number of violation days

mark only one use a small x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="checkbox"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

**Violation Base Penalty**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount**

**Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

### Economic Benefit Worksheet

Respondent Sequa Corporation  
 Case ID No. 30883  
 Reg. Ent. Reference No. RN100217926  
 Media [Statute] Air Quality  
 Violation No. 3

Percent Interest 5.0  
 Years of Depreciation 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$500	17-Mar-2005	07-Mar-2007	2.0	\$49	n/a	\$49
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost to implement measures to ensure that the unit is operated within permitted limits. Required date based on the date of the testing. Final date based on the projected compliance date.

Item Description	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)	Interest Saved	Onetime Costs	EB Amount
<b>Avoided Costs</b>				
Disposal		0.0	\$0	\$0
Personnel		0.0	\$0	\$0
Inspection/Reporting/Sampling		0.0	\$0	\$0
Supplies/equipment		0.0	\$0	\$0
Financial Assurance [2]		0.0	\$0	\$0
ONE-TIME avoided costs [3]		0.0	\$0	\$0
Other (as needed)		0.0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

TOTAL

<b>Screening Date</b>	18-Aug-2006	<b>Docket No.</b>	2006-1438-AIR-E	<b>PCW</b>
<b>Respondent</b>	Sequa Corporation	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	30883	<i>PCW Revision April 25, 2006</i>		
<b>Reg. Ent. Reference No.</b>	RN100217926			
<b>Media [Statute]</b>	Air Quality			
<b>Enf. Coordinator</b>	Nadia Hameed			
<b>Violation Number</b>	4			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 101.351(a)(1)			
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to submit an Emissions Cap and Trade ("ECT")-3 Form by April 17, 2003. Specifically, Sequa is a major source and was required to certify its level of activity to establish an account no later than April 17, 2003, 90 days after becoming subject to the requirement of the Mass Emissions Cap and Trade Program.			

**Base Penalty**

>> **Environmental, Property and Human Health Matrix**

OR	<b>Harm</b>			Percent <input type="text"/>	
	<b>Release</b>	Major	Moderate		Minor
	Actual	<input type="text"/>	<input type="text"/>		<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

<b>Falsification</b>	Major	Moderate	Minor	Percent <input type="text" value="25%"/>
<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Matrix Notes**

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

Number of Violation Events   Number of violation days

mark only one use a small x

daily	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

**Violation Base Penalty**

**Economic Benefit (EB) for this violation** **Statutory Limit Test**

**Estimated EB Amount**

**Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

### Economic Benefit Worksheet

Respondent: Sequa Corporation  
 Case ID No: 30883  
 Reg. Ent. Reference No: RN100217926  
 Media [Statute]: Air Quality  
 Violation No: 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	17-Apr-2003	16-Aug-2006	3.3	\$83	n/a	\$83

Notes for DELAYED costs: Estimated cost to implement measures designed to come into compliance. Required date based on the date the Emissions Cap and Trade forms were submitted to the Agency.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Approx. Cost of Compliance

**TOTAL**

<b>Screening Date</b>	18-Aug-2006	<b>Docket No.</b>	2006-1438-AIR-E	<b>PCW</b>
<b>Respondent</b>	Sequa Corporation	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	30883	<i>PCW Revision April 25, 2006</i>		
<b>Reg. Ent. Reference No.</b>	RN100217926			
<b>Media [Statute]</b>	Air Quality			
<b>Enf. Coordinator</b>	Nadia Hameed			
<b>Violation Number</b>	5			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 101.359(a)			
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failure to submit an ECT-1 Form by March 31st of each year summarizing NOx emissions and emissions trades for the previous annual control period. Specifically, Sequa failed to submit ECT-1 Forms for the 2004 and 2005 control periods.			
<b>Base Penalty</b>				\$10,000

>> **Environmental, Property and Human Health Matrix**

		Harm			
Release		Major	Moderate	Minor	
OR	Actual				Percent <input type="text"/>
	Potential				

>> **Programmatic Matrix**

		Major	Moderate	Minor	
	Falsification				Percent <input type="text"/>
		X			
<b>Matrix Notes</b>	100% of the rule requirement was not met.				

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

Number of Violation Events   Number of violation days

<i>mark only one use a small x</i>	<i>daily</i>	
	<i>monthly</i>	
	<i>quarterly</i>	
	<i>semiannual</i>	
	<i>annual</i>	
	<i>single event</i>	X

**Violation Base Penalty**

Two single events are recommended based on the two ECT-1 Forms that were not submitted as required.

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

**This violation Final Assessed Penalty (adjusted for limits)**

### Economic Benefit Worksheet

Respondent: Sequa Corporation  
 Case ID No: 30883  
 Reg. Ent. Reference No: RN100217926  
 Media [Statute]: Air Quality  
 Violation No: 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$250	31-Mar-2005	31-Mar-2007	2.0	\$25	n/a	\$25

Notes for DELAYED costs: Estimated cost to submit the required ECT-1 Forms. Date required based on the earliest noncompliance date. Final date based on the projected compliance date.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance \$250 TOTAL \$25

<b>Screening Date</b>	18-Aug-2006	<b>Docket No.</b>	2006-1438-AIR-E	<b>PCW</b>
<b>Respondent</b>	Sequa Corporation	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	30883	<i>PCW Revision April 25, 2006</i>		
<b>Reg. Ent. Reference No.</b>	RN100217926			
<b>Media [Statute]</b>	Air Quality			
<b>Enf. Coordinator</b>	Nadia Hameed			
<b>Violation Number</b>	6			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 101.352(b)			
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Sequa failed to ensure that a quantity of allowances are maintained in its compliance account by March 1st of each year equal or greater than the total NOx emissions emitted during the previous annual control period. Specifically, the site is a major source and thus subject to the requirements of Mass Emissions Cap and Trade Program; however, since Sequa failed to submit ECT-3 and ECT-1 Forms as required, emissions allowances were not maintained for the NOx emissions during 2004 and 2005 annual control periods.			
	<b>Base Penalty</b>	\$10,000		

>> **Environmental, Property and Human Health Matrix**

		Harm			
		Major	Moderate	Minor	
OR	Actual				Percent
	Potential				

>> **Programmatic Matrix**

		Major	Moderate	Minor	
	Falsification				Percent
		X			

Matrix Notes: 100% of the rule requirement was not met.

**Adjustment** -\$7,500

**Base Penalty Subtotal** \$2,500

**Violation Events**

Number of Violation Events: 2      730 Number of violation days

mark only one use a small x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	X
	single event	

**Violation Base Penalty** \$5,000

Two annual events are recommended based on the emissions credits that were not maintained for the emissions generated during 2004 and 2005 annual control periods.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount \$4,400	Violation Final Penalty Total \$6,850
This violation Final Assessed Penalty (adjusted for limits) \$6,850	

### Economic Benefit Worksheet

Respondent: Sequa Corporation  
 Case ID No.: 30883  
 Reg. Ent. Reference No.: RN100217926  
 Media [Statute]: Air Quality  
 Violation No.: 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	---	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)	\$4,000	01-Mar-2004	01-Mar-2006	2.0	\$400	\$4,000	\$4,400

Notes for AVOIDED costs

Estimated avoided cost to purchase emission credits for the emissions generated during 2004 and 2005 control periods.

Approx. Cost of Compliance \$4,000

**TOTAL** \$4,400

# Compliance History

Customer/Respondent/Owner-Operator:	CN600612618	Sequa Corporation	Classification: AVERAGE	Rating: 0.93
Regulated Entity:	RN100217926	PRECOAT METALS DIVISION SEQUA	Classification: AVERAGE	Site Rating: 0.93

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0444W
	AIR OPERATING PERMITS	PERMIT	1146
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD091939520
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31249
	WASTEWATER	PERMIT	TPDES0076945
	WASTEWATER	PERMIT	WQ0002160000
	WASTEWATER	PERMIT	TX0076945
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0444W
	AIR NEW SOURCE PERMITS	PERMIT	PSDTX1052
	AIR NEW SOURCE PERMITS	AFS NUM	1213
	AIR NEW SOURCE PERMITS	PERMIT	56588
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX1052
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011733
	STORMWATER	PERMIT	TXR05N188
	WATER LICENSING	LICENSE	1011733

Location: 16402 JACINTO PORT BLVD, HOUSTON, TX, 77015      Rating Date: 9/1/2005 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: August 18, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 17, 2001 to August 18, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Nhameed      Phone: 713-767-3629

## Site Compliance History Components

- |  |            |
|--|------------|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes        |
| 2. Has there been a (known) change in ownership of the site during the compliance period?    | No         |
| 3. If Yes, who is the current owner?   | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)?  | N/A        |
| 5. When did the change(s) in ownership occur?  | N/A        |

### Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 01/24/2003 (203229)  
N/A

2 01/25/2002 (203228)

3 07/25/2002 (4170)

4 12/27/2002 (203226)

5 12/27/2001 (203225)

6 11/21/2002 (203223)

7 11/26/2001 (203222)

8 03/17/2004 (264784)

9 07/18/2005 (444962)

10 10/21/2002 (203220)

11 08/04/2006 (456066)

12 08/19/2005 (444963)

13 09/19/2005 (444964)  
14 11/15/2001 (203219)  
15 07/14/2006 (435213)  
16 09/27/2002 (203217)  
17 09/27/2001 (203216)  
18 12/15/2003 (254111)  
19 08/23/2002 (203214)  
20 08/24/2001 (203213)  
21 05/20/2003 (203211)  
22 05/24/2004 (359948)  
23 01/08/2003 (20484)  
24 06/22/2004 (359949)  
25 04/24/2006 (503157)  
26 06/30/2002 (203210)  
27 08/30/2004 (359950)  
28 05/22/2006 (503158)  
29 02/20/2004 (314402)  
30 08/04/2006 (456068)  
31 08/20/2004 (359951)  
32 06/21/2006 (503159)  
33 09/20/2004 (359952)  
34 06/24/2002 (203207)  
35 03/18/2004 (314405)  
36 10/25/2004 (359953)  
37 04/19/2004 (314406)  
38 05/23/2003 (314408)  
39 05/24/2002 (203204)  
40 03/21/2005 (386276)  
41 11/23/2004 (386277)  
42 06/20/2003 (314410)  
43 12/20/2004 (386278)  
44 04/21/2003 (203201)  
45 08/04/2006 (456069)  
46 11/13/2002 (11735)  
47 01/24/2005 (386279)  
48 04/29/2002 (203200)  
49 08/22/2003 (314413)  
50 09/22/2003 (314415)  
51 11/03/2004 (338405)  
52 10/28/2003 (314417)  
53 03/24/2003 (203196)  
54 11/19/2003 (314418)  
55 03/28/2002 (203195)  
56 12/22/2003 (314419)  
57 02/24/2003 (203193)  
58 01/26/2004 (314420)  
59 02/27/2002 (203192)  
60 07/14/2006 (436067)  
61 02/21/2006 (475923)  
62 03/21/2006 (475924)  
63 10/18/2005 (475925)  
64 11/15/2005 (475926)  
65 12/19/2005 (475927)  
66 01/12/2006 (475928)  
67 08/19/2003 (149702)  
68 07/14/2006 (435299)  
69 03/01/2005 (424175)  
70 04/13/2005 (424176)  
71 05/19/2005 (424177)  
72 06/15/2005 (424178)  
73 12/02/2003 (251188)  
74 05/27/2004 (270352)  
75 07/14/2006 (436066)  
76 05/22/2006 (457285)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 11/30/2001 (203225)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2001 (203222)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2002 (203220)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2001 (203219)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 08/19/2003 (149702)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to comply with the permitted limits for cyanide (CN), chemical oxygen demand (COD), total zinc (T-Zn) and total aluminum (T-Al) at Outfall 001 and total suspended solids (TSS) at Outfall 101.

Date: 08/31/2002 (203217)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 08/31/2001 (203216)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 07/31/2002 (203214)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 06/30/2002 (203210)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2002 (203207)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 08/31/2004 (359952)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 04/30/2002 (203204)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 03/31/2002 (203200)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 12/31/2004 (386279)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 02/28/2002 (203195)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 11/15/2002 (11735)  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(B)  
30 TAC Chapter 122, SubChapter B 122.146(2)

Description: Complete failure to submit or maintain required data, documents, notifications, plans, or reports.  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 115, SubChapter E 115.426(2)(A)(I)

Description: Partial or inadequate implementation of monitoring/testing requirements, including self-inspections where applicable.  
Date: 10/31/2003 (314418)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 12/15/2003 (254111)  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 290, SubChapter D 290.45(d)(2)(A)(ii)

Description: Failure to provide a minimum pressure tank capacity of 220 gallons.  
Self Report? NO Classification: Major  
Citation: 30 TAC Chapter 290, SubChapter D 290.46(e)(3)(A)

Description: Failure by the regulated entity to be under the direct supervision of a licensed water works operator.  
Date: 11/30/2005 (475927)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 01/31/2005 (424175)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 03/31/2005 (424176)

Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter  
Date: 05/31/2005 (424178)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

Type	Tier	Certification Date
30 TAC CERTIFIED	BASIC	04/27/2005

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
SEQUA CORPORATION  
RN100217926

§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2006-1438-AIR-E

I. JURISDICTION AND STIPULATIONS

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Sequa Corporation ("Sequa") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Sequa appear before the Commission and together stipulate that:

1. Sequa owns a metal coating plant at 16402 Jacintoport Boulevard in Houston, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and Sequa agree that the Commission has jurisdiction to enter this Agreed Order, and that Sequa is subject to the Commission's jurisdiction.
4. Sequa received notice of the violations alleged in Section II ("Allegations") on or about August 9, 2006.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Sequa of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Fifty-Eight Thousand Two Hundred Twenty-Five Dollars (\$58,225) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Sequa has paid Forty-Six Thousand Five Hundred Eighty Dollars (\$46,580) of the administrative penalty and Eleven Thousand Six Hundred Forty-Five Dollars (\$11,645) is deferred contingent upon Sequa's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If



Sequa fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Sequa to pay all or part of the deferred penalty.

7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Sequa have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that Sequa has implemented the following corrective measures at the Plant:
  - a. On October 7, 2005, obtained a permit amendment to TCEQ Air Permit No. 56588 to increase the permitted emissions limit to accommodate the carbon monoxide measured during the emissions test for the Prime Oxidizer and the Finish Oxidizer;
  - b. Demonstrated that the Boiler Emission Point Number B-E qualifies for a Permit by Rule (PBR) authorization under 30 TEX. ADMIN.CODE §106.183. On August 16, 2006, Sequa submitted a permit alteration request to remove this unit from TCEQ Air Permit No. 56588; and
  - c. On August 16, 2006, submitted a Level of Activity Certification Emission Cap and Trade ("ECT")-3 Form which was required by the Mass Emissions Cap and Trade to establish an account under the Program.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Sequa has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner of the Plant, Sequa is alleged to have:

1. Failed to comply with permitted emission rate of 3.74 pounds per hour for carbon monoxide from the Finish Oxidizer, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.115(c), TCEQ Air Permit No. 56588, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b),

The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem.

Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the underlying causes.

After the causes of the problem have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed.

Finally, the last step in the process is to implement the plan of action. This involves putting the plan into action and monitoring the progress of the solution.

It is important to note that the process of identifying a problem is not a linear process. It is often necessary to go back and forth between the different steps as more information is gathered and the problem is better understood.

One of the most common mistakes made when identifying a problem is to focus on the symptoms of the problem rather than the underlying causes. This can lead to a solution that only addresses the symptoms and does not solve the problem in the long run.

Another common mistake is to develop a plan of action that is too vague or too general. This can make it difficult to implement the plan and to monitor the progress of the solution.

It is also important to involve the people who are affected by the problem in the process of identifying the problem and developing the plan of action. This can help to ensure that the solution is practical and that the people who are affected by the problem are committed to the solution.

Finally, it is important to be patient and persistent when identifying a problem and developing a solution. It often takes time to identify the causes of a problem and to develop a plan of action that will solve the problem in the long run.

By following these steps, you can identify the causes of a problem and develop a plan of action that will solve the problem in the long run. This is a process that requires patience and persistence, but it is worth the effort.

## CONCLUSION

The first step in the process of identifying a problem is to define the problem.

Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the underlying causes.

as documented during a record review conducted on April 6, 7, and 11, 2006. A stack test conducted on March 16, 2005, showed the carbon monoxide emissions to be 78.6 pounds per hour.

2. Failed to comply with permitted emission rate of 3.74 pounds per hour for carbon monoxide from the Prime Oxidizer, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.115(c), TCEQ Air Permit No. 56588, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 6, 7, and 11, 2006. A stack test conducted on March 16, 2005, showed the carbon monoxide emissions to be 24.2 pounds per hour.
3. Failed to comply with permitted emission rate of 0.06 pounds per hour for volatile organic compounds from the Boiler, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.115(c), TCEQ Air Permit No. 56588, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 6, 7, and 11, 2006. A stack test conducted on March 17, 2005, showed the volatile organic compound emissions to be 0.23 pounds per hour.
4. Failed to submit an ECT-3 Form by April 17, 2003, in violation of 30 TEX. ADMIN. CODE § 101.351(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 6, 7, and 11, 2006. Sequa is a major source and was required to certify its level activity for nitrogen oxide emissions and establish an account by April 17, 2003.
5. Failed to submit ECT-1 Forms by March 31st summarizing Nitrogen Oxide emissions for the 2004 and 2005 annual control periods, in violation of 30 TEX. ADMIN. CODE § 101.359(a) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 6, 7, and 11, 2006.
6. Failed to ensure that a quantity of Nitrogen Oxide allowances were maintained for use in the 2004 and 2005 annual control periods, in violation of 30 TEX. ADMIN. CODE § 101.352(b) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 6, 7, and 11, 2006.

### III. DENIALS

Sequa generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Sequa pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Sequa's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Sequa Corporation, Docket No. 2006-1438-AIR-E" to:

10/10/2017 10:10:10 AM

10/10/2017

10/10/2017 10:10:10 AM

10/10/2017

10/10/2017 10:10:10 AM

Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. It is further ordered that Sequa shall undertake the following technical requirements:
- a. Within 30 days of an account being established by TCEQ based on the ECT-3 form which was submitted on August 16, 2006, submit Annual Compliance Report Form ECT-1 Forms for the 2004 and 2005 annual control periods, including documentation demonstrating the level of activity, in accordance with 30 TEX. ADMIN. CODE § 101.359(a) to:

Texas Commission on Environmental Quality  
Emissions Banking and Trading Program MC 162  
P.O. Box 13087  
Austin, Texas 78711-3087

- b. Within 180 days after the effective date of this Agreed Order, obtain a permit amendment approval to remove the Boiler Emission Point Number B-E from TCEQ Air Permit No. 56588; and
- c. Within 195 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision Nos. 2.a. and 2.b. The certification should include documentation demonstrating compliance and shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify that under the penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtained the information, I believe that the submitted information is 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."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

1. The first part of the document is a  
letterhead, which includes the name of the  
organization, the address, and the date.  
2. The second part of the document is the  
main body of the letter, which contains the  
message and any necessary information.

3. The third part of the document is the closing, which includes the signature and the name of the sender.

4. The fourth part of the document is the enclosure, which lists any additional documents or items that are being sent with the letter.

5. The fifth part of the document is the footer, which includes the name of the organization, the address, and the date.

6. The sixth part of the document is the distribution list, which lists the names and addresses of the recipients of the letter.

7. The seventh part of the document is the return address, which provides the address to which the letter should be returned.

8. The eighth part of the document is the envelope, which is used to hold the letter and any enclosures together.

9. The ninth part of the document is the stamp, which is used to indicate the date and time of the letter's mailing.

Manager, Air Section  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Avenue, Suite H  
Houston, Texas 77023

3. The provisions of this Agreed Order shall apply to and be binding upon Sequa. Sequa is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If Sequa fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Sequa's failure to comply is not a violation of this Agreed Order. Sequa shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Sequa shall notify the Executive Director within seven days after Sequa becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Sequa shall be made in writing to the Executive Director. Extensions are not effective until Sequa receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Sequa in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Sequa, or three days after the date on which the Commission mails notice of the Order to Sequa, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

DECLARATION OF THE  
MEMBERS OF THE  
COMMISSION OF THE EUROPEAN COMMUNITIES  
ON THE  
MATTER OF THE  
TREATY OF AMSTERDAM

The Commission of the European Communities, hereinafter referred to as the Commission, has the honour to declare that it has received from the Member States the following information:

The Commission has received from the Member States the following information: that the Treaty of Amsterdam has been signed and ratified by all the Member States in accordance with the provisions of the Treaty of Rome.

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## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

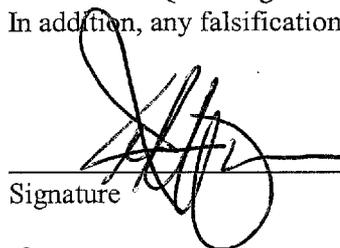
4/3/06  
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature

Gerard M. Dombek

4/2/06  
\_\_\_\_\_  
Date

Senior Vice President

\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Sequa Corporation

\_\_\_\_\_  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support informed decision-making.

3. The third part of the document focuses on the role of technology in data management and analysis. It discusses how modern software solutions can streamline data collection, storage, and reporting, thereby improving efficiency and accuracy.

4. The fourth part of the document addresses the challenges associated with data management, such as data quality, security, and privacy. It provides strategies to mitigate these risks and ensure that data is used responsibly and ethically.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that data management practices remain effective and aligned with the organization's goals.

6. The sixth part of the document provides a detailed overview of the data collection process, including the identification of data sources, the design of data collection instruments, and the implementation of data collection procedures.

7. The seventh part of the document discusses the various methods used for data analysis, such as descriptive statistics, inferential statistics, and regression analysis. It explains how these methods are used to interpret the data and draw meaningful conclusions.

8. The eighth part of the document focuses on the presentation of data, including the use of tables, charts, and graphs. It provides guidelines for creating clear and concise reports that effectively communicate the results of the data analysis.

9. The ninth part of the document addresses the ethical considerations of data management, such as informed consent, data anonymity, and the right to be forgotten. It emphasizes the need for transparency and accountability in the use of personal data.

10. The tenth part of the document provides a final summary and conclusion, reiterating the importance of data management in achieving organizational success and the need for continuous improvement in data management practices.

11. The eleventh part of the document discusses the role of data in strategic planning and decision-making. It highlights how data-driven insights can help organizations identify opportunities, assess risks, and make more informed strategic decisions.

12. The twelfth part of the document provides a detailed overview of the data storage and security measures. It discusses the importance of secure data storage and the various security protocols used to protect data from unauthorized access and breaches.

13. The thirteenth part of the document addresses the challenges of data integration and interoperability. It discusses how data from different systems and sources can be combined and analyzed to provide a more comprehensive view of the organization's operations.

14. The fourteenth part of the document provides a final summary and conclusion, emphasizing the need for a data-driven culture and the importance of investing in data management capabilities to ensure long-term success.