EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-1428-AIR-E **TCEQ ID:** RN102514841 **CASE NO.:** 34531

RESPONDENT NAME: Signal International Texas, L.P.

ORDER TYPE:		
_X_1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
_X_AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Signal International Texas Dockyard Facility, 2500 Martin Luther King Junior Drive, Port Arthur, Jefferson County

TYPE OF OPERATION: Offshore oil rig repair plant

SMALL BUSINESS: ____ **Yes** _X_ **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 January 21, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Lindsey Jones, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-4930; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171

Respondent: Mr. Kyle Cooper, Plant Manager, Signal International Texas, L.P., P.O. Box 2367, Port Arthur, Texas 77643
Mr. Rodney W. Meisetschlaeger, Senior Vice President/General Manager, Signal International Texas, L.P., P.O. Box 2367, Port Arthur, Texas 77643

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

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint __ Routine _X_ Enforcement Follow-up __ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** July 27, 2007 **Date of NOV/NOE Relating to this Case:** August 16, 2007 (NOE) **Background Facts:** This was a routine investigation. **AIR** 1) Failed to comply with annual gasoline throughput reporting requirements. Specifically, the gasoline throughput report should have been submitted annually no later than January 31 of each year and was not submitted until February 7, 2006 for the 2005 report and February 6, 2007 for the 2006 report [30 TEX. ADMIN. CODE §§ 115.247(2) and 122.143(4); Federal Operating Permit No. O-1355, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to report all instances of deviation to the Executive Director no later than 30 days after the end of each reporting period. Specifically, the late submittal of the annual gasoline throughput report for both the 2005 and 2006 period was not documented in the semi-annual deviation reports for the reporting periods of October 1, 2005 through March 31, 2006; April 1, 2006 through September 30, 2006; and October 1, 2006 through March 31, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A) and (B); Federal Operating Permit No. O-1355, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failed to certify compliance with the terms and conditions of the Federal Operating Permit for at least each 12-month period. Specifically, the late submittal of the annual gasoline	**Total Assessed:** $8,600 **Total Deferred:** $1,720 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $6,880 **Site Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** _X_ **High** __ **Average** __ **Poor** **Major Source:** _X_ Yes ___ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant by August 23, 2007: a. Submitted revised semi-annual deviation reports and permit compliance certifications for the 2005 and 2006 compliance periods to address the late submittal of the annual gasoline throughput reports; and b. Implemented a revised procedure for determining annual gasoline throughput, in which field readings would be compiled for the report instead of information provided by the vendor, in order to prevent same or similar occurrences.

throughput report for both the 2005 and 2006 period was not documented in the permit compliance certification for the reporting periods of June 14, 2005 through March 31, 2006 and April 1, 2006 through March 31, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (5)(D); Federal Operating Permit No. O-1355, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b)].		

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) — *PCW Revision June 26, 2007*

TCEQ

DATES					
Assigned	20-Aug-2007				
PCW	4-Sep-2007	Screening	28-Aug-2007	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Signal International Texas, L.P.		
Reg. Ent. Ref. No.	RN102514841		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	34531	No. of Violations	2
Docket No.	2007-1428-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Lindsey Jones
Multi-Media		EC's Team	EnforcementTeam 4
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $10,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — **-4%** Enhancement — *Subtotals 2, 3, & 7* -$400

Notes: The penalty was enhanced due to three previous dissimilar NOVs. The penalty was reduced due to high performer classification.

Culpability — No — **0%** Enhancement — *Subtotal 4* $0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — **10%** Reduction — *Subtotal 5* $1,000

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		X
N/A		(mark with x)

Notes: The Respondent returned to compliance by August 23, 2007.

0% Enhancement* — *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$87
Approx. Cost of Compliance	$1,500

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $8,600

OTHER FACTORS AS JUSTICE MAY REQUIRE — *Adjustment* $0

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes:

Final Penalty Amount $8,600

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $8,600

DEFERRAL — 20% Reduction — *Adjustment* -$1,720

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $6,880

Screening Date 28-Aug-2007 **Docket No.** 2007-1428-AIR-E **PCW**

Respondent Signal International Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34531

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN102514841

Media [Statute] Air

Enf. Coordinator Lindsey Jones

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	0	0%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	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 (*number of judgements or consent decrees meeting criteria*)	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 (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	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 (*number of audits for which notices were submitted*)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	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) 6%

>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) 0%

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

High Performer

Adjustment Percentage (Subtotal 7) -10%

>> **Compliance History Summary**

Compliance History Notes

The penalty was enhanced due to three previous dissimilar NOVs. The penalty was reduced due to high performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) -4%

PCW

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

Screening Date 28-Aug-2007 **Docket No.** 2007-1428-AIR-E

Respondent Signal International Texas, L.P.

Case ID No. 34531

Reg. Ent. Reference No. RN102514841

Media [Statute] Air

Enf. Coordinator Lindsey Jones

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 115.247(2) and 122.143(4); Federal Operating Permit No. O-1355, General Terms and Conditions; and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with annual gasoline throughput reporting requirements. Specifically, the gasoline throughput report should have been submitted annually no later than January 31 of each year and was not submitted until February 7, 2006 for the 2005 report and February 6, 2007 for the 2006 report.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

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

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 2

371 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $5,000

Two single events are recommended for the late submittal of the 2005 and 2006 reports.

Economic Benefit (EB) for this violation

Estimated EB Amount $38

Statutory Limit Test

Violation Final Penalty Total $4,300

This violation Final Assessed Penalty (adjusted for limits) $4,300

Economic Benefit Worksheet

Respondent Signal International Texas, L.P.
Case ID No. 34531
Reg. Ent. Reference No. RN102514841
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	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	$750	31-Jan-2006	6-Feb-2007	1.0	$38	n/a	$38
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	Estimated cost for timely preparation and submittal of the facility's annual gasoline throughput report. Date required is the date the 2005 report should have been submitted. Final date is the date of compliance.						
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: $750

TOTAL: $38

Screening Date 28-Aug-2007 **Docket No.** 2007-1428-AIR-E **PCW**

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

Respondent Signal International Texas, L.P.

Case ID No. 34531

Reg. Ent. Reference No. RN102514841

Media [Statute] Air

Enf. Coordinator Lindsey Jones

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4), 122.145(2)(A) and (B), and 122.146(1) and (5)(D); Federal Operating Permit No. O-1355, General Terms and Conditions; and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to certify compliance with the terms and conditions of the Federal Operating Permit for at least each 12-month period and document these failures as deviations in the corresponding deviation reports. Specifically, the late submittal of the annual gasoline throughput reports for both the 2005 and 2006 period was not documented in either the permit compliance certification for the reporting periods of June 14, 2005 through March 31, 2006 and April 1, 2006 through March 31, 2007; or in the semi-annual deviation reports for the reporting periods of October 1, 2005, through March 31, 2006; April 1, 2006, through September 30, 2006; and October 1, 2006, through March 31, 2007 reporting periods.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

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

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 2

480 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	x
single event	

Violation Base Penalty $5,000

Two annual events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $49

Statutory Limit Test

Violation Final Penalty Total $4,300

This violation Final Assessed Penalty (adjusted for limits) $4,300

Economic Benefit Worksheet

Respondent Signal International Texas, L.P.
Case ID No. 34531
Reg. Ent. Reference No. RN102514841
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	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	$500	30-Apr-2006	23-Aug-2007	1.3	$33	n/a	$33
Training/Sampling	$250	30-Apr-2006	23-Aug-2007	1.3	$16	n/a	$16
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	Estimated cost for additional training and procedures designed to ensure proper reporting practices. Date required is the date the first semi-annual deviation report documenting late submittal of the gasoline throughput report should have been submitted. Final date is the date of compliance.						
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: $750

TOTAL: $49

Compliance History

Customer/Respondent/Owner-Operator:	CN601554686	Signal International Texas, L.P.	Classification: HIGH	Rating: 0.05
Regulated Entity:	RN102514841	SIGNAL INTERNATIONAL TEXAS DOCKYARD FACILITY	Classification: AVERAGE	Site Rating: 0.22

ID Number(s):

PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	52226
PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	52226
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD981595531
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	34670
AIR NEW SOURCE PERMITS	PERMIT	9522
AIR NEW SOURCE PERMITS	PERMIT	23474
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JE0277S
AIR NEW SOURCE PERMITS	PERMIT	71860
AIR NEW SOURCE PERMITS	AFS NUM	4824500126
AIR OPERATING PERMITS	ACCOUNT NUMBER	JE0277S
AIR OPERATING PERMITS	PERMIT	1355
AIR OPERATING PERMITS	ACCOUNT NUMBER	JE0277S
AIR OPERATING PERMITS	PERMIT	1355
WASTEWATER	PERMIT	TPDES0112771
WASTEWATER	PERMIT	WQ0003753000
WASTEWATER	PERMIT	TX0112771
WASTEWATER	PERMIT	WQ0003753000

Location: 2500 MARTIN LUTHER KING JR DRIVE, PORT ARTHUR, TX, 77640

Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: August 29, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 29, 2002 to August 29, 2007

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

Name: Lindsey Jones Phone: 512-239-4930

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?	Yes
3. If Yes, who is the current owner?	Signal International Texas, L.P. Port Of Port Arthur
4. If Yes, who was/were the prior owner(s)?	N/A
5. When did the change(s) in ownership occur?	2/7/2003

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	09/19/2002	(228127)	23	04/16/2004	(324701)
2	09/19/2002	(228122)	24	05/19/2004	(324704)
3	10/01/2002	(228125)	25	05/19/2004	(324705)
4	11/21/2002	(228130)	26	06/16/2004	(324707)
5	12/18/2002	(228134)	27	07/20/2004	(365350)
6	01/21/2003	(228138)	28	08/16/2004	(285375)
7	02/20/2003	(228097)	29	08/17/2004	(365351)
8	03/21/2003	(228100)	30	09/20/2004	(365352)
9	04/17/2003	(228105)	31	10/20/2004	(365353)
10	05/13/2003	(34474)	32	11/16/2004	(365354)
11	05/19/2003	(228109)	33	12/14/2004	(365355)
12	05/23/2003	(36469)	34	01/19/2005	(389208)
13	06/13/2003	(228113)	35	02/15/2005	(389204)
14	07/21/2003	(324709)	36	03/21/2005	(389205)
15	08/22/2003	(324711)	37	04/14/2005	(389206)
16	09/22/2003	(324713)	38	04/14/2005	(389207)
17	10/16/2003	(324715)	39	08/01/2005	(400702)
18	11/20/2003	(324717)	40	08/10/2005	(396705)
19	12/22/2003	(324718)	41	08/02/2006	(465157)
20	01/22/2004	(324719)	42	07/13/2007	(531821)
21	02/20/2004	(324697)	43	07/19/2007	(560845)
22	03/22/2004	(324700)	44	08/16/2007	(571390)

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

Date: 12/31/2002 (228138)

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: 03/31/2003 (228105)

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: 07/18/2007 (560845)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)[G]

Description: Failure to provide records of inspection and maintenance of emergency equipment to ensure proper operation during the time of an emergency.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)[G]
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(4)

Description: Failure to include in the contingency plan, a list of all emergency equipment on site, and the location and description of the equipment.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)[G]
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(4)

Description: Failure to include in the contingency plan, an evacuation plan.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
SIGNAL INTERNATIONAL TEXAS,	§	
L.P.	§	
RN102514841	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2007-1428-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 Signal International Texas, L.P. ("Signal International") 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 Signal International appear before the Commission and together stipulate that:

1. Signal International owns and operates an offshore oil rig repair plant at 2500 Martin Luther King Junior Drive in Port Arthur, Jefferson 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 Signal International agree that the Commission has jurisdiction to enter this Agreed Order, and that Signal International is subject to the Commission's jurisdiction.

4. Signal International received notice of the violations alleged in Section II ("Allegations") on or about August 21, 2007.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Signal International of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Eight Thousand Six Hundred Dollars ($8,600) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Signal International has paid Six Thousand Eight Hundred Eighty Dollars ($6,880) of the

administrative penalty and One Thousand Seven Hundred Twenty Dollars ($1,720) is deferred contingent upon Signal International'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 Signal International fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Signal International 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 Signal International 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 Signal International has implemented the following corrective measures at the Plant by August 23, 2007:

   a. Submitted revised semi-annual deviation reports and permit compliance certifications for the 2005 and 2006 compliance periods to address the late submittal of the annual gasoline throughput reports; and

   b. Implemented a revised procedure for determining annual gasoline throughput, in which field readings would be compiled for the report instead of information provided by the vendor, in order to prevent same or similar occurrences.

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 Signal International 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 and operator of the Plant, Signal International is alleged to have:

1. Failed to comply with annual gasoline throughput reporting requirements, in violation of 30 TEX. ADMIN. CODE §§ 115.247(2) and 122.143(4); Federal Operating Permit No. O-1355, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 27, 2007. Specifically, the gasoline throughput report should have been submitted annually no later than January 31 of each year and was not submitted until February 7, 2006 for the 2005 report and February 6, 2007 for the 2006 report.

2. Failed to report all instances of deviation to the Executive Director no later than 30 days after the end of each reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A) and (B); Federal Operating Permit No. O-1355, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 27, 2007. Specifically, the late submittal of the annual gasoline throughput report for both the 2005 and 2006 period was not documented in the semi-annual deviation reports for the reporting periods of October 1, 2005 through March 31, 2006; April 1, 2006 through September 30, 2006; and October 1, 2006 through March 31, 2007.

3. Failed to certify compliance with the terms and conditions of the Federal Operating Permit for at least each 12-month period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (5)(D); Federal Operating Permit No. O-1355, General Terms and Conditions; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 27, 2007. Specifically, the late submittal of the annual gasoline throughput report for both the 2005 and 2006 period was not documented in the permit compliance certification for the reporting periods of June 14, 2005 through March 31, 2006 and April 1, 2006 through March 31, 2007.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Signal International pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Signal International'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: Signal International Texas, L.P., Docket No. 2007-1428-AIR-E" to:

   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. The provisions of this Agreed Order shall apply to and be binding upon Signal International. Signal International 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.

3. This Agreed Order, issued by the Commission, shall not be admissible against Signal International 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.

4. 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.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Signal International, or three days after the date on which the Commission mails notice of the Order to Signal International, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

John Sadler
For the Executive Director

1/11/08
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

Rodney W. Meisetschlaeger
Signature

11/19/07
Date

RODNEY W. MEISETSCHLAEGER
Name (Printed or typed)
Authorized Representative of
Signal International Texas, L.P.

SR. VP/GM SIGNAL-TX
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.