

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2009-0999-AIR-E TCEQ ID: RN102514841; RN100214519 CASE NO.: 37872

RESPONDENT NAME: SIGNAL INTERNATIONAL TEXAS, L.P.

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

CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: 2500 Martin Luther King, Jr. Drive, Port Arthur, Jefferson County (“Dry Dock Facility”); and 6830 South First Avenue, Sabine Pass, Jefferson County (“South Facility”).

TYPE OF OPERATION: Marine dry dock facility and marine and fabrication facility

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 expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired April 12, 2010. No comments were received.

CONTACTS AND MAILING LIST:
TCEQ Attorney: Ms. Laurencia Fasoyiro, Litigation Division, MC R-12, (713) 422-8914
 Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-3400
TCEQ Enforcement Coordinator: Ms. Kimberly Morales, Air Enforcement Section, MC R-12, (713) 422-8938
TCEQ Regional Contact: Ms. Heather Ross, Beaumont Regional Office, MC R-10, (409) 898-3838
Respondent: Mr. Pat Killeen, Corporate Director - Environmental Health & Safety, Signal International, 601 Bayou Casotte Pkwy., Pascagoula, MS 39581

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint</p> <p><input type="checkbox"/> Routine</p> <p><input type="checkbox"/> Enforcement Follow-up</p> <p><input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case: May 14th – 22nd, 2009 (Dry Dock Facility) May 12th & 13th, 2009 (South Facility)</p> <p>Date of NOE Relating to this Case: June 25, 2009</p> <p>Background Facts: The EDPRP was filed on August 25, 2009. The Respondent filed an answer and the case was referred to SOAH. Settlement was achieved and the agreed order was signed on February 12, 2010. A revised agreed order was signed on April 30, 2010.</p> <p>Current Compliance Status: No outstanding Technical Requirements.</p> <p>PST:</p> <ol style="list-style-type: none"> Failed to comply with the 2.6 pounds (“lbs”) of organic hazardous air pollutant (“HAP”) per gallon coating solids emission limit for an existing general use coating source. Specifically, coatings containing 3.64 lbs per gallon coating solids were used from January 3, 2007 to January 31, 2008 [30 TEX. ADMIN. CODE §§ 113.960 and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 63.3890(b)(1), and Federal Operating Permit (“FOP”) O-02396, Special Condition (“SC”) 4]. Failed to comply with the 2.6 lbs of organic HAP per gallon coating solids emission limit for an existing general use coating source. Specifically, the coatings utilized during calendar years 2007 and 2008 averaged exceedances of 0.55 and 0.65 lbs of organic HAPs per gallon coating solids, respectively [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 63.3890(b)(1), FOP No. 1355, SC 7, and Air Permit No. 9522, SC 11]. 	<p>Total Assessed: \$11,600</p> <p>Total Deferred: \$0</p> <p><input type="checkbox"/> Expedited Order</p> <p><input type="checkbox"/> Financial Inability to Pay</p> <p><input type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$11,600</p> <p>The Respondent paid the administrative penalty in full.</p> <p>Site Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent ceased operations at the South Facility on April 30, 2009 and at the Dry Dock Facility on August 20, 2009.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	29-Jun-2009	Screening	29-Jun-2009	EPA Due	26-Mar-2010
	PCW	4-Feb-2010				

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.	37872	No. of Violations	1
Docket No.	2009-0999-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kimberly Morales
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$5,000
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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.

Compliance History	28.0% Enhancement	Subtotals 2, 3, & 7	\$1,400
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Notes: Penalty enhancement due to four non-similar NOVs, and one agreed order containing denial of liability.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$646
 Approx. Cost of Compliance \$3,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$6,400
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$6,400
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$6,400
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral not offered for non-expedited settlement.

PAYABLE PENALTY	\$6,400
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Screening Date 29-Jun-2009	Docket No. 2009-0999-AIR-E	PCW
Respondent Signal International Texas, L.P.		Policy Revision 2 (September 2002)
Case ID No. 37872		PCW Revision October 30, 2008
Reg. Ent. Reference No. RN102514841		
Media [Statute] Air		
Enf. Coordinator Kimberly Morales		

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 <i>(number of NOVs meeting criteria)</i>	0	0%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	1	20%
	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 submitted)</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%
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) 28%

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

No	Adjustment Percentage (Subtotal 3) 0%
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>> **Compliance History Person Classification (Subtotal 7)**

Average Performer	Adjustment Percentage (Subtotal 7) 0%
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>> **Compliance History Summary**

Compliance History Notes	Penalty enhancement due to four non-similar NOVs, and one agreed order containing denial of liability.
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Total Adjustment Percentage (Subtotals 2, 3, & 7) 28%

Screening Date	29-Jun-2009	Docket No.	2009-0999-AIR-E	PCW
Respondent	Signal International Texas, L.P.			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	37872			<i>PCW Revision October 30, 2008</i>
Reg. Ent. Reference No.	RN102514841			
Media [Statute]	Air			
Enf. Coordinator	Kimberly Morales			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Texas Health & Safety Code § 382.085(b), 40 Code of Federal Regulations § 63.3890(b)(1), Federal Operating Permit ("FOP") No. 1355, Special Condition ("SC") 7, and Air Permit No. 9522, SC 11			
Violation Description	Failed to comply with the 2.6 pounds ("lbs") of organic hazardous air pollutant ("HAP") per gallon coating solids emission limit for an existing general use coating source. Specifically, the coatings utilized during calendar years 2007 and 2008 averaged exceedances of 0.55 and 0.65 lbs of organic HAPs per gallon coating solids, respectively.			
		Base Penalty	\$10,000	
>> Environmental, Property and Human Health Matrix				
OR	Harm			
		Major	Moderate	Minor
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Percent	25%	
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Percent	0%	
Matrix Notes	Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.			
		Adjustment	\$7,500	
			\$2,500	
Violation Events				
	Number of Violation Events	2	Number of violation days	730
<i>mark only one with an x</i>	daily	<input type="text"/>		
	weekly	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input checked="" type="text" value="x"/>		
	single event	<input type="text"/>		
		Violation Base Penalty	\$5,000	
	Two annual events are recommended based on calendar years 2007 and 2008.			
Good Faith Efforts to Comply				
		0.0% Reduction		\$0
		Before NOV	NOV to EDRP/Settlement Offer	
	Extraordinary	<input type="text"/>	<input type="text"/>	
	Ordinary	<input type="text"/>	<input type="text"/>	
	N/A	<input checked="" type="text" value="x"/>	(mark with x)	
Notes	The Respondent does not meet the good faith criteria for this violation.			
		Violation Subtotal	\$5,000	
Economic Benefit (EB) for this violation				
	Estimated EB Amount	\$646	Violation Final Penalty Total	\$6,400
		This violation Final Assessed Penalty (adjusted for limits)		
		\$6,400		

Economic Benefit Worksheet

Respondent Signal International Texas, L.P.
Case ID No. 37872
Reg. Ent. Reference No. RN102514841
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$3,500	1-Jan-2007	20-Aug-2009	2.64	\$31	\$615	\$646
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost to implement add-on control options to ensure the reduction of HAP emissions from coating solids. The date required is the first date of non-compliance. The final date is the date the facility ceased operations.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,500

TOTAL

\$646



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	29-Jun-2009	Screening	29-Jun-2009	EPA Due	26-Mar-2010
	PCW	4-Feb-2010				

RESPONDENT/FACILITY INFORMATION	
Respondent	Signal International Texas, L.P.
Reg. Ent. Ref. No.	RN100214519
Facility/Site Region	10-Beaumont
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	37872	No. of Violations	1
Docket No.	2009-0999-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kimberly Morales
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$5,000
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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.

Compliance History	4.0% Enhancement	Subtotals 2, 3, & 7	\$200
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Notes: Penalty enhancement due to two nonsimilar NOVs.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$569
 Approx. Cost of Compliance \$3,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$5,200
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$5,200

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$5,200
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral not offered for non-expedited settlement.

PAYABLE PENALTY	\$5,200
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Screening Date 29-Jun-2009	Docket No. 2009-0999-AIR-E	PCW
Respondent Signal International Texas, L.P.		<i>Policy Revision 2 (September 2002)</i>
Case ID No. 37872		<i>PCW Revision October 30, 2008</i>
Reg. Ent. Reference No. RN100214519		
Media [Statute] Air		
Enf. Coordinator Kimberly Morales		

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>)	0	0%
	Other written NOVs	2	4%
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 submitted</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	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) 4%

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

No	Adjustment Percentage (Subtotal 3) 0%
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>> **Compliance History Person Classification (Subtotal 7)**

Average Performer	Adjustment Percentage (Subtotal 7) 0%
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>> **Compliance History Summary**

Compliance History Notes	Penalty enhancement due to two nonsimilar NOV's.
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Total Adjustment Percentage (Subtotals 2, 3, & 7) 4%

Screening Date	29-Jun-2009	Docket No.	2009-0999-AIR-E	PCW
Respondent	Signal International Texas, L.P.	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	37872	<i>PCW Revision October 30, 2008</i>		
Reg. Ent. Reference No.	RN100214519			
Media [Statute]	Air			
Enf. Coordinator	Kimberly Morales			

Violation Number	1
Rule Cite(s)	30 Tex. Admin. Code §§ 113.960 and 122.143(4), Texas Health & Safety Code § 382.085(b), 40 Code of Federal Regulations § 63.3890(b)(1), and Federal Operating Permit ("FOP") O-02396, Special Condition ("SC") 4
Violation Description	Failed to comply with the 2.6 pounds ("lbs") of organic hazardous air pollutant ("HAP") per gallon coating solids emission limit for an existing general use coating source. Specifically, coatings containing 3.64 lbs per gallon coating solids were used from January 3, 2007 to January 31, 2008.
Base Penalty	\$10,000

>> Environmental, Property and Human Health Matrix

OR	Harm			
	Release	Major	Moderate	Minor
	Actual			x
	Potential			
				Percent 25%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent 0%

Matrix Notes
Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events: 2 395 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	x
	single event	

Violation Base Penalty \$5,000

Two annual events are recommended based on the reported violation dates of January 3, 2007 to January 31, 2008.

Good Faith Efforts to Comply 0.0% Reduction \$0

	Before NOV	NOV to EDRP/Settlement
Extraordinary		
Ordinary		
N/A	x	(mark with x)
Notes	The Respondent does not meet the good faith criteria for this violation.	
Violation Subtotal	\$5,000	

Economic Benefit (EB) for this violation Statutory Limit Test

Estimated EB Amount	\$569	Violation Final Penalty Total	\$5,200
This violation Final Assessed Penalty (adjusted for limits)		\$5,200	

Economic Benefit Worksheet

Respondent Signal International Texas, L.P.
Case ID No. 37872
Reg. Ent. Reference No. RN100214519
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$3,500	3-Jan-2007	30-Apr-2009	2.32	\$27	\$542	\$569
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs
 The estimated cost to implement corrective actions necessary to ensure compliance with HAP emissions limits for coating solids. The date required is the first date of non-compliance. The final date is the date the facility ceased operations.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$3,500	TOTAL	\$569
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Compliance History Report

Customer/Respondent/Owner-Operator:	CN601554686	Signal International Texas, L.P.	Classification: AVERAGE	Rating: 1.73
Regulated Entity:	RN102514841	SIGNAL INTERNATIONAL TEXAS DOCKYARD FACILITY	Classification: AVERAGE	Site Rating: 1.92
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

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

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: June 29, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 29, 2004 to June 29, 2009

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

Name: Audra Benoit

Phone: (409) 899-8799

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2008 Repeat Violator: NO

Components (Multimedia) for the Site:

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

1660-1

Effective Date: 03/08/2008

ADMINORDER 2007-1428-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter C 115.247(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 1355, General Terms and Conditions OP
1355, Special Terms and Conditions 4.B. OP

Description: Failed to comply with annual gasoline throughput reporting requirements

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
30 TAC Chapter 122, SubChapter B 122.145(2)(B)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 1355, General Terms and Conditions OP

Description: Failed to report all instances of deviation to the Executive Director no later than 30 days after the end of each reporting period

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(1)
30 TAC Chapter 122, SubChapter B 122.146(5)(D)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 1355, General Terms and Conditions OP

Description: Failed to certify compliance with the terms and conditions of the Federal Operating Permit for at least each 12-month period

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	07/20/2004	(365350)
2	08/16/2004	(285375)
3	08/17/2004	(365351)
4	09/20/2004	(365352)
5	10/20/2004	(365353)
6	11/16/2004	(365354)
7	12/14/2004	(365355)
8	01/19/2005	(389208)
9	02/15/2005	(389204)
10	03/21/2005	(389205)
11	04/14/2005	(389206)
12	04/14/2005	(389207)
13	06/10/2005	(588411)
14	07/13/2005	(588416)
15	08/01/2005	(400702)
16	08/10/2005	(396705)
17	08/17/2005	(588419)
18	09/16/2005	(588421)
19	09/16/2005	(588423)
20	11/21/2005	(588425)
21	12/17/2005	(588427)
22	01/20/2006	(588429)
23	02/16/2006	(588405)
24	03/21/2006	(588407)
25	04/24/2006	(588409)
26	05/22/2006	(588412)
27	05/22/2006	(588417)
28	06/22/2006	(588414)
29	08/02/2006	(465157)
30	08/17/2006	(588420)
31	08/17/2006	(588424)
32	09/25/2006	(588422)
33	11/20/2006	(588426)
34	12/19/2006	(588428)
35	01/18/2007	(588430)
36	02/14/2007	(588406)
37	02/14/2007	(588431)
38	03/15/2007	(588408)
39	04/18/2007	(588410)
40	05/18/2007	(588413)
41	05/18/2007	(588418)
42	06/14/2007	(588415)
43	07/13/2007	(531821)
44	07/19/2007	(560845)
45	08/16/2007	(571390)
46	08/16/2007	(608598)
47	09/19/2007	(608599)
48	10/22/2007	(608600)
49	11/21/2007	(629689)
50	12/13/2007	(629690)
51	03/19/2008	(676791)
52	04/25/2008	(676792)
53	04/25/2008	(676794)
54	04/25/2008	(676795)

55 04/29/2008 (695361)
 56 05/16/2008 (695362)
 57 05/27/2008 (641794)
 58 06/06/2008 (695363)
 59 07/30/2008 (682601)
 60 08/14/2008 (716894)
 61 08/25/2008 (685291)
 62 10/14/2008 (716895)
 63 10/14/2008 (716896)
 64 11/13/2008 (732312)
 65 12/03/2008 (706899)
 66 12/16/2008 (755630)
 67 02/16/2009 (755626)
 68 03/18/2009 (755627)
 69 04/15/2009 (755628)
 70 04/15/2009 (755629)
 71 06/25/2009 (746857)

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

- NS1** Date: 07/18/2007 (560845) CN601554686
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)
 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)
 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)
 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.
- NS2** Date: 04/28/2008 (641794) CN601554686
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 9522, Special Condition 11 PERMIT
 O-01355, Special Condition 1D OP
 Description: Failure to submit a report in a timely manner.
- NS3** Date: 08/25/2008 (685291) CN601554686
 Self Report? NO Classification: Minor
 Citation: OtR 14e(3), Pg 15 PERMIT
 Description: Failure by Signal International Texas Dockyard Facility to clearly label drums, tanks, and other containers.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure by Signal International Texas Dockyard Facility to define Outfalls 001 through 007 by the placement of signs containing an identifying label.
- NS4** Date: 06/25/2009 (746857) CN601554686
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Description: Failure to report deviations in a timely manner.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT MMMM 63.3920(a)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 11 PERMIT
Special Condition 7 OP

Description: Failure to submit complete reports as required by 40 CFR 63.3920(a)(1).

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

Compliance History Report

Customer/Respondent/Owner-Operator: CN601554686 Signal International Texas, L.P. Classification: AVERAGE Rating: 1.73
 Regulated Entity: RN100214519 SIGNAL INTERNATIONAL TEXAS SOUTH FACILITY Classification: AVERAGE Site Rating: 1.00

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	JE03881
	AIR OPERATING PERMITS	PERMIT	2396
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD988019618
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	39641
	AIR NEW SOURCE PERMITS	AFS NUM	4824500671
	AIR NEW SOURCE PERMITS	PERMIT	34952
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JE03881
	AIR NEW SOURCE PERMITS	PERMIT	35898
	AIR NEW SOURCE PERMITS	PERMIT	56232
	AIR NEW SOURCE PERMITS	PERMIT	48010
	STORMWATER	PERMIT	TXR05U549

Location: 6830 S FIRST AVE, SABINE PASS, TX, 77655
 TCEQ Region: REGION 10 - BEAUMONT
 Date Compliance History Prepared: June 29, 2009
 Agency Decision Requiring Compliance History: Enforcement
 Compliance Period: June 29, 2004 to June 29, 2009
 TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Audra Benoit Phone: (409) 899-8799

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2008 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, 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 12/14/2005 (435503)
 - 2 03/05/2007 (538469)
 - 3 04/20/2007 (542138)
 - 4 04/22/2008 (638229)
 - 5 05/23/2008 (654260)
 - 6 06/25/2009 (742117)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

NS1 Date: 04/22/2008 (638229) CN601554686
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 56232 PERMIT
 5C THSC Chapter 382 382.085(b)
 O-02396 OP
 Description: Failure to comply with conditions of a permit.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
 5C THSC Chapter 382 382.085(b)
 O-02396 OP
 Description: Failure to submit a semiannual deviation report for the period of February 3, 2007, through August 2, 2007, no later than 30 days after the reporting period ended.

NS2

Date: 06/25/2009 (742117)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.960
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT MMMM 63.3883
5C THSC Chapter 382 382.085(b)
O-02396, SC 4 OP

Description: Failure to submit a notification in a timely manner as reported in a Semiannual Deviation Report for FOP O-02396 dated February 03, 2008 to August 02, 2008.

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
ENFORCEMENT ACTION
CONCERNING
SIGNAL INTERNATIONAL
TEXAS, L.P.;
RN102514841 and
RN100214519**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2009-0999-AIR-E
I. JURISDICTION AND STIPULATIONS**

At its _____ agenda, the Texas Commission on Environmental Quality (“Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding Signal International Texas, L.P. (“Signal”) under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Signal appear before the Commission and together stipulate that:

1. Signal owns and operated a marine dry dock facility at 2500 Martin Luther King, Jr. Drive, Port Arthur, Jefferson County, Texas (RN102514841) (“Dry Dock Facility”), and a marine and fabrication facility at 6830 South First Avenue, Sabine Pass, Jefferson County, Texas (RN100214519) (“South Facility”) (collectively the “Facilities”). The Facilities consist of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and Signal agree that the Commission has jurisdiction to enter this Agreed Order, and that Signal is subject to the Commission's jurisdiction.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Signal of any violation alleged in Section II (“Allegations”), nor of any statute or rule.
5. An administrative penalty in the amount of eleven thousand six hundred dollars (\$11,600.00) is assessed by the Commission in settlement of the violations alleged in Section II (“Allegations”). Signal paid eleven thousand six hundred dollars (\$11,600.00) of the administrative penalty.

6. 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.
7. The Executive Director of the TCEQ and Signal agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director recognizes that Signal ceased operations at the South Facility on April 30, 2009 and the Dry Dock Facility on August 20, 2009.
9. 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 has not complied with one or more of the terms or conditions in this Agreed Order.
10. 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.
11. 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

1. During a record review of the South Facility on May 12 through May 13, 2009, a TCEQ Beaumont Regional Office investigator documented that Signal violated 30 TEX. ADMIN. CODE §§ 113.960 and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 63.3890(b)(1), and Federal Operating Permit ("FOP") O-02396, Special Condition ("SC") 4 by failing to comply with the 2.6 pounds ("lbs") of organic hazardous air pollutant ("HAP") per gallon coating solids emission limit for an existing general use coating source. Specifically, coatings containing 3.64 lbs per gallon coating solids were used from January 3, 2007 to January 31, 2008.
2. During a record review of the Dry Dock Facility on May 14 through May 22, 2009, a TCEQ Beaumont Regional Office investigator documented that Signal violated 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 63.3890(b)(1), FOP No. 1355, SC 7, and Air Permit No. 9522, SC 11 by failing to comply with the 2.6 lbs of organic HAP per gallon coating solids emission limit for an existing general use coating source. Specifically, the coatings utilized during calendar years 2007 and 2008 averaged exceedences of 0.55 and 0.65 lbs of organic HAPs per gallon coating solids, respectively.
3. Signal received notice of the violations on or about June 30, 2009.

III. DENIALS

Signal generally denies each allegation in Section II (“Allegations”).

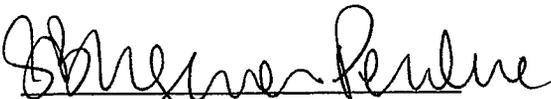
IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Signal pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and Signal’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 considering or requiring corrective action or penalties for violations which are not raised here.
2. The provisions of this Agreed Order shall apply to and be binding upon Signal. Signal is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over each Facility’s operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against Signal 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 Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order 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) and TEX. GOV’T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Agreed Order to Signal, or three days after the date on which the Commission mails notice of this Agreed Order to Signal, 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



For the Executive Director

5/12/2010

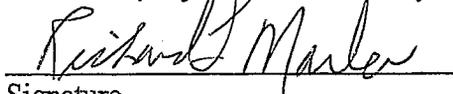
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that 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 Signal's compliance history;
- Greater scrutiny of any permit applications submitted by Signal;
- 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 Signal;
- Automatic referral to the Attorney General's Office of any future enforcement actions against Signal; and
- TCEQ seeking other relief as authorized by law.

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



Signature

Richard L. Marler

Name (Printed or typed)
Authorized representative of
Signal International Texas, L.P.

30 April 2010

Date

President & CEO

Title