

**Executive Summary – Enforcement Matter – Case No. 40847
Orange County Container Group LLC
RN100754779
Docket No. 2010-2030-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Corrugated Services, 855 East United States Highway 80, Forney, Kaufman County

Type of Operation:

Linerboard and medium and coated paper manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 6, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,046

Amount Deferred for Expedited Settlement: \$1,809

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$7,237

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

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Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 8, 2010 and November 16, 2010

Date(s) of NOE(s): December 1, 2010

Violation Information

1. Failed to limit opacity to ten percent averaged over a six-minute period. Specifically, opacity was 48.84 percent for six minutes from the Wood Fired Boiler Stack, emission point number ("EPN") WBLR, during an excess opacity event (Incident No. 129640) that occurred on September 13, 2009, when the operator allowed the oxygen level to rise above 12 percent causing the Electrostatic Precipitator ("ESP") to trip. Since this event was reported late, was preventable, and pollution control equipment was not operated to minimize opacity, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 80892, Special Conditions 10 and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to report an excess opacity event within 24 hours after discovery. Specifically, Incident No. 129640 was discovered on September 13, 2009 at 9:36 p.m., but was not reported until September 21, 2010 at 8:54 a.m. [30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to limit opacity to ten percent averaged over a six-minute period. Specifically, opacity was 40.26 percent for twelve minutes from the Wood Fired Boiler Stack, EPN WBLR, during an excess opacity event (Incident No. 144280) that occurred on November 2, 2008, when performance of the ESP was suboptimal. Since this event was reported late, was preventable, pollution control equipment was not operated to minimize opacity, and prompt action was not taken to achieve compliance and minimize the event, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [30 TEX. ADMIN. CODE § 116.115(c), NSR Permit No. 80892, Special Conditions 10 and TEX. HEALTH & SAFETY CODE § 382.085(b)].
4. Failed to report an excess opacity event within 24 hours after discovery. Specifically, Incident No. 144280 was discovered on November 2, 2008 at 4:06 a.m., but was not reported until September 1, 2010 at 10:44 a.m. [30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
5. Failed to limit opacity to ten percent averaged over a six-minute period. Specifically, opacity was 34.77 percent for six minutes from the Wood Fired Boiler Stack, EPN WBLR, during an excess opacity event (Incident No. 146336) that occurred on October 18, 2010, when a switch on the boiler steam drum blew a fuse causing the unit to trip on a low level in the steam drum alarm. Since this event was reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not

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met [30 TEX. ADMIN. CODE § 116.115(c), NSR Permit No. 80892, Special Conditions 10 and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. Failed to report an excess opacity event within 24 hours after discovery. Specifically, Incident No. 146336 was discovered on October 18, 2010 at 6:24 p.m., but was not reported until October 20, 2010 at 10:09 a.m. [30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Executive Director recognizes that the Respondent has taken the following corrective action measures at the Plant:

- a. During training completed on October 26, 2010, with regard to Incident No. 129640, the boiler operators were trained to reduce the fan speed and control the oxygen levels in the boiler to allow for restarting the boiler without causing the ESP to trip;
- b. During training completed on October 26, 2010, with regard to Incident No. 144280, the boiler operators were trained to ensure optimal performance of the ESP for particulate matter collection;
- c. During training completed January 27, 2011, the boiler operators were trained to contact the Liner Mill Manager and the Environmental Engineer, in addition to staff on a phone list they were provided when emissions events occur requiring 24 hour notification; and
- d. With regard to Incident No. 146336, a preventative maintenance plan was completed October 26, 2010 that includes inspecting fuses every three months and replacing them when signs of wear and tear appear.

Technical Requirements:

N/A

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

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Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Ms. Trina Grieco, Enforcement Division,
Enforcement Team 5, MC R13, (210) 403-4006; Ms. Laurie Eaves, Enforcement
Division, MC 219, (512) 239-4495

TCEQ SEP Coordinator: N/A

Respondent: Mr. David A. Nelson, Chief Operating Officer, Orange County Container
Group LLC, P.O. Box 847, Forney, Texas 75126-0847

Mr. Dustin Simpson, Environmental Engineer, P.O. Box 847, Forney, Texas 75126-0847

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	6-Dec-2010	Screening	13-Dec-2010	EPA Due	N/A
	PCW	17-Mar-2011				

RESPONDENT/FACILITY INFORMATION	
Respondent	Orange County Container Group LLC
Reg. Ent. Ref. No.	RN100754779
Facility/Site Region	4-Dallas/Fort Worth
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	40847	No. of Violations	6
Docket No.	2010-2030-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Trina Grieco
		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** **\$7,800**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **32.0%** Enhancement **Subtotals 2, 3, & 7** **\$2,496**

Notes: Enhancement for two NOV's issued for same/similar violations, one NOV issued for dissimilar violations, and one order with denial of liability.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$1,250**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$371
Approx. Cost of Compliance \$5,250
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$9,046**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$9,046**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$9,046**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$1,809**

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 **\$7,237**

Screening Date 13-Dec-2010

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PCW

Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	2	10%
	Other written NOVs	1	2%
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) 32%

>> **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

Enhancement for two NOVs issued for same/similar violations, one NOV issued for dissimilar violations, and one order with denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 32%

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Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), New Source Review ("NSR") Permit No. 80892, Special Conditions 10 and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to limit opacity to ten percent averaged over a six-minute period. Specifically, opacity was 48.84 percent for six minutes from the Wood Fired Boiler Stack, emission point number ("EPN") WBLR, during an excess opacity event (Incident No. 129640) that occurred on September 13, 2009, when the operator allowed the oxygen level to rise above 12 percent causing the Electrostatic Precipitator ("ESP") to trip. Since this event was reported late, was preventable, and pollution control equipment was not operated to minimize opacity, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of contaminants that did not exceed protective levels as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes The Respondent completed corrective actions on October 26, 2010, prior to the December 1, 2010 NOE date.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$84

Violation Final Penalty Total \$2,675

This violation Final Assessed Penalty (adjusted for limits) \$2,675

Economic Benefit Worksheet

Respondent Orange County Container Group LLC
Case ID No. 40847
Req. Ent. Reference No. RN100754779
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
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	\$1,500	13-Sep-2009	26-Oct-2010	1.12	\$84	n/a	\$84
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

Estimated expense to train boiler operators to reduce the fan speed and control the oxygen levels in the boiler to allow for restarting the boiler without causing the ESP to trip. The date required is the date of the event and the final date is the date corrective actions were completed.

Avoided Costs

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

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

\$1,500

TOTAL

\$84

Screening Date 13-Dec-2010

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PCW

Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 101.201(e) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report an excess opacity event within 24 hours after discovery. Specifically, Incident No. 129640 was discovered on September 13, 2009 at 9:36 p.m., but was not reported until September 21, 2010 at 8:54 a.m.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

372 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$100

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$115

Violation Final Penalty Total \$132

This violation Final Assessed Penalty (adjusted for limits) \$132

Economic Benefit Worksheet

Respondent Orange County Container Group LLC
Case ID No. 40847
Req. Ent. Reference No. RN100754779
Media Air
Violation No. 2

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)				0.00	\$0	\$0	\$0
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	\$1,500	14-Sep-2009	27-Jan-2011	1.37	\$103	n/a	\$103
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	14-Sep-2009	21-Sep-2010	1.02	\$13	n/a	\$13

Notes for DELAYED costs

Estimated expense for plant personnel to submit an excess opacity event report (\$250), and for the implementation of new plant procedures concerning excess opacity event reporting requirements (\$1,500). The date required is the date the report was due and the final dates are the date corrective actions were completed.

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

\$1,750

TOTAL

\$115

Screening Date 13-Dec-2010

Docket No. 2010-2030-AIR-E

PCW

Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 116.115(c), NSR Permit No. 80892, Special Conditions 10 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to limit opacity to ten percent averaged over a six-minute period. Specifically, opacity was 40.26 percent for twelve minutes from the Wood Fired Boiler Stack, EPN WBLR, during an excess opacity event (Incident No. 144280) that occurred on November 2, 2008, when performance of the ESP was suboptimal. Since this event was reported late, was preventable, pollution control equipment was not operated to minimize opacity, and prompt action was not taken to achieve compliance and minimize the event, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	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 contaminants that did not exceed protective levels as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes

The Respondent completed corrective actions on October 26, 2010, prior to the December 1, 2010 NOE date.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$149

Violation Final Penalty Total \$2,675

This violation Final Assessed Penalty (adjusted for limits) \$2,675

Economic Benefit Worksheet

Respondent Orange County Container Group LLC
Case ID No. 40847
Reg. Ent. Reference No. RN100754779
Media Air
Violation No. 3

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)				0.00	\$0	\$0	\$0
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	\$1,500	2-Nov-2008	26-Oct-2010	1.98	\$149	n/a	\$149
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

Estimated expense to train boiler operators to ensure optimal performance of the ESP for particulate matter collection. The date required is the date of the event and the final date is the date corrective actions were completed.

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

\$1,500

TOTAL

\$149

Screening Date 13-Dec-2010

Docket No. 2010-2030-AIR-E

PCW

Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 101.201(e) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report an excess opacity event within 24 hours after discovery. Specifically, Incident No. 144280 was discovered on November 2, 2008 at 4:06 a.m., but was not reported until September 1, 2010 at 10:44 a.m.

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 1%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

667 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$100

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$23

Violation Final Penalty Total \$132

This violation Final Assessed Penalty (adjusted for limits) \$132

Economic Benefit Worksheet

Respondent Orange County Container Group LLC
Case ID No. 40847
Reg. Ent. Reference No. RN100754779
Media Air
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
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
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)	\$250	3-Nov-2008	1-Sep-2010	1.83	\$23	n/a	\$23

Notes for DELAYED costs

Estimated costs for plant personnel to submit an excess opacity event report. The date required is the date the report was due and the final date is the date corrective actions were completed. The Economic Benefit to implement new procedures for excess opacity event reporting has been captured in the Economic Benefit calculated for Violation 2.

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

\$250

TOTAL

\$23

Screening Date 13-Dec-2010

Docket No. 2010-2030-AIR-E

PCW

Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), NSR Permit No. 80892, Special Conditions 10 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to limit opacity to ten percent averaged over a six-minute period. Specifically, opacity was 34.77 percent for six minutes from the Wood Fired Boiler Stack, EPN WBLR, during an excess opacity event (Incident No. 146336) that occurred on October 18, 2010, when a switch on the boiler steam drum blew a fuse causing the unit to trip on a low level in the steam drum alarm. Since this event was reported late, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	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 contaminants that did not exceed protective levels as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,300

This violation Final Assessed Penalty (adjusted for limits) \$3,300

Economic Benefit Worksheet

Respondent Orange County Container Group LLC
Case ID No. 40847
Reg. Ent. Reference No. RN100754779
Media Air
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
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
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)	\$250	19-Oct-2010	20-Oct-2010	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs for plant personnel to submit an excess opacity event report. The date required is the date the report was due and the final date is the date corrective actions were completed. The Economic Benefit to implement new procedures for excess opacity event reporting has been captured in the Economic Benefit calculated for Violation 2.

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

\$250

TOTAL

\$0

Screening Date 13-Dec-2010

Docket No. 2010-2030-AIR-E

PCW

Respondent Orange County Container Group LLC

Policy Revision 2 (September 2002)

Case ID No. 40847

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100754779

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 6

Rule Cite(s)

30 Tex. Admin. Code § 101.201(e) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report an excess opacity event within 24 hours after discovery. Specifically, Incident No. 146336 was discovered on October 18, 2010 at 6:24 p.m., but was not reported until October 20, 2010 at 10:09 a.m.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
			X

Percent 1%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

2 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$100

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$132

This violation Final Assessed Penalty (adjusted for limits) \$132

Economic Benefit Worksheet

Respondent Orange County Container Group LLC
Case ID No. 40847
Req. Ent. Reference No. RN100754779
Media Air
Violation No. 6

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)				0.00	\$0	\$0	\$0
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 Economic Benefit for this violation has been captured in the Economic Benefit calculated for Violation 5.

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

\$0

TOTAL

\$0

Compliance History

Customer/Respondent/Owner-Operator: CN603424292 Orange County Container Group LLC Classification: AVERAGE Rating: 3.37
 Regulated Entity: RN100754779 CORRUGATED SERVICES Classification: AVERAGE Site Rating: 4.00

ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT	23890
	AIR NEW SOURCE PERMITS	REGISTRATION	40561
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	KB0156B
	AIR NEW SOURCE PERMITS	AFS NUM	4825700031
	AIR NEW SOURCE PERMITS	REGISTRATION	53953
	AIR NEW SOURCE PERMITS	REGISTRATION	77162
	AIR NEW SOURCE PERMITS	PERMIT	80892
	AIR NEW SOURCE PERMITS	REGISTRATION	84013
	AIR OPERATING PERMITS	PERMIT	2979
	AIR OPERATING PERMITS	ACCOUNT NUMBER	KB1056B
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	KB0156B

Location: 855 E US HIGHWAY 80, FORNEY, TX, 75126
 TCEQ Region: REGION 04 - DFW METROPLEX

Date Compliance History Prepared: December 09, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: December 09, 2005 to December 09, 2010

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

Name: Trina Grieco Phone: (210) 403-4006

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: 9/1/2010 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.

Effective Date: 04/11/2010 ADMINORDER 2009-1501-AIR-E

Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 3 OP

Description: Failed to conduct observations of visible emissions, as documented during an investigation conducted on August 6, 2009. Specifically, during the June 3, 2008 to June 2, 2009 compliance period the Respondent did not conduct opacity readings from the stationary vents not monitored by the Continuous Opacity Monitoring System.

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)

Rqmt Prov: O-2979 OP

Description: Failed to submit a complete semi-annual deviation report for the June 3, 2008 through December 2, 2008 and December 3, 2008 through June 2, 2009 reporting periods, as documented during an investigation conducted on August 6, 2009. Specifically, the Respondent failed to include the deviations regarding the absence of opacity observations and reported 1,245 deviations with non-specific descriptions for the cause of the deviations, corrective actions, and preventative measures taken.

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	02/22/2006	(455552)
2	04/06/2006	(460200)
3	04/06/2006	(460359)
4	06/21/2006	(467613)
5	02/25/2008	(616147)
6	12/17/2008	(700891)
7	12/22/2008	(709428)
8	10/20/2009	(761658)
9	09/23/2009	(764041)
10	09/23/2009	(764447)
11	09/24/2009	(764448)
12	09/24/2009	(764449)
13	09/24/2009	(764451)
14	09/24/2009	(764453)
15	09/24/2009	(764454)
16	09/23/2009	(764455)
17	09/23/2009	(764456)
18	09/30/2009	(765589)
19	08/28/2009	(765735)
20	10/26/2009	(766070)
21	10/30/2009	(775046)
22	10/20/2009	(775718)
23	02/02/2010	(785210)
24	07/27/2010	(842793)
25	11/30/2010	(865400)
26	11/30/2010	(878027)

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

Date: 01/05/2009 (709428)

CN603424292

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 17.B.(1)(b), (d), (e) PERMIT

Description: Failure to give the TCEQ DFW Regional Office not less than 30 days prior notice to schedule a pretest meeting. The TCEQ DFW Regional Office received the testing protocol on October 20, 2008. The test event occurred on October 27, 2008. The notice received on September 29, 2008 failed to include the correct date sampling will occur, the type of sampling equipment to be used, and the method or procedure to be used in sampling.

Date: 04/29/2009 (738831)

CN603424292

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)
TXR050000 PERMIT

Description: Failure to implement good housekeeping measures to reduce/eliminate the exposure of garbage and refuse to runoff. Specifically, debris and trash from the raw material storage area is accumulating in drainage ditch to Outfall #2. (MSGP Part III, Section A(5)(a))

Date: 11/02/2009 (775046)

CN603424292

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
5C THSC Chapter 382 382.085(b)

Description: Failure to comply with the requirements of 30 TAC 101.201(a)(1), by failing to submit an initial notification of the event within 24 hours of discovery.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 10 PA

Description: Failure to comply with 30 TAC 116.115(c), by failing to comply with the ten percent opacity limit stated in Special Condition No. 10 of Permit No. 80892.

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
ORANGE COUNTY CONTAINER
GROUP LLC
RN100754779**

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§
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§

**BEFORE THE

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2010-2030-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 Orange County Container Group LLC ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a linerboard and medium and coated paper manufacturing plant at 855 East United States Highway 80 in Forney, Kaufman 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 the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about December 6, 2010.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Nine Thousand Forty-Six Dollars (\$9,046) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Seven Thousand Two Hundred Thirty-Seven Dollars (\$7,237) of the administrative penalty and One Thousand Eight Hundred Nine Dollars (\$1,809) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent 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 the Respondent 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 the Respondent has taken the following corrective action measures at the Plant:
 - a. During training completed on October 26, 2010, with regard to Incident No. 129640, the boiler operators were trained to reduce the fan speed and control the oxygen levels in the boiler to allow for restarting the boiler without causing the ESP to trip;
 - b. During training completed on October 26, 2010, with regard to Incident No. 144280, the boiler operators were trained to ensure optimal performance of the ESP for particulate matter collection;
 - c. During training completed January 27, 2011, the boiler operators were trained to contact the Liner Mill Manager and the Environmental Engineer, in addition to staff on a phone list they were provided when emissions events occur requiring 24 hour notification; and
 - d. With regard to Incident No. 146336, a preventative maintenance plan was completed October 26, 2010 that includes inspecting fuses every three months and replacing them when signs of wear and tear appear.
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 the Respondent 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, the Respondent is alleged to have:

1. Failed to limit opacity to ten percent averaged over a six-minute period, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 80892, Special Conditions 10 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 8, 2010. Specifically, opacity was 48.84 percent for six minutes from the Wood Fired Boiler Stack, emission point number ("EPN") WBLR, during an excess opacity event (Incident No. 129640) that occurred on September 13, 2009, when the operator allowed the oxygen level to rise above 12 percent causing the Electrostatic Precipitator ("ESP") to trip. Since this event was reported late, was preventable, and pollution control equipment was not operated to minimize opacity, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.
2. Failed to report an excess opacity event within 24 hours after discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 8, 2010. Specifically, Incident No. 129640 was discovered on September 13, 2009 at 9:36 p.m., but was not reported until September 21, 2010 at 8:54 a.m.
3. Failed to limit opacity to ten percent averaged over a six-minute period, in violation of 30 TEX. ADMIN. CODE § 116.115(c), NSR Permit No. 80892, Special Conditions 10 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 8, 2010. Specifically, opacity was 40.26 percent for twelve minutes from the Wood Fired Boiler Stack, EPN WBLR, during an excess opacity event (Incident No. 144280) that occurred on November 2, 2008, when performance of the ESP was suboptimal. Since this event was reported late, was preventable, pollution control equipment was not operated to minimize opacity, and prompt action was not taken to achieve compliance and minimize the event, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.
4. Failed to report an excess opacity event within 24 hours after discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 8, 2010. Specifically, Incident No. 144280 was discovered on November 2, 2008 at 4:06 a.m., but was not reported until September 1, 2010 at 10:44 a.m.
5. Failed to limit opacity to ten percent averaged over a six-minute period, in violation of 30 TEX. ADMIN. CODE § 116.115(c), NSR Permit No. 80892, Special Conditions 10 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on November 16, 2010. Specifically, opacity was 34.77 percent for six minutes from the

Wood Fired Boiler Stack, EPN WBLR, during an excess opacity event (Incident No. 146336) that occurred on October 18, 2010, when a switch on the boiler steam drum blew a fuse causing the unit to trip on a low level in the steam drum alarm. Since this event was reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.

6. Failed to report an excess opacity event within 24 hours after discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on November 16, 2010. Specifically, Incident No. 146336 was discovered on October 18, 2010 at 6:24 p.m., but was not reported until October 20, 2010 at 10:09 a.m.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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: Orange County Container Group LLC, Docket No. 2010-2030-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 the Respondent. The Respondent 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 the Respondent 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 separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or

otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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 S. Miller
For the Executive Director

5/12/2011
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.

J. P. Peterson
Signature

3/25/2011
Date

DAVID A. NELSON
Name (Printed or typed)
Authorized Representative of
Orange County Container Group LLC

CHIEF OPERATING OFFICER - PAPER GROUP
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.