Executive Summary – Enforcement Matter – Case No. 41239
LBC Houston, L.P.
RN101041598
Docket No. 2011-0329-AIR-E

Order Type:
1660 Agreed Order
Findings Order Justification:
N/A
Media:
AIR
Small Business:
No
Location(s) Where Violation(s) Occurred:
LBC Houston Bayport Terminal, 11666 Port Road, Seabrook, Harris County
Type of Operation:
Industrial bulk chemical liquid storage terminal
Other Significant Matters:
Additional Pending Enforcement Actions: No
Past-Due Penalties: No
Other: N/A
Interested Third-Parties: None
Texas Register Publication Date: May 20, 2011
Comments Received: No

Penalty Information

Total Penalty Assessed: $1,920
Amount Deferred for Expedited Settlement: $384
Amount Deferred for Financial Inability to Pay: $0
Total Paid to General Revenue: $1,536
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: January 12 to 14, 2011
Date(s) of NOE(s): Febuary 28, 2011

Violation Information

Failed to conduct an initial stack test on vapor oxidizer VO-1 by March 31, 2007 [30 TEX. ADMIN. CODE §§ 117.335(a)(1) and (a)(4), 117.9020(2)(C) and 122.143(4), Federal Operating Permit No. O-01001, Special Terms and Conditions Nos. 1A and 17A(i)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. Within 60 days, conduct the initial stack test on vapor oxidizer VO-1 and submit the results; and

2. Within 75 days, submit written certification demonstrating compliance.

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

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495
TCEQ SEP Coordinator: N/A
Respondent: Mr. Rafael E. Mendez, Manager, Health Safety, Environment and Quality, LBC Houston, L.P., 11666 Port Road, Seabrook, Texas 77586
Respondent's Attorney: N/A

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) *PCW Revision October 30, 2008*

TCEQ

DATES					
Assigned	28-Feb-2011				
PCW	3-Mar-2011	Screening	2-Mar-2011	EPA Due	22-Nov-2011

RESPONDENT/FACILITY INFORMATION

Respondent	LBC Houston, L.P.		
Reg. Ent. Ref. No.	RN101041598		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	41239	No. of Violations	1
Docket No.	2011-0329-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Nadia Hameed
		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* **$1,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **92.0%** Enhancement *Subtotals 2, 3, & 7* **$920**

Notes: Enhancement for three orders with a denial of liability, six same/similar NOVs and one dissimilar NOV.

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* **$0**

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

Total EB Amounts $2,201
Approx. Cost of Compliance $10,000

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 *Final Subtotal* **$1,920**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **$1,920**

STATUTORY LIMIT ADJUSTMENT *Final Assessed Penalty* **$1,920**

DEFERRAL **20.0%** Reduction *Adjustment* **-$384**

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 **$1,536**

Screening Date 2-Mar-2011 **Docket No.** 2011-0329-AIR-E **PCW**

Respondent LBC Houston, L.P.

Case ID No. 41239

Reg. Ent. Reference No. RN101041598

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

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 (*number of NOVs meeting criteria*)	6	30%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 92%

>> 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 three orders with a denial of liability, six same/similar NOVs and one dissimilar NOV.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 92%

Screening Date	2-Mar-2011	**Docket No.** 2011-0329-AIR-E	**PCW**
Respondent	LBC Houston, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	41239		*PCW Revision October 30, 2008*
Reg. Ent. Reference No.	RN101041598		
Media [Statute]	Air		
Enf. Coordinator	Nadia Hameed		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 117.335(a)(1) and (a)(4), 117.9020(2)(C) and 122.143(4), Federal Operating Permit No. O-01001, Special Terms and Conditions Nos. 1A and 17A(i)(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct an initial stack test on vapor oxidizer VO-1 by March 31, 2007.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 1 — 1433 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $1,000

One single event is recommended based on the stack test that was not conducted.

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 $1,000

Economic Benefit (EB) for this violation

Estimated EB Amount $2,201

Statutory Limit Test

Violation Final Penalty Total $1,920

This violation Final Assessed Penalty (adjusted for limits) $1,920

Economic Benefit Worksheet

Respondent LBC Houston, L.P.
Case ID No. 41239
Reg. Ent. Reference No. RN101041598
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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)	$10,000	31-Mar-2007	24-Aug-2011	4.40	$2,201	n/a	$2,201

Notes for DELAYED costs: Estimated expense to conduct a stack test. The Date Required is the date the stack test was due. The Final Date is the date of expected compliance.

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 $10,000

TOTAL $2,201

Compliance History

Customer/Respondent/Owner-Operator:	CN601179849	LBC Houston, L.P.	Classification: AVERAGE	Rating: 2.39
Regulated Entity:	RN101041598	LBC HOUSTON BAYPORT TERMINAL	Classification: AVERAGE	Site Rating: 1.77

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0029P
	AIR OPERATING PERMITS	PERMIT	1001
	WASTEWATER	PERMIT	WQ0002110000
	WASTEWATER	EPA ID	TX0075302
	WASTEWATER	PERMIT	WQ0002590000
	WASTEWATER	EPA ID	TX0091235
	AIR NEW SOURCE PERMITS	REGISTRATION	93518
	AIR NEW SOURCE PERMITS	PERMIT	3467B
	AIR NEW SOURCE PERMITS	PERMIT	5152
	AIR NEW SOURCE PERMITS	PERMIT	5153
	AIR NEW SOURCE PERMITS	PERMIT	11816
	AIR NEW SOURCE PERMITS	PERMIT	6251
	AIR NEW SOURCE PERMITS	PERMIT	4305
	AIR NEW SOURCE PERMITS	REGISTRATION	49604
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0029P
	AIR NEW SOURCE PERMITS	REGISTRATION	52512
	AIR NEW SOURCE PERMITS	REGISTRATION	54556
	AIR NEW SOURCE PERMITS	REGISTRATION	54938
	AIR NEW SOURCE PERMITS	REGISTRATION	54879
	AIR NEW SOURCE PERMITS	REGISTRATION	55750
	AIR NEW SOURCE PERMITS	REGISTRATION	70202
	AIR NEW SOURCE PERMITS	AFS NUM	4820100183
	AIR NEW SOURCE PERMITS	REGISTRATION	70341
	AIR NEW SOURCE PERMITS	REGISTRATION	71622
	AIR NEW SOURCE PERMITS	REGISTRATION	78293
	AIR NEW SOURCE PERMITS	REGISTRATION	79347
	AIR NEW SOURCE PERMITS	REGISTRATION	81115
	AIR NEW SOURCE PERMITS	REGISTRATION	81343
	AIR NEW SOURCE PERMITS	REGISTRATION	81838
	AIR NEW SOURCE PERMITS	REGISTRATION	84570
	AIR NEW SOURCE PERMITS	REGISTRATION	87827
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD000719286
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	30489

INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD096602941
INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	30985
INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50068
POLLUTION PREVENTION PLANNING	ID NUMBER	P00311
POLLUTION PREVENTION PLANNING	ID NUMBER	P01279
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HG0029P

Location: 11666 PORT RD, SEABROOK, TX, 77586

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: March 01, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: March 01, 2006 to March 01, 2011

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

Name: Nadia Hameed Phone: 713-767-3629

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/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: 07/22/2006 **ADMINORDER 2006-0309-AIR-E**

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: TCEQ AIR PERMIT No. 462, SC #18 PERMIT
Description: LBC failed to prevent an avoidable emissions event.

Effective Date: 05/25/2007 **ADMINORDER 2006-0975-AIR-E**

Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter H 115.725(d)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failed to install and operate continuous flow and on-line analyzer monitors for a flare in Highly Reactive Volatile Organic Compound (HRVOC) service as required

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: SC 13 PERMIT
Description: Failed to meet the minimum heating value of 300 British thermal units per standard cubic foot ("BTU/scf") when waste gas containing isobutylene was sent to the flare

Effective Date: 08/30/2010 **ADMINORDER 2010-0196-AIR-E**

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: No. 3467B, Special Condition # 5 PERMIT

Description: Failure to prevent unauthorized emissions that occurred during an event on August 12, 2009. Specifically, the Respondent released 1,642 pounds of unauthorized propylene oxide emissions from the Propylene Oxide Filter into the atmosphere during the three minute event. The event occurred due to a gasket failure caused by an improper tightening technique during a filter change. Since the emissions event was avoidable due to operator error, it does not meet the demonstration for an

affirmative de

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 03/14/2006 (256259)

2 07/19/2006 (457332)

3 05/01/2006 (463580)

4 09/01/2006 (463898)

5 05/31/2006 (480394)

6 07/19/2006 (480973)

7 08/23/2006 (509312)

8 03/26/2007 (532507)

9 03/26/2007 (538426)

10 04/12/2007 (556355)

11 04/30/2007 (558610)

12 11/02/2007 (598839)

13 11/07/2007 (599674)

14 01/07/2008 (610515)

15 06/18/2008 (682323)

16 06/09/2009 (742329)

17 12/16/2009 (767516)

18 01/29/2010 (768022)

19 09/29/2009 (777626)

20 11/23/2009 (782769)

21 02/10/2010 (788164)

22 03/23/2010 (794861)

23 05/07/2010 (795513)

24 07/30/2010 (825439)

25 07/20/2010 (829847)

26 02/25/2011 (879358)

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

Date: 08/24/2006 (509312)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
OP O-01001, Special Condition 1A OP
Description: Failure to provide visible emissions daily notation for Flares 4 and 5.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter C 115.216(4)(A)(i)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
OP, O-01001, Special Condition 1A OP
Description: Failure to provide daily record of the registry of the marine vessel and owner/operator.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
NSR Permit # 3467B, Special Condition 1D PERMIT
OP, # O-01001, Special Condition 16 OP
Description: Failure to verify seal integrity for tank B-407.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
NSR Permit #3467B, Special Condition 29K PERMIT
OP, O-01001, Special Condition 16 OP
Description: Failure to record instrument readings when performing LDAR monitoring for the fugitive areas.

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 THC Chapter 382, SubChapter A 382.085(b)
OP, O-01001 OP
Description: Failure to provide a complete deviation report.

Date: 03/26/2007 (532507) CN601179849

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 THC Chapter 382, SubChapter D 382.085(b)
O-01001, General Terms and Conditions OP
Description: Failure to report all incidents of deviations during the semiannual period beginning September 18, 2005, through March 18, 2006. This constitutes a violation of 30 TAC § 122.145(2)(A).

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THC Chapter 382, SubChapter D 382.085(b)
O-01001, SC 16 OP

Description: Failure to operate the Emergency Flare (FL-6) listed in permit 3467B as an

emergency flare during the maintenance activities that occurred on August 9, 2006, from 9:00 a.m. through 9:45 a.m. This constitutes a violation of 30 TAC § 116.116(a)(1).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
O-01001, SC 16.A. OP
Permit No. 3467B, SC5 PERMIT

Description: Failure to send authorized emissions to Emergency Flare (FL-6) during maintenance activities that occurred on August 9, 2006.

Date: 08/21/2009 (749563)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter F 115.541(a)(1)(B)
3467B SC 30(C) PERMIT
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain at least a 90% destruction rate efficiency.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter F 115.542(a)(6)
3467B SC 30(A) PERMIT
5C THSC Chapter 382 382.085(b)

Description: Failure to monitor VOC concentration for required 5 -12 hour intervals.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter F 115.546(1)(D)
5C THSC Chapter 382 382.085(b)

Description: Failure to monitor and record VOC concentration during degassing operations.

Date: 12/16/2009 (767516)

Self Report? NO Classification: Moderate

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)
SC #1D PERMIT
Special Condition (SC) #16 OP

Description: Failure to perform the required seal inspection of the internal floating roof for tank B-31 from November 2007 through February 2008. (Category B19(g) violation)

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)
SC #16 OP
SC #21 PERMIT

Description: Failure to maintain tank B-506 temperature below 60 degrees Fahrenheit from July 26, 2008 to July 30, 2008. (Category B19(g) violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 1, SubChapter C, PT 61, SubPT V 61.242-6(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT EEEE 63.2346(c)
5C THSC Chapter 382 382.085(b)
SC #13 OP
SC #16 OP
SC #1A OP
SC #2E PERMIT

Description: Failure to plug open ended lines from September 2, 2007 through March 6, 2008. (Category C10)

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 EEEE 63.2346(a)(3)
5C THSC Chapter 382 382.085(b)
SC #13 OP
SC #16 OP
SC #5 PERMIT
SC #6 PERMIT

Description: Failure to prevent tank V-9206 from landing during tank filling operations from November 7,
2007 through November 14, 2007. (Category B19(g))

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions (GT&C) OP

Description: Failure to report in semiannual deviation reports during the period, September 7, 2007 through September 6, 2008, incident #s 102734, 103918, 105058, 98081, 08-029, 08-041, 08-061, 08-074, 08-092, 08-111, 08-112, 08-125, 08-126, and 08-129. (Category C3)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC #3 OP

Description: Failure to conduct in second quarter, on April 4, 2008, visible observation of the vapor oxidizer (VO-1). (Category B19(g))

Date: 02/10/2010 (788164) CN601179849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
No. 3467B, Special Condition # 5 PERMIT

Description: LBC failed to prevent the overfilling of propanol storage tank (V9305) causing a release of 212 pounds (lbs.) of propyl alcohol to atmosphere.

Date: 07/30/2010 (825439) CN601179849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.62
40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11

Description: During the investigation, it was noted that the facility was missing waste determinations for the following waste streams: 00012191, 00022051, 00032071, 0005211H, 00073191, 00119022, 00133192, 0015212H, 00164091, 00176091, 00183071, 0019307H, 00204882, 00221192, and 0023301H.

Date: 02/28/2011 (879358)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.247(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Term and Condition 5F PERMIT

Description: Failure to submit an annual report for motor vehicle fuel dispensing Stage II exemptions within the required time frame. (Category B3 violation)

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 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)
5C THSC Chapter 382 382.085(b)
Special Condition 1D PERMIT
Special Term and Condition 14 OP

Description: Failure to conduct an IFR seal inspection for tank B-405 at least once every 10 years. (Category C1 violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Term and Condition 3A(iii)(1) OP

Description: Failure to conduct a quarterly VEO for vapor oxidizer VO-1 for the first quarter of

2008. (Category C1 violation)

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 seven deviations, which occurred during the time frame of March 7, 2008 through March 6, 2009, during the appropriate previous reporting periods. (Category B3 violation)

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	**§**	**BEFORE THE**
ENFORCEMENT ACTION	**§**	
CONCERNING	**§**	**TEXAS COMMISSION ON**
LBC HOUSTON, L.P.	**§**	
RN101041598	**§**	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2011-0329-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 LBC Houston, L.P. ("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 an industrial bulk chemical liquid storage terminal at 11666 Port Road in Seabrook, Harris County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Commission and 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 March 5, 2011.

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 One Thousand Nine Hundred Twenty Dollars ($1,920) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Five Hundred Thirty-Six

Dollars ($1,536) of the administrative penalty and Three Hundred Eighty-Four Dollars ($384) 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 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.

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

As owner and operator of the Plant, the Respondent is alleged to have failed to conduct an initial stack test on vapor oxidizer VO-1 by March 31, 2007, in violation of 30 TEX. ADMIN. CODE §§ 117.335(a)(1) and (a)(4), 117.9020(2)(C) and 122.143(4), Federal Operating Permit No. O-01001, Special Terms and Conditions Nos. 1A and 17A(i)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from January 12 to 14, 2011.

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: LBC Houston, L.P., Docket No. 2011-0329-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. It is further ordered that the Respondent shall undertake the following technical requirements:

   a. Within 60 days after the effective date of this Agreed Order, conduct the initial stack test on vapor oxidizer VO-1 and submit the results to the Executive Director, in accordance with 30 TEX. ADMIN. CODE § 117.335(a); and

   b. Within 75 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

      "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

      The certification shall be submitted to:

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

with a copy to:

Air Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. 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.

4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against 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.

7. 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.

8. 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

_____ 5/20/2011
For the Executive Director 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.

_____ 4/8/11
Signature Date

Rafael E. Mendez Manager, HSE+Q
Name (Printed or typed) Title
Authorized Representative of
LBC Houston, L.P.

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.