

Executive Summary – Enforcement Matter – Case No. 42022

BASF CORPORATION

RN100225689

Docket No. 2011-1144-IHW-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

IHW

Small Business:

No

Location(s) Where Violation(s) Occurred:

BASF Pasadena, 4403 Highway 225, Pasadena, Harris County

Type of Operation:

Chemical manufacturing facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: November 25, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$42,750

Amount Deferred for Expedited Settlement: \$8,550

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$17,100

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$17,100

Name of SEP: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 42022

BASF CORPORATION

RN100225689

Docket No. 2011-1144-IHW-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 3, 2011

Date(s) of NOE(s): June 15, 2011

Violation Information

1. Failed to properly operate and maintain the automatic waste feed cutoff (“AWFCO”) system to automatically cutoff the hazardous waste feed when operating conditions deviate from permitted limitations. Specifically, a review of the daily operational log for the F-8 Boiler Unit indicated that hazardous waste (2-propyl heptanol) was fed into the boiler from 11:52 a.m. until 12:31 p.m. on February 5, 2011, during which time the boiler exceeded the maximum emissions limitation of 100 parts per million by volume for carbon monoxide based on a hourly rolling average [30 TEX. ADMIN. CODE § 335.221(a)(6) and 335.221(a)(15) and 40 CODE OF FEDERAL REGULATIONS (“CFR”) §§ 266.102(e)(2)(ii)(A), 266.104(b)(1) and 266.102(e)(7) and Industrial and Hazardous Waste (“IHW”) Permit No. 50385, Provisions V.I.3.b. and V.I.3.d.].

2. Failed to perform daily calibration of the continuous emission monitoring system (“CEMS”) when feeding hazardous waste to the boiler units. Specifically, the Respondent did not conduct daily calibrations for the following days: November 3, 2010; November 15 through November 26, 2010; January 15 and 16, 2011; January 23 and 24, 2011, and January 29 through January 31, 2011 [30 TEX. ADMIN. CODE § 335.221(a)(6), 40 CFR § 266.102(e)(8)(i)(B) and IHW Permit No. 50385, Provision V.I.7.c.].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Executive Director recognizes that the Respondent, in correspondence to the TCEQ dated July 11, 2011, has undertaken following corrective measures at the Plant:

- a. Reprogrammed the Data Control System (“DCS”) to ensure proper control of the operating conditions of the hazardous waste boiler and proper functioning of the AWFCO system; and
- b. Created two logic blocks and two new timers in the DCS to ensure daily calibrations for the CEMS.

Technical Requirements:

The Order will require the Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)

Executive Summary – Enforcement Matter – Case No. 42022

BASF CORPORATION

RN100225689

Docket No. 2011-1144-IHW-E

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: Michael Meyer, Enforcement Division,
Enforcement Team 6, MC 128, (512) 239-4492; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565

Respondent: Robert Josterhold, Site Director, BASF CORPORATION, 4403 La Porte
Highway 225, Pasadena, Texas 77501

Lisa Harlow, Environmental Health Specialist, BASF CORPORATION, 4403 La Porte
Highway 225, Pasadena, Texas 77501

Respondent's Attorney: N/A

Attachment A
Docket Number: 2011-1144-IHW-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: BASF CORPORATION

Payable Penalty Amount: Thirty-Four Thousand Two Hundred Dollars (\$34,200)

SEP Amount: Seventeen Thousand One Hundred Dollars (\$17,100)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Location of SEP: Texas Air Quality Control Region 216 – Houston-Galveston

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP offset amount to the Third-Party Recipient named above. The contribution will be to **Houston-Galveston AERCO** for the **Clean Cities/Clean Vehicles Program** as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality Funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters,

BASF CORPORATION

Agreed Order - Attachment A

NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions of buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

BASF CORPORATION

Agreed Order - Attachment A

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the Enforcement Division SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	20-Jun-2011	Screening	5-Jul-2011	EPA Due	
	PCW	5-Jul-2011				

RESPONDENT/FACILITY INFORMATION			
Respondent	BASF CORPORATION		
Reg. Ent. Ref. No.	RN100225689		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	42022	No. of Violations	2
Docket No.	2011-1144-IHW-E	Order Type	1660
Media Program(s)	Industrial and Hazardous Waste	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Michael Meyer
		EC's Team	Enforcement Team 6
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$22,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	100.0% Enhancement	Subtotals 2, 3, & 7	\$22,500
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Notes: Enhancement for two NOVs with same or similar violations, five NOVs with dissimilar violations and four orders containing a 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	\$2,250
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
Total EB Amounts	\$56	*Capped at the Total EB \$ Amount	
Approx. Cost of Compliance	\$2,000		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$42,750
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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	\$42,750
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$42,750
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DEFERRAL	20.0% Reduction	Adjustment	-\$8,550
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY	\$34,200
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Screening Date 5-Jul-2011

Docket No. 2011-1144-IHW-E

PCW

Respondent BASF CORPORATION

Policy Revision 2 (September 2002)

Case ID No. 42022

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225689

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

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	5	10%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	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) 100%

>> 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 with same or similar violations, five NOVs with dissimilar violations and four orders containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 100%

Screening Date 5-Jul-2011

Docket No. 2011-1144-IHW-E

PCW

Respondent BASF CORPORATION

Policy Revision 2 (September 2002)

Case ID No. 42022

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225689

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 335.221(a)(6) and 335.221(a)(15), 40 Code of Federal Regulations ("CFR") §§ 266.102(e)(2)(ii)(A), 266.104(b)(1) and 266.102(e)(7) and Industrial Hazardous Waste ("IHW") Permit No. 50385, Provision Nos.V.I.3.b. and V.I.3.d.

Violation Description

Failed to properly operate and maintain the automatic waste feed cutoff ("AWFCO") system to automatically cutoff the hazardous waste feed when operating conditions deviate from permitted limitations. Specifically, a review of the daily operational log for the F-8 Boiler Unit indicated that hazardous waste (2-propyl heptanol) was fed into the boiler from 11:52 a.m. until 12:31 p.m. on February 5, 2011, during which time the boiler exceeded the maximum emissions limitation for carbon monoxide of 100 parts per million by volume ("ppmv") based on a hourly rolling average.

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 pollutants which do not exceed levels protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

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

10.0% Reduction

\$250

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

Notes The Respondent submitted compliance documentation on July 11, 2011, after the Notice of Enforcement dated June 15, 2011.

Violation Subtotal \$2,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$21

Violation Final Penalty Total \$4,750

This violation Final Assessed Penalty (adjusted for limits) \$4,750

Economic Benefit Worksheet

Respondent BASF CORPORATION
Case ID No. 42022
Reg. Ent. Reference No. RN100225689
Media Industrial and Hazardous Waste
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
<small>No commas or \$</small>							

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)	\$1,000	5-Feb-2011	11-Jul-2011	0.43	\$21	n/a	\$21

Notes for DELAYED costs

Estimated cost to develop and implement operational procedures to ensure that the AWFCO system is activated when operating conditions deviate from permitted limitations and to implement measures designed to maintain emissions at or below the permitted limit. The Date Required is the date on which the violation occurred and the Final Date is the date of 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

\$1,000

TOTAL

\$21

Screening Date 5-Jul-2011

Docket No. 2011-1144-IHW-E

PCW

Respondent BASF CORPORATION

Policy Revision 2 (September 2002)

Case ID No. 42022

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225689

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 335.221(a)(6), 40 CFR § 266.102(e)(8)(i)(B) and IHW Permit No. 50385, Provision No. V.I.7.c.

Violation Description Failed to perform daily calibration of the continuous emission monitoring system ("CEMS") when feeding hazardous waste to the boiler units. Specifically, the Respondent did not conduct daily calibrations for the following days: November 3, 2010; November 15 through November 26, 2010; January 15 and 16, 2011; January 23 and 24, 2011, and January 29 through January 31, 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			X

Percent 10%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 20

20 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$20,000

20 single events (one event per day) are recommended.

Good Faith Efforts to Comply

10.0% Reduction

\$2,000

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

Notes

The Respondent submitted documentation of compliance on July 11, 2011, after the NOE date of June 15, 2011.

Violation Subtotal \$18,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$34

Violation Final Penalty Total \$38,000

This violation Final Assessed Penalty (adjusted for limits) \$38,000

Economic Benefit Worksheet

Respondent BASF CORPORATION
Case ID No. 42022
Reg. Ent. Reference No. RN100225689
Media Industrial and Hazardous Waste
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				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)	\$1,000	3-Nov-2010	11-Jul-2011	0.68	\$34	n/a	\$34

Notes for DELAYED costs

Estimated cost to develop and implement operational procedures for ensuring that calibrations for the CEMS are done on a daily basis. The Date Required is the initial date on which the failure to calibrate the CEMS occurred and the Final Date is the date of 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

\$1,000

TOTAL

\$34

Compliance History

Customer/Respondent/Owner-Operator: CN600124895 BASF CORPORATION Classification: AVERAGE Rating: 2.58

Regulated Entity: RN100225689 BASF PASADENA Classification: AVERAGE Site Rating: 8.38

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	HG1249P
AIR OPERATING PERMITS	PERMIT	1331
AIR NEW SOURCE PERMITS	PERMIT	8084A
AIR NEW SOURCE PERMITS	PERMIT	8199A
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG1249P
AIR NEW SOURCE PERMITS	AFS NUM	4820100422
AIR NEW SOURCE PERMITS	REGISTRATION	84114
AIR NEW SOURCE PERMITS	PERMIT	83808
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011974
INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD980808778
INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	33849
INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50385
WATER LICENSING	LICENSE	1011974
POLLUTION PREVENTION PLANNING	ID NUMBER	P06431
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HG1249P

Location: 4403 HWY 225, PASADENA, TX, 77501

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: July 05, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 05, 2006 to July 05, 2011

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

Name: Michael Meyer Phone: 512.239.4492

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.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(6)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(2)(ii)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(7)(ii)

Rqmt Prov: Permit Provision V.I.3.b.1 PERMIT
Permit Provision V.I.3.b.2 PERMIT

Description: Facility exceeded permit operating parameter for carbon monoxide when burning hazardous waste on April 15, 2006.

Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter F 335.152(a)(1)
40 CFR Chapter 264, SubChapter I, PT 264, SubPT B 264.15(d)

Rqmt Prov: Permit Provision III.D. PERMIT

Description: Failure to document corrective actions on boiler inspection logs.

Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)

Rqmt Prov: Permit Provision II.C.1.i. PERMIT

Description: Failure to update the facility's Notice of Registration for waste streams and waste management units.

Effective Date: 09/21/2009

ADMINORDER 2009-0525-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 117, SubChapter B 117.310(c)(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT III 60.612(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: S.C. 1 PERMIT

Description: Failed to comply with the permitted emissions rates at Scrubber Outlet Stack No. 2 (EPN 112) for NOx, CO, and VOC. Specifically, during a stack test conducted on December 13, 2007, NOx emissions were 0.09 lb/hr, whereas the permitted limit was 0.01 lb/hr. CO emissions were 79.93 lb/hr and 700.19 ppm at 3% oxygen, whereas the permitted limits are 22.8 lb/hr and 400 ppm, respectively. VOC emissions were 31.61 lb/hr and 174.7 ppm, whereas the permitted limits were 9.04 lb/hr and 20 ppm, respecti

Effective Date: 02/22/2010

ADMINORDER 2009-1386-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)
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 A 60.18(c)(3)(ii)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 11A PERMIT
Special Term and Condition 14 OP

Description: Failure to maintain the minimum net heating value on the flare. (CATEGORY B18 VIOLATION)

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)

Rqmt Prov: Special Condition 10 PERMIT
Special Term and Condition 14 OP

Description: Failure to stay below the maximum NOx levels on boiler F8. (CATEGORY B18 VIOLATION)

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.764
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 A 60.18(c)(3)(ii)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 12 PERMIT
Special Term and Condition 14 OP

Description: Failure to take readings from the HRVOC analyzer at cooling tower CTWR-1. (CATEGORY B18 VIOLATION)

Effective Date: 05/08/2011

ADMINORDER 2010-1726-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: TCEQ Permit No. 8199A, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, 1,517 pounds of butene, a highly reactive volatile organic compound, were released when the Respondent's contractors hit a pipeline for the 2-Propylheptanol Unit, resulting in an emissions event (Incident No. 140005) which began on May 20, 2010, and lasted for five hours and 47 minutes. Since the emissions event was avoidable by better operational practices, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affir

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 06/15/2008(434901)
2 08/07/2006 (482237)
3 10/16/2006 (515183)
4 12/07/2006 (533242)
5 07/11/2007 (537471)
6 08/28/2007 (543581)
7 07/30/2007 (566647)
8 07/30/2007 (566648)
9 08/22/2007 (566649)
10 08/09/2007 (566650)
11 09/20/2007 (593444)
12 12/11/2007 (610571)
13 03/03/2008 (611378)
14 05/07/2008 (636631)
15 03/21/2008 (638596)
16 05/19/2008 (653218)
17 06/05/2008 (654468)
18 02/06/2009 (671608)
19 03/16/2009 (682025)
20 08/29/2008 (688534)
21 03/05/2009 (727059)

22 08/17/2009 (747037)
 23 08/13/2009 (749540)
 24 07/31/2009 (761134)
 25 11/23/2009 (778109)
 26 07/28/2010 (794244)
 27 08/26/2010 (829862)
 28 10/08/2010 (848890)
 29 02/28/2011 (858042)
 30 12/14/2010 (878339)
 31 02/16/2011 (894556)
 32 03/10/2011 (900083)
 33 05/26/2011 (919682)
 34 06/15/2011 (919695)
 35 06/07/2011 (919700)
 36 06/07/2011 (919704)

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

Date: 08/09/2007 (566650)CN600124895
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(6)
 40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(2)(ii)
 PROVISION V.I.3.b.(1) PERMIT
 Description: Operating records indicated that waste PA residues were burned in the boiler
 while CO levels were above the permit operating limit of 100 ppmv.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(6)
 40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(8)(i)(A)
 40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(8)(i)(B)
 PROVISION V.I.7.a. PERMIT
 Description: Failure to record feed rate data for PA residues and CO data.

Date: 08/22/2007 (566649) CN600124895
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2)
 PROVISION II.C.1.i. PERMIT
 Description: Failure to submit a correct AWS in 2005 and 2006.

Date: 05/08/2008 (636631) CN600124895
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
 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)
 8084A, SC 10E PERMIT
 O-01331, SC 14 OP

Description: Failure to plug/cap all open ended lines.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)
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 A 60.18(c)(3)(ii)
5C THSC Chapter 382 382.085(b)
8199A, SC 11A PERMIT
O-01331, SC 14 OP

Description: Failure to maintain the required net heating values on the flares.
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)
8199A, SC 10 PERMIT
O-01331, SC 14 OP

Description: Failure to maintain boiler NOx emissions hourly average rate within the permitted limit.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter H 115.764(a)(2)
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)
8199A, SC 12 PERMIT
O-01331, SC 14 OP

Description: Failure to take readings from the Cooling Tower HRVOC analyzer.

Date: 08/18/2009 (747037) CN600124895
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)
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 A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Special Condition 11B PERMIT
Special Term and Condition 14 OP

Description: Failure to maintain a continuous pilot flame on the flare. (CATEGORY C4 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)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT
Special Term and Condition 14 OP

Description: Failure to stay below MAERT limits. (CATEGORY B13 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)
Special Condition 7G PERMIT
Special Term and Condition 14 OP

Description: Failure to keep the pH of the scrubber above the minimum value. (CATEGORY B18 VIOLATION)

Date: 07/30/2010 (794244) CN600124895
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 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
SC 11B PERMIT
ST&C 14 OP
ST&C 1A OP

Description: Failure to keep the flare (FL-1) pilot flame lit at all times. [Category C4]
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)
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 A 60.18(c)(3)(ii)
5C THSC Chapter 382 382.085(b)
SC 11A PERMIT
ST&C 14 OP
ST&C 1A OP

Description: Failure to maintain the minimum heating value of 300 BTU on the flare. [Category B18]

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.764(a)(2)
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 12 PERMIT
ST&C 14 OP
ST&C 1A OP

Description: Failure to collect data from the Cooling Tower (EPN CTWR-1) HRVOC analyzer. [Category B18]

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 10 PERMIT
ST&C 14 OP
ST&C 1A OP

Description: Failure to maintain boiler (EPN F-8) NOx emissions hourly average rate within the permitted limit. [Category B18]

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 1 PERMIT
ST&C 14 OP
ST&C 1A OP

Description: Failure to maintain HRVOC emissions in the cooling tower (EPN CTWR-1) within MAERT permitted limits. [Category B13]

Date: 08/26/2010 (829862) CN600124895

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(6)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(10)
Permit Provision II.B.2 PERMIT

Description: Failure to maintain an up to date operating log.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(6)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(8)(i)(B)
Permit Provision V.I.7.c PERMIT

Description: Failure to ensure that exceedances in span value for the CEMS monitors are corrected in a timely manner and retested. Also a failure to conducted a fourth quarter calibration error test.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(6)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.102(e)(8)(iv)
Permit Provision V.I.7.d PERMIT

Description: Failure to test AWFCO once every seven days when burning hazardous waste.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter F 335.152(a)(1)
40 CFR Chapter 264, SubChapter I, PT 264, SubPT C 264.15
Permit Provision III.D PERMIT

Description: Failure to adequately document inspections for emergency equipment and security devices.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter C 335.62
30 TAC Chapter 335, SubChapter R 335.513(c)

40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11
Permit Provision II.C.2.a PERMIT

Description: Failure to provide hazardous waste determination documentation for waste stream 0125219H.

Date: 05/26/2011 (919682) CN600124895
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)
Description: Failed to have an up-to-date Notice of Registration.

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
BASF CORPORATION
RN100225689**

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

**AGREED ORDER
DOCKET NO. 2011-1144-IHW-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 BASF CORPORATION ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 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 chemical manufacturing facility at 4403 Highway 225 in Pasadena, Harris County, Texas (the "Facility").
2. The Facility involves or involved the management of industrial solid waste or hazardous waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
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 June 20, 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 Forty-Two Thousand Seven Hundred Fifty Dollars (\$42,750) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Seventeen Thousand One

Hundred Dollars (\$17,100) of the administrative penalty and Eight Thousand Five Hundred Fifty Dollars (\$8,550) 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. Seventeen Thousand One Hundred Dollars (\$17,100) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

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, in correspondence to the TCEQ dated July 11, 2011, has undertaken the following corrective measures at the Plant:
 - a. Reprogrammed the Data Control System ("DCS") to ensure proper control of the operating conditions of the hazardous waste boiler and proper functioning of the automatic waste feed cutoff ("AWFCO") system; and
 - b. Created two logic blocks and two new timers in the DCS to ensure daily calibrations for the continuous emission monitoring system ("CEMS").
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 Facility, the Respondent is alleged to have:

1. Failed to properly operate and maintain the AWFCO system to automatically cutoff the hazardous waste feed when operating conditions deviate from permitted limitations, in violation of 30 TEX. ADMIN. CODE § 335.221(a)(6) and 335.221(a)(15) and 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 266.102(e)(2)(ii)(A), 266.104(b)(1) and 266.102(e)(7) and Industrial and Hazardous Waste ("IHW") Permit No. 50385, Provision Nos. V.I.3.b. and V.I.3.d., as documented during an investigation conducted on May 3, 2011.

Specifically, a review of the daily operational log for the F-8 Boiler Unit indicated that hazardous waste (2-propyl heptanol) was fed into the boiler from 11:52 a.m. until 12:31 p.m. on February 5, 2011, during which time the boiler exceeded the maximum emissions limitation of 100 parts per million by volume ("ppmv") for carbon monoxide based on a hourly rolling average.

2. Failed to perform daily calibration of the CEMS when feeding hazardous waste to the boiler units, in violation of 30 TEX. ADMIN. CODE § 335.221(a)(6), 40 CFR § 266.102(e)(8)(i)(B) and IHW Permit No. 50385, Provision No. V.I.7.c., as documented during an investigation conducted on May 3, 2011. Specifically, the Respondent did not conduct daily calibrations for the following days: November 3, 2010; November 15 through November 26, 2010; January 15 and 16, 2011; January 23 and 24, 2011, and January 29 through January 31, 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: BASF CORPORATION, Docket No. 2011-1144-IHW-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

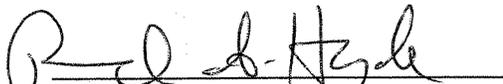
2. The Respondent shall implement and complete an SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 Jurisdiction and Stipulations above, Seventeen Thousand One Hundred Dollars (\$17,100) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
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 Facility 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



For the Executive Director

1/17/12

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.



Signature

10/0/11

Date

ROBERT JOSTERHOLD

Name (Printed or typed)
Authorized Representative of
BASF CORPORATION

SITE DIRECTOR

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.

Attachment A
Docket Number: 2011-1144-IHW-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF CORPORATION
Payable Penalty Amount:	Thirty-Four Thousand Two Hundred Dollars (\$34,200)
SEP Amount:	Seventeen Thousand One Hundred Dollars (\$17,100)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Texas Air Quality Control Region 216 – Houston-Galveston

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP offset amount to the Third-Party Recipient named above. The contribution will be to **Houston-Galveston AERCO** for the **Clean Cities/Clean Vehicles Program** as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration’s (“FHWA”) Congestion Mitigation/Air Quality Funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters,

BASF CORPORATION
Agreed Order - Attachment A

NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions of buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the Enforcement Division SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.