

**Executive Summary – Enforcement Matter – Case No. 48038
Forged Products, Inc.
RN100668722
Docket No. 2013-2198-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Forged Products, 6505 North Houston Rosslyn Road, Houston, Harris County

Type of Operation:

Forged steel products facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 9, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$12,964

Amount Deferred for Expedited Settlement: \$2,592

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$10,372

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: November 4, 2013

Date(s) of NOE(s): November 26, 2013

Executive Summary – Enforcement Matter – Case No. 48038
Forged Products, Inc.
RN100668722
Docket No. 2013-2198-AIR-E

Violation Information

1. Failed to submit a permit compliance certifications ("PCCs") within 30 days after the end of the certification period. Specifically, the PCC for the certification period from June 28, 2012 through June 27, 2013 was due July 27, 2013 but was not submitted until November 26, 2013 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O3329, General Terms and Conditions ("GTC")].
2. Failed to comply with the periodic monitoring requirements of FOP O3329. Specifically, the Respondent did not inspect the degreaser and record data monthly to ensure compliance with applicable requirements of 30 TEX. ADMIN. CODE § 115.412(1)(A)-(F) [30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3329, GTC].
3. Failed to post a permanent label summarizing the operating requirements for the Degreaser, Emission Point Number ("EPN") DG-1 [30 TEX. ADMIN. CODE §§ 106.454(1)(E), 115.412(1)(C), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3329, GTC].
4. Failed to report all instances of deviations. Specifically, the Respondent did not report the failure to post a label summarizing operating requirements and failure to comply with periodic monitoring requirements as deviations during the reporting period from December 28, 2012 through June 27, 2013 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3329, GTC].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On November 5, 2013, implemented procedures to ensure PCCs and deviation reports are timely, complete, and accurately submitted;
- b. By November 20, 2013, removed Degreaser, EPN DG-1, from service and posted the permanent label summarizing the operating requirements for the replacement degreaser;
- c. On November 26, 2013, submitted the PCC for the June 28, 2012 through June 27, 2013 certification period; and
- d. On January 9, 2014, submitted a revised deviation report for the December 28, 2012 through June 27, 2013 reporting period.

**Executive Summary – Enforcement Matter – Case No. 48038
Forged Products, Inc.
RN100668722
Docket No. 2013-2198-AIR-E**

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

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Ivon Du Pont, Chief Financial Officer, Forged Products, Inc., 6505 North Houston Rosslyn Road, Houston, Texas 77091

Kevin Crowley, President, Forged Products, Inc., 6505 North Houston Rosslyn Road, Houston, Texas 77091

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|-------------|
| DATES | Assigned | 2-Dec-2013 | Screening | 16-Dec-2013 | EPA Due | 23-Aug-2014 |
| | PCW | 26-Mar-2014 | | | | |

| | |
|--|-----------------------|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Forged Products, Inc. |
| Reg. Ent. Ref. No. | RN100668722 |
| Facility/Site Region | 12-Houston |
| Major/Minor Source | Major |

| | | | |
|--|-----------------|------------------------------|----------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 48038 | No. of Violations | 4 |
| Docket No. | 2013-2198-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Jessica Schildwacher |
| | | EC's Team | Enforcement Team 5 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$13,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **20.0%** Enhancement **Subtotals 2, 3, & 7** **\$2,600**

Notes: Enhancement for 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** **-\$2,686**

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

Total EB Amounts **\$78**
 Approx. Cost of Compliance **\$4,200**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$12,914**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.4%** **Adjustment** **\$50**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided cost of compliance associated with Violation No. 2.

Final Penalty Amount **\$12,964**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$12,964**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$2,592**

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 **\$10,372**

Screening Date 16-Dec-2013

Docket No. 2013-2198-AIR-E

PCW

Respondent Forged Products, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48038

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100668722

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

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>) | 0 | 0% |
| | Other written NOVs | 0 | 0% |
| 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) 20%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 20%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 20%

Screening Date 16-Dec-2013

Docket No. 2013-2198-AIR-E

PCW

Respondent Forged Products, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48038

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100668722

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O3329, General Terms and Conditions ("GTC")

Violation Description Failed to submit a permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the certification period from June 28, 2012 through June 27, 2013 was due July 27, 2013 but was not submitted until November 26, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

| Release | Harm | | | Percent |
|-----------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| Actual | | | | 0.0% |
| Potential | | | | |

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor | Percent |
|---------------|-------|----------|-------|---------|
| | x | | | 15.0% |

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 142

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

Violation Base Penalty \$3,750

One single event is recommended for the one late PCC.

Good Faith Efforts to Comply

25.0% Reduction

\$937

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

Notes The Respondent completed corrective actions on November 26, 2013 the same day as the NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$11

Violation Final Penalty Total \$3,577

This violation Final Assessed Penalty (adjusted for limits) \$3,577

Economic Benefit Worksheet

Respondent Forged Products, Inc.
Case ID No. 48038
Reg. Ent. Reference No. RN100668722
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 |
|--------------------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| <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 | \$500 | 27-Jul-2013 | 5-Nov-2013 | 0.28 | \$7 | n/a | \$7 |
| 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 | 27-Jul-2013 | 26-Nov-2013 | 0.33 | \$4 | n/a | \$4 |

Notes for DELAYED costs

Estimated cost to submit the PCC and implement procedures to ensure timely, complete, and accurate submittal of PCCs. The Date Required is the date that the PCC was due and the Final Dates are the date the PCC was submitted (November 26, 2013) and the date procedures were implemented to ensure PCCs are properly submitted (November 5, 2013).

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 \$750

TOTAL \$11

Screening Date 16-Dec-2013
Respondent Forged Products, Inc.
Case ID No. 48038
Reg. Ent. Reference No. RN100668722
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter

Docket No. 2013-2198-AIR-E

PCW

Policy Revision 3 (September 2011)
 PCW Revision August 3, 2011

Violation Number

Rule Cite(s)

30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b), and FOP No. O3329, GTC

Violation Description

Failed to comply with the periodic monitoring requirements of FOP O3329. Specifically, the Respondent did not inspect the degreaser in June 2013 to ensure compliance with the applicable requirements for 30 Tex. Admin. Code § 115.412(1)(A)-(F).

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|----------------------|----------------------|---|
| | Major | Moderate | Minor |
| Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Potential | <input type="text"/> | <input type="text"/> | <input checked="" type="text" value="x"/> |

Percent

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Percent

Matrix Notes

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

Adjustment

Violation Events

Number of Violation Events

Number of violation days

| | | |
|--------------------------------|---|----------------------|
| <i>mark only one with an x</i> | daily | <input type="text"/> |
| | weekly | <input type="text"/> |
| | monthly | <input type="text"/> |
| | quarterly | <input type="text"/> |
| | semiannual | <input type="text"/> |
| | annual | <input type="text"/> |
| single event | <input checked="" type="text" value="x"/> | |

Violation Base Penalty

One single event is recommended for not conducting a monthly inspection.

Good Faith Efforts to Comply

25.0% Reduction

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|---|-------------------------------|
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input checked="" type="text" value="x"/> | <input type="text"/> |
| N/A | <input type="text"/> | (mark with x) |

Notes

The Respondent completed corrective actions by November 20, 2013 before the November 26, 2013 NOE.

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Forged Products, Inc.
Case ID No. 48038
Reg. Ent. Reference No. RN100668722
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 | | | | 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) | \$2,000 | 4-Nov-2013 | 20-Nov-2013 | 0.04 | \$4 | n/a | \$4 |

Notes for DELAYED costs

Estimated cost to remove Degreaser, Emission Point No. ("EPN") DG-1, from service. The Date Required is the date of the investigation. 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 | \$600 | 1-Jun-2013 | 30-Jun-2013 | 0.08 | \$2 | \$48 | \$50 |
| 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

Estimated avoided cost to perform monthly inspections (\$50/inspection x 12 inspections/year). The Date Required is the first date the monthly inspection could have been performed. The Final Date is the last date of the monthly inspection could have been performed.

Approx. Cost of Compliance

\$2,600

TOTAL

\$54

Screening Date 16-Dec-2013

Docket No. 2013-2198-AIR-E

PCW

Respondent Forged Products, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48038

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100668722

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 106.454(1)(E), 115.412(1)(C), and 122.143(4), Tex. Health & Safety Code § 382.085(b), and FOP No. O3329, GTC

Violation Description

Failed to post a permanent label summarizing the operating requirements for the Degreaser, EPN DG-1.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | | |

Percent 0.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | x | | |

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

142 Number of violation days

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

mark only one with an x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

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

Notes

The Respondent completed corrective actions by November 20, 2013 before the November 26, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,577

This violation Final Assessed Penalty (adjusted for limits) \$3,577

Economic Benefit Worksheet

Respondent Forged Products, Inc.
Case ID No. 48038
Reg. Ent. Reference No. RN100668722
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 | | | | 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) | \$100 | 4-Nov-2013 | 20-Nov-2013 | 0.04 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to post a permanent label for the Degreaser. The Date Required is the date of the investigation. The Final Date is the date the instructions for the replacement degreaser were posted.

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

\$100

TOTAL

\$0

Screening Date 16-Dec-2013

Docket No. 2013-2198-AIR-E

PCW

Respondent Forged Products, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48038

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100668722

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and FOP No. O3329, GTC

Violation Description

Failed to report all instances of deviations. Specifically, the Respondent did not report the failure to post a label summarizing operating requirements and failure to comply with periodic monitoring requirements as deviations during the reporting period from December 28, 2012 through June 27, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | | |

Percent 0.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | x | | |

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

142 Number of violation days

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

mark only one with an x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

10.0% Reduction

\$375

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

Notes

The Respondent completed corrective actions on January 9, 2014 after the November 26, 2013 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$13

Violation Final Penalty Total \$4,141

This violation Final Assessed Penalty (adjusted for limits) \$4,141

Economic Benefit Worksheet

Respondent Forged Products, Inc.
Case ID No. 48038
Reg. Ent. Reference No. RN100668722
Media Air
Violation No. 4

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Overtime 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 | \$500 | 27-Jul-2013 | 5-Nov-2013 | 0.28 | \$7 | n/a | \$7 |
| 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 | 27-Jul-2013 | 9-Jan-2014 | 0.45 | \$6 | n/a | \$6 |

Notes for DELAYED costs

Estimated cost to submit a complete and accurate semi-annual deviation report and implement procedures to ensure timely, complete, and accurate submittal of deviation reports. The Date Required is the date the report was due and the Final Dates are the date the deviation report was submitted (January 9, 2014) and the date procedures were implemented to ensure deviation reports are properly submitted (November 5, 2013).

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

\$750

TOTAL

\$13

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN601259674, RN100668722, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN601259674, Forged Products, Inc. **Classification:** SATISFACTORY **Rating:** 13.85

Regulated Entity: RN100668722, FORGED PRODUCTS **Classification:** SATISFACTORY **Rating:** 13.85

Complexity Points: 12 **Repeat Violator:** NO

CH Group: 14 - Other

Location: 6505 N HOUSTON ROSSLYN RD HOUSTON, TX 77091-1006, HARRIS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD056250814

PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 41070

AIR NEW SOURCE PERMITS AFS NUM 4820101674

AIR OPERATING PERMITS PERMIT 3329

AIR EMISSIONS INVENTORY ACCOUNT NUMBER
HG2752R

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 30270

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG2752R

STORMWATER PERMIT TXR05Q239

AIR OPERATING PERMITS ACCOUNT NUMBER HG2752R

POLLUTION PREVENTION PLANNING ID NUMBER
P07234

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: December 10, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: December 10, 2008 to December 10, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Jessica Schildwachter

Phone: (512) 239-2617

Site and Owner/Operator History:

- 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 for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 04/07/2013 ADMINORDER 2012-1670-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.146(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GENERAL TERMS AND CONDITIONS PERMIT

Description: Failure to submit a complete and accurate annual permit compliance certification ("PCC") within 30 days of the end of the certification period.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.144(1)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:GENERAL TERMS AND CONDITIONS PERMIT

Description: Failure to maintain records of quarterly visible emissions monitoring.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

30 TAC Chapter 122, SubChapter B 122.145(2)(B)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:GENERAL TERMS AND CONDITIONS PERMIT

Description: Failure to submit semi-annual deviation reports.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.132

5C THSC Chapter 382 382.085(b)

Description: Failure to include applicable regulations in a permit application.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1 November 30, 2012 (1042115)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

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
FORGED PRODUCTS, INC.
RN100668722**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2013-2198-AIR-E**

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Forged Products, Inc. ("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 together stipulate that:

1. The Respondent owns and operates a forged steel products facility at 6505 North Houston Rosslyn Road in Houston, 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 Executive Director 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 1, 2013.
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 Twelve Thousand Nine Hundred Sixty-Four Dollars (\$12,964) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Ten Thousand Three Hundred Seventy-Two Dollars (\$10,372) of the administrative penalty and Two Thousand Five

Hundred Ninety-Two Dollars (\$2,592) 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On November 5, 2013, implemented procedures to ensure permit compliance certifications ("PCCs") and deviation reports are timely, complete, and accurately submitted;
 - b. By November 20, 2013, removed Degreaser, Emission Point No. ("EPN") DG-1, from service and posted the permanent label summarizing the operating requirements for the replacement degreaser;
 - c. On November 26, 2013, submitted the PCC for the June 28, 2012 through June 27, 2013 certification period; and
 - d. On January 9, 2014, submitted a revised deviation report for the December 28, 2012 through June 27, 2013 reporting period.
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 submit a PCC within 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY

RM
✓
Hundred Ninety-Two Dollars (\$2,592) 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
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 - b. By November 20, 2013, removed Degreaser, Emission Point No. ("EPN") DG-1, from service and posted the permanent label summarizing the operating requirements for the replacement degreaser;
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 - d. On January 9, 2014, submitted a revised deviation report for the December 28, 2012 through June 27, 2013 reporting period.
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.
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II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit a PCC within 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY

CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O3329, General Terms and Conditions ("GTC"), as documented during an investigation conducted on November 4, 2013. Specifically, the PCC for the certification period from June 28, 2012 through June 27, 2013 was due July 27, 2013 but was not submitted until November 26, 2013.

2. Failed to comply with the periodic monitoring requirements of FOP O3329, in violation of 30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3329, GTC, as documented during an investigation conducted on November 4, 2013. Specifically, the Respondent did not inspect the degreaser in June 2013 to ensure compliance with the applicable requirements of 30 TEX. ADMIN. CODE § 115.412(1)(A)-(F).
3. Failed to post a permanent label summarizing the operating requirements for the Degreaser, EPN DG-1, in violation of 30 TEX. ADMIN. CODE §§ 106.454(1)(E), 115.412(1)(C), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3329, GTC, as documented during an investigation conducted on November 4, 2013.
4. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3329, GTC, as documented during an investigation conducted on November 4, 2013. Specifically, the Respondent did not report the failure to post a label summarizing operating requirements and failure to comply with periodic monitoring requirements as deviations during the reporting period from December 28, 2012 through June 27, 2013.

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: Forged Products, Inc., Docket No. 2013-2198-AIR-E" to:

Financial Administration Division, Revenue Operations 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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pamela Marwick
For the Executive Director

5/4/15
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.

Ivon DuPont
Signature

April 3, 2014
Date

Ivon DuPont
Name (Printed or typed)
Authorized Representative of
Forged Products, Inc.

CFO
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.