

**Executive Summary – Enforcement Matter – Case No. 51499
Parker-Hannifin Corporation
RN100218726
Docket No. 2015-1663-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Parker Hannifin Engineered Polymer Systems Division, 403 Industrial Drive,
Nacogdoches, Nacogdoches County

Type of Operation:

Rubber gasket and seal factory

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 6, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$14,250

Amount Deferred for Expedited Settlement: \$2,850

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$11,400

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("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: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 24, 2015 and October 5, 2015

Date(s) of NOE(s): October 23, 2015 and November 18, 2015

Executive Summary – Enforcement Matter – Case No. 51499
Parker-Hannifin Corporation
RN100218726
Docket No. 2015-1663-AIR-E

Violation Information

1. Failed to submit a deviation report no later than 30 days after the end of the reporting period. Specifically, the deviation reports for the July 21, 2014 through January 20, 2015 and the January 21, 2015 through July 20, 2015 reporting periods were due on February 19, 2015 and August 19, 2015, respectively, but were not submitted until September 11, 2015 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O3415, General Terms and Conditions ("GTC")].
2. Failed to submit a permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the July 21, 2014 through July 20, 2015 certification period was due August 19, 2015, but was not submitted until September 11, 2015 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3415, GTC].
3. Failed to submit an annual emissions inventory. Specifically, the emissions inventory for calendar year 2014 was due by March 31, 2015, but was not submitted until November 13, 2015 [30 TEX. ADMIN. CODE § 101.10(e) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On September 11, 2015, submitted deviation reports for the July 21, 2014 through January 20, 2015 and January 21, 2015 through July 20, 2015 reporting periods and the PCC for July 21, 2014 through July 20, 2015 certification period;
- b. On November 13, 2015, submitted the emissions inventory for calendar year 2014; and
- c. On January 7, 2016, submitted documentation demonstrating that PCCs, deviation reports, and emission inventories are submitted in a timely manner.

Technical Requirements:

N/A

**Executive Summary – Enforcement Matter – Case No. 51499
Parker-Hannifin Corporation
RN100218726
Docket No. 2015-1663-AIR-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: Carol McGrath, Enforcement Division, Enforcement Team 4, MC R-13, (210) 403-4063; Melissa Cordell, Enforcement Division, MC 219, (512) 239-2483
TCEQ SEP Coordinator: N/A
Respondent: Barbara L. Speed, Business Unit Manager, Parker-Hannifin Corporation, 403 Industrial Drive, Nacogdoches, Texas 75964-1297
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	26-Oct-2015	Screening	6-Nov-2015	EPA Due	
	PCW	2-Feb-2016				

RESPONDENT/FACILITY INFORMATION	
Respondent	Parker-Hannifin Corporation
Reg. Ent. Ref. No.	RN100218726
Facility/Site Region	10-Beaumont
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	3
Enf./Case ID No.	51499	Order Type	1660
Docket No.	2015-1663-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	Carol McGrath
Multi-Media		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Adjustment **Subtotals 2, 3, & 7**

Notes

Culpability Enhancement **Subtotal 4**

Notes

Good Faith Effort to Comply Total Adjustments **Subtotal 5**

Economic Benefit Enhancement* **Subtotal 6**

Total EB Amounts
 Estimated Cost of Compliance
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL Reduction **Adjustment**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

PAYABLE PENALTY

Screening Date 6-Nov-2015

Docket No. 2015-1663-AIR-E

PCW

Respondent Parker-Hannifin Corporation

Policy Revision 4 (April 2014)

Case ID No. 51499

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218726

Media [Statute] Air

Enf. Coordinator Carol McGrath

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>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments 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) 5%

>> 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 NOV with same/similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 5%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 5%

Screening Date 6-Nov-2015

Docket No. 2015-1663-AIR-E

PCW

Respondent Parker-Hannifin Corporation

Policy Revision 4 (April 2014)

Case ID No. 51499

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218726

Media [Statute] Air

Enf. Coordinator Carol McGrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O3415, General Terms and Conditions ("GTC")

Violation Description

Failed to submit a deviation report no later than 30 days after the end of the reporting period. Specifically, the deviation reports for the July 21, 2014 through January 20, 2015 and January 21, 2015 through July 20, 2015 reporting periods were due on February 19, 2015 and August 19, 2015, respectively, but were not submitted until September 11, 2015.

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 2

204 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$7,500

Two single events are recommended for two late reports.

Good Faith Efforts to Comply

10.0%

Reduction \$750

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

Notes

The Respondent completed corrective action on January 7, 2016, after the October 23, 2015 Notice of Enforcement ("NOE").

Violation Subtotal \$6,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$73

Violation Final Penalty Total \$7,125

This violation Final Assessed Penalty (adjusted for limits) \$7,125

Economic Benefit Worksheet

Respondent Parker-Hannifin Corporation
Case ID No. 51499
Reg. Ent. Reference No. RN100218726
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	\$1,500	19-Feb-2015	7-Jan-2016	0.88	\$66	n/a	\$66
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	19-Feb-2015	11-Sep-2015	0.56	\$7	n/a	\$7

Notes for DELAYED costs

Estimated delayed cost to submit documentation demonstrating that permit compliance certifications ("PCCs"), deviation reports, and emission inventories are submitted in a timely manner and estimated cost to submit deviation reports for the July 21, 2014 through January 20, 2015 and January 21, 2015 through July 20, 2015 reporting periods. The Dates Required is the date the first deviation report was due. The Final Dates are the dates 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 \$1,750

TOTAL \$73

Screening Date 6-Nov-2015
Respondent Parker-Hannifin Corporation
Case ID No. 51499
Reg. Ent. Reference No. RN100218726
Media [Statute] Air
Enf. Coordinator Carol McGrath

Docket No. 2015-1663-AIR-E

PCW

Policy Revision 4 (April 2014)
 PCW Revision March 26, 2014

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Tex. Health & Safety Code § 382.085(b), and FOP No. O3415, GTC
Violation Description Failed to submit a PCC within 30 days after the end of the certification period. Specifically, the PCC for the July 21, 2014 through July 20, 2015 certification period was due August 19, 2015, but was not submitted until September 11, 2015.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text" value="15.0%"/>
100% of the rule requirement was not met.					

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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="checkbox"/>

Violation Base Penalty

One single event is recommended for one late PCC.

Good Faith Efforts to Comply

Reduction

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>
Ordinary	<input checked="" type="checkbox"/>
N/A	(mark with x)

Notes The Respondent completed corrective action on January 7, 2016, after the October 23, 2015 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 Parker-Hannifin Corporation
Case ID No. 51499
Reg. Ent. Reference No. RN100218726
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)	\$250	19-Aug-2015	11-Sep-2015	0.06	\$1	n/a	\$1

Notes for DELAYED costs

Estimated delayed cost to submit the PCC for the July 21, 2014 through July 20, 2015 certification period. The Date Required is the date the PCC was due. The Final Date is the date the PCC was submitted. Estimated delayed cost to implement measures and/or procedures to ensure that PCCs are submitted in a timely manner is included in Economic Benefit of Violation No. 1.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

TOTAL \$1

Screening Date 6-Nov-2015

Docket No. 2015-1663-AIR-E

PCW

Respondent Parker-Hannifin Corporation

Policy Revision 4 (April 2014)

Case ID No. 51499

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218726

Media [Statute] Air

Enf. Coordinator Carol McGrath

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 101.10(e) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an annual emissions inventory. Specifically, the emissions inventory for calendar year 2014 was due by March 31, 2015, but was not submitted until November 13, 2015.

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

227 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	X
single event	

mark only one with an x

Violation Base Penalty \$3,750

One annual event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction \$375

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

Notes

The Respondent completed corrective action on January 7, 2016, after the November 18, 2015 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$16

Violation Final Penalty Total \$3,563

This violation Final Assessed Penalty (adjusted for limits) \$3,563

Economic Benefit Worksheet

Respondent Parker-Hannifin Corporation
Case ID No. 51499
Reg. Ent. Reference No. RN100218726
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)	\$500	31-Mar-2015	13-Nov-2015	0.62	\$16	n/a	\$16

Notes for DELAYED costs

Estimated cost to submit the emissions inventory ("EI") for calendar year 2014. The Date Required is the date the EI was due. The Final Date is the date the EI was submitted. Estimated delayed cost to implement measures and/or procedures to ensure that reports are submitted in a timely manner is included in Economic Benefit of Violation No. 1.

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

\$500

TOTAL

\$16

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.



Compliance History Report

PUBLISHED Compliance History Report for CN600312169, RN100218726, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator:	CN600312169, Parker-Hannifin Corporation	Classification:	SATISFACTORY	Rating:	0.31
Regulated Entity:	RN100218726, PARKER HANNIFIN ENGINEERED POLYMER SYSTEMS DIVISION	Classification:	SATISFACTORY	Rating:	0.33
Complexity Points:	11	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	403 INDUSTRIAL DR, NACOGDOCHES, NACOGDOCHES COUNTY, TX 75964-1297				
TCEQ Region:	REGION 10 - BEAUMONT				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER NA0035U	AIR OPERATING PERMITS PERMIT 3415
POLLUTION PREVENTION PLANNING ID NUMBER P00357	AIR NEW SOURCE PERMITS PERMIT 16885
AIR NEW SOURCE PERMITS ACCOUNT NUMBER NA0035U	AIR NEW SOURCE PERMITS AFS NUM 4834700026
AIR NEW SOURCE PERMITS REGISTRATION 94208	AIR NEW SOURCE PERMITS REGISTRATION 94435
AIR NEW SOURCE PERMITS REGISTRATION 95625	AIR NEW SOURCE PERMITS REGISTRATION 95873
AIR NEW SOURCE PERMITS REGISTRATION 96132	AIR NEW SOURCE PERMITS REGISTRATION 96315
AIR NEW SOURCE PERMITS REGISTRATION 96143	AIR NEW SOURCE PERMITS REGISTRATION 99667
AIR NEW SOURCE PERMITS REGISTRATION 100410	AIR NEW SOURCE PERMITS REGISTRATION 102934
AIR NEW SOURCE PERMITS REGISTRATION 115977	AIR NEW SOURCE PERMITS REGISTRATION 126028
AIR NEW SOURCE PERMITS REGISTRATION 117663	AIR NEW SOURCE PERMITS REGISTRATION 117740
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD981512122	INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 37474
STORMWATER PERMIT TXR05T705	AIR EMISSIONS INVENTORY ACCOUNT NUMBER NA0035U

Compliance History Period: September 01, 2010 to August 31, 2015 **Rating Year:** 2015 **Rating Date:** 09/01/2015

Date Compliance History Report Prepared: December 30, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: December 30, 2010 to December 30, 2015

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

Name: Carol McGrath

Phone: (210) 403-4063

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: N/A

B. Criminal convictions: N/A

C. Chronic excessive emissions events: N/A

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

Item 1	January 20, 2011	(879096)
Item 2	October 02, 2012	(1030299)
Item 3	October 03, 2013	(1121519)

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.

1 Date: 06/15/2015 (1254914)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
5C THSC Chapter 382 382.085(b)
Description: Failure to submit a 2014 Emissions Inventory. CATEGORY B19 (g)(3).

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
PARKER-HANNIFIN
CORPORATION
RN100218726

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2015-1663-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 Parker-Hannifin Corporation ("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 rubber gasket and seal factory at 403 Industrial Drive in Nacogdoches, Nacogdoches 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 notices of the violations alleged in Section II ("Allegations") on or about October 28, 2015 and November 23, 2015.
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 Fourteen Thousand Two Hundred Fifty Dollars (\$14,250) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eleven Thousand Four Hundred

Dollars (\$11,400) of the administrative penalty and Two Thousand Eight Hundred Fifty Dollars (\$2,850) 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 September 11, 2015, submitted deviation reports for the July 21, 2014 through January 20, 2015 and January 21, 2015 through July 20, 2015 reporting periods and the permit compliance certification ("PCC") for July 21, 2014 through July 20, 2015 certification period;
 - b. On November 13, 2015, submitted the emissions inventory for calendar year 2014; and
 - c. On January 7, 2016, submitted documentation demonstrating that PCCs, deviation reports, and emission inventories are submitted in a timely manner.
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 deviation report no later than 30 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O3415, General Terms and Conditions ("GTC"), as documented during a record review

conducted on October 5, 2015. Specifically, the deviation reports for the July 21, 2014 through January 20, 2015 and the January 21, 2015 through July 20, 2015 reporting periods were due on February 19, 2015 and August 19, 2015, respectively, but were not submitted until September 11, 2015.

2. 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 FOP No. O3415, GTC, as documented during a record review conducted on October 5, 2015. Specifically, the PCC for the July 21, 2014 through July 20, 2015 certification period was due August 19, 2015, but was not submitted until September 11, 2015.
3. Failed to submit an annual emissions inventory, in violation of 30 TEX. ADMIN. CODE § 101.10(e) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 24, 2015. Specifically, the emissions inventory for calendar year 2014 was due by March 31, 2015, but was not submitted until November 13, 2015.

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: Parker-Hannifin Corporation, Docket No. 2015-1663-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. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

Pam Monice Jr
For the Executive Director

7/7/16
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.

Barbara L Speed
Signature

3/22/16
Date

Barbara L. Speed
Name (Printed or typed)
Authorized Representative of
Parker-Hannifin Corporation

Business Unit Manager
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.