

Executive Summary – Enforcement Matter – Case No. 55632

Mauser USA, LLC

RN100211002

Docket No. 2018-0135-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Mauser, 4004 Homestead Road, Houston, Harris County

Type of Operation:

Steel and plastic drum manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: June 15, 2018

Comments Received: No

Penalty Information

Total Penalty Assessed: \$12,187

Amount Deferred for Expedited Settlement: \$2,437

Total Paid to General Revenue: \$9,750

Total Due to General Revenue: \$0

Payment Plan: 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: November 2, 2017

Date(s) of NOE(s): January 5, 2018

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Mauser USA, LLC
RN100211002
Docket No. 2018-0135-AIR-E

Violation Information

1. Failed to submit a permit compliance certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the March 23, 2016 through March 22, 2017 certification period was due by April 21, 2017, but was not submitted until November 20, 2017 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. O3319, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to submit a deviation report within 30 days after the end of each reporting period. Specifically, the Respondent determined that no deviations occurred and did not submit deviation reports for the March 23, 2016 through September 22, 2016 and September 23, 2016 through March 22, 2017 reporting periods by October 22, 2016 and April 21, 2017, respectively, but TCEQ staff determined that the failure to maintain weekly records of differential pressure gauge readings and the failure to perform one-time testing of the Thermal Oxidizer TO-EP-8 occurred and should have been reported as deviations [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O3319, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On November 20, 2017, the Respondent:

- a. Submitted the PCC for the March 23, 2016 through March 22, 2017 certification period; and
- b. Submitted the deviation report for the March 23, 2017 through September 22, 2017 reporting period to report the failure to report the failure to maintain weekly records of differential pressure gauge readings and the failure to perform one-time testing of the Thermal Oxidizer TO-EP-8.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures and/or procedures to ensure that PCCs are submitted in a timely manner; and
- b. Within 45 days, submit written certification to demonstrate compliance with a.

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Mauser USA, LLC
RN100211002
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Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Shelby Orme, Enforcement Division,
Enforcement Team 5, MC 219, (512) 239-1001; Michael Parrish, Enforcement Division,
MC 219, (512) 239-2548

Respondent: Mark Allen, Plant Manager, Mauser USA, LLC, 4004 Homestead Road,
Houston, Texas 77028

Respondent's Attorney: N/A



Policy Revision 4 (April 2014)

Penalty Calculation Worksheet (PCW)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	9-Jan-2018	Screening	26-Jan-2018	EPA Due	
	PCW	6-Feb-2018				

RESPONDENT/FACILITY INFORMATION

Respondent	Mauser USA, LLC		
Reg. Ent. Ref. No.	RN100211002		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	55632	No. of Violations	2
Docket No.	2018-0135-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Shelby Orme
		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	\$11,250
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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	25.0%	Adjustment	Subtotals 2, 3, & 7	\$2,812
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Notes: Enhancement for one NOV with same or similar violations, one NOV with dissimilar violations, and one agreed order with denial of liability.
Reduction for one disclosure of violations.

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	-\$1,875
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$121
Estimated Cost of Compliance \$2,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$12,187
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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	\$12,187
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STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty	\$12,187
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DEFERRAL

20.0%

Reduction

Adjustment	-\$2,437
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$9,750

Screening Date 26-Jan-2018

Docket No. 2018-0135-AIR-E

PCW

Respondent Mauser USA, LLC

Policy Revision 4 (April 2014)

Case ID No. 55632

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100211002

Media [Statute] Air

Enf. Coordinator Shelby Orme

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of 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>)	1	-2%
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) 25%

>> 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 or similar violations, one NOV with dissimilar violations, and one agreed order with denial of liability. Reduction for one disclosure of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 25%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

Screening Date 26-Jan-2018

Docket No. 2018-0135-AIR-E

PCW

Respondent Mauser USA, LLC

Policy Revision 4 (April 2014)

Case ID No. 55632

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100211002

Media [Statute] Air

Enf. Coordinator Shelby Orme

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. 03319, General Terms and Conditions ("GTC"), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit a permit compliance certification ("PCC") no later than 30 days after the end of the certification period. Specifically, the PCC for the March 23, 2016 through March 22, 2017 certification period was due by April 21, 2017, but was not submitted until November 20, 2017.

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

213 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

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

Extraordinary		
Ordinary		
N/A	x	

Notes

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$108

Violation Final Penalty Total \$4,688

This violation Final Assessed Penalty (adjusted for limits) \$4,688

Economic Benefit Worksheet

Respondent Mauser USA, LLC
Case ID No. 55632
Reg. Ent. Reference No. RN100211002
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
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	21-Apr-2017	24-Aug-2018	1.34	\$101	n/a	\$101
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	21-Apr-2017	20-Nov-2017	0.58	\$7	n/a	\$7

Notes for DELAYED costs

Estimated cost to submit the PCC for the March 23, 2016 through March 22, 2017 certification period and implement measures and/or procedures to ensure that PCCs are submitted in a timely manner. The Date Required is the date the PCC was due and the Final Dates are the date of compliance and the estimated 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

\$1,750

TOTAL

\$108

Screening Date 26-Jan-2018
Respondent Mauser USA, LLC
Case ID No. 55632
Reg. Ent. Reference No. RN100211002
Media [Statute] Air
Enf. Coordinator Shelby Orme
Violation Number 2
Rule Cite(s)

Docket No. 2018-0135-AIR-E

PCW

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

Violation Description

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), FOP No. 03319, GTC, and Tex. Health & Safety Code § 382.085(b)

Failed to submit a deviation report within 30 days after the end of each reporting period. Specifically, the Respondent determined that no deviations occurred and did not submit deviation reports for the March 23, 2016 through September 22, 2016 and September 23, 2016 through March 22, 2017 reporting periods by October 22, 2016 and April 21, 2017, respectively, but TCEQ staff determined that the failure to maintain weekly records of differential pressure gauge readings and the failure to perform one-time testing of the Thermal Oxidizer TO-EP-8 occurred and should have been reported as deviations.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification				Percent
		Major	Moderate	Minor	
		x			15.0%

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2 461 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$7,500

Two single events are recommended (one for each report).

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

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

Extraordinary		
Ordinary	x	
N/A		

Notes The Respondent completed corrective action on November 20, 2017, prior to the January 5, 2018 Notice of Enforcement.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$13

Violation Final Penalty Total \$7,500

This violation Final Assessed Penalty (adjusted for limits) \$7,500

Economic Benefit Worksheet

Respondent Mauser USA, LLC
Case ID No. 55632
Reg. Ent. Reference No. RN100211002
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
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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	22-Oct-2016	20-Nov-2017	1.08	\$13	n/a	\$13

Notes for DELAYED costs

Estimated delayed cost to submit the deviation report for the March 23, 2017 through September 22, 2017 reporting period to report the missing deviations. The Date Required is the date the first report was due 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

\$250

TOTAL

\$13



Compliance History Report

Compliance History Report for CN602989428, RN100211002, Rating Year 2017 which includes Compliance History (CH) components from September 1, 2012, through August 31, 2017.

Customer, Respondent, or Owner/Operator: CN602989428, Mauser USA, LLC

Classification: SATISFACTORY

Rating: 2.56

Regulated Entity: RN100211002, MAUSER

Classification: SATISFACTORY

Rating: 2.56

Complexity Points: 15

Repeat Violator: NO

CH Group: 14 - Other

Location: 4004 HOMESTEAD RD HOUSTON, TX 77028-5810, HARRIS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0654J

AIR OPERATING PERMITS PERMIT 3319

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD045196052

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 33930

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0654J

AIR NEW SOURCE PERMITS AFS NUM 4820100480

AIR NEW SOURCE PERMITS REGISTRATION 80479

AIR NEW SOURCE PERMITS REGISTRATION 121769

AIR NEW SOURCE PERMITS PERMIT 128890

AIR NEW SOURCE PERMITS REGISTRATION 147264

STORMWATER PERMIT TXR05U268

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0654J

POLLUTION PREVENTION PLANNING ID NUMBER P08471

Compliance History Period: September 01, 2012 to August 31, 2017

Rating Year: 2017

Rating Date: 09/01/2017

Date Compliance History Report Prepared: January 26, 2018

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 26, 2013 to January 26, 2018

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

Name: Shelby Orme

Phone: (512) 239-1001

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

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

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

1 Effective Date: 06/21/2016 ADMINORDER 2016-0169-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: FOP General Terms & Conditions OP

Description: Failed to submit a PCC within 30 days after the end of the certification period, as documented during a record review conducted on November 19, 2015. Specifically, the PCC for the March 23, 2014 through March 22, 2015 certification period was due on April 21, 2015 but was not submitted until November 16, 2015.

3. Criminal convictions:

N/A

2. Chronic excessive emissions events:

N/A

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

Item 1 November 06, 2014 (1193334)
Item 2 November 09, 2016 (1358666)

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: 06/27/2017 (1416787)
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 2016 Emissions Inventory. CATEGORY B19 (g)(3).
- 2 Date: 01/05/2018 (1437219)
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 22J PERMIT
Special Condition 22T PERMIT
Special Terms & Conditions 12 OP
Special Terms & Conditions 5 OP
Special Terms & Conditions 6 OP
Description: Failure to maintain records of annual calibration for the differential pressure gauge.
(Category B3)
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 22S PERMIT
Special Condition 22T PERMIT
Special Terms & Conditions 6 OP
Special Terms & Conditions 12 OP
Description: Failure to maintain one-time testing records for the thermal oxidizer (EPN: EP-8).
(Category B3)
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 11G PERMIT
Special Condition 22T PERMIT
Special Condition 22K PERMIT
Special Terms & Conditions 12 OP
Special Terms & Conditions 5 OP
Special Terms & Conditions 6 OP
Description: Failure to record weekly pressure gauge readings. (Category B3)

F. Environmental audits:

Notice of Intent Date: 12/21/2012 (1058700)
Disclosure Date: 06/21/2013
Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
Rqmt Prov: OP FOP 3318, STC 7
PERMIT NSR Permit 17590, SC 7.B.2.
Description: Failed to record actual hours of operation for the vertical paint booths, oven, and each thermal oxidizer.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter S 106.433(4)(B)
30 TAC Chapter 106, SubChapter S 106.433(6)(A)
30 TAC Chapter 116, SubChapter B 116.110(a)
Description: Failed to limit VOC emissions from Line 2 and 3 lining booths to 6.0 lb/hr and 500 lb/week and to limit emissions from Line 3 lining booths to 5.0 lb/hr for exempt solvents, in order to meet Standard Exemption 75 and PBR 30 TAC § 106.433 requirements.

G. Type of environmental management systems (EMSs):

Compliance History Report for CN602989428, RN100211002, Rating Year 2017 which includes Compliance History (CH) components from January 26, 2013, through January 26, 2018.

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
MAUSER USA, LLC
RN100211002**

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§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2018-0135-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 Mauser USA, LLC (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a steel and plastic drum manufacturing plant located at 4004 Homestead Road in Houston, Harris County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$12,187 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$9,750 of the penalty and \$2,437 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. 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). 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.

6. 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 Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that on November 20, 2017, the Respondent:
 - a. Submitted the permit compliance certification ("PCC") for the March 23, 2016 through March 22, 2017 certification period; and
 - b. Submitted the deviation report for the March 23, 2017 through September 22, 2017 reporting period to report the failure to report the failure to maintain weekly records of differential pressure gauge readings and the failure to perform one-time testing of the Thermal Oxidizer TO-EP-8.

II. ALLEGATIONS

During an investigation conducted on November 2, 2017, an investigator documented that the Respondent:

1. Failed to submit a PCC no later than 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. O3319, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the March 23, 2016 through March 22, 2017 certification period was due by April 21, 2017, but was not submitted until November 20, 2017.
2. Failed to submit a deviation report within 30 days after the end of each reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O3319, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent determined that no deviations occurred and did not submit deviation reports for the March 23, 2016 through September 22, 2016 and September 23, 2016 through March 22, 2017 reporting periods by October 22, 2016 and April 21, 2017, respectively, but TCEQ staff determined that the failure to maintain weekly records of differential pressure gauge readings and the failure to perform one-time testing of the Thermal Oxidizer TO-EP-8 occurred and should have been reported as deviations.

III. DENIALS

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

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this 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. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Mauser USA, LLC, Docket No. 2018-0135-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 Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order, implement measures and/or procedures to ensure that PCCs are submitted in a timely manner; and
 - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be signed by the Respondent and shall include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this 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 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.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this 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. Extension requests shall be sent to the Order Compliance Team at the address listed above.
7. This 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 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.
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.

9. 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

Sam Martin Jr

12/28/18

For the Executive Director

Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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.

Mark Allen

Signature

4-20-18

Date

Mark Allen

Name (Printed or typed)
Authorized Representative of
Mauser USA, LLC

Plant Manager

Title

☐ If mailing address has changed, please check this box and provide the new address below: