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UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TX

REGIONAL HEARING CLERK
EPA REGION 6

IN THE MATTER OF:

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Schütz Container Systems

Administrative Compliance Order on Consent
USEPA Docket No. RCRA-06-2024-0957

RESPONDENT

ADMINISTRATIVE COMPLIANCE ORDER ON CONSENT

I. PRELIMINARY STATEMENT

1. This Administrative Compliance Order on Consent ("ACOC") is entered into by the United States Environmental Protection Agency, Region 6 ("EPA") and Respondent, Schütz Container Systems, ("Schütz Container Systems" or "Respondent"), and concerns the facility located at 5000 Underwood Road Pasadena, TX 77507 (the "Facility").
2. Notice of this action has been given to the state of Texas, under Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2).¹

¹ On December 26, 1984, the State of Texas received final authorization for its base Hazardous Waste Management Program (49 FR 48300). Subsequent revisions have been made to the Texas Hazardous Waste Program and authorized by the EPA. Except as otherwise provided, all citations found within this order are to the "EPA-Approved Texas Statutory and Regulatory Requirements Applicable to the Hazardous Waste Management Program" dated December 2015, incorporated by reference under 40 C.F.R. § 272.2201(c)(1)(i) effective on April 10, 2020. 85 Fed. Reg. 20190 (April 10, 2020); 40 C.F.R. 272.2201: Texas State-Administered Program: Final Authorization. References and citations to the "EPA-Approved Texas Statutory and Regulatory Requirements Applicable to the Hazardous Waste Management Program" may vary slightly from the State of Texas' published version. The corresponding C.F.R. citations are also provided.

3. For the purpose of these proceedings, Respondent admits the jurisdictional allegations herein; however, Respondent neither admits nor denies the specific factual allegations and conclusions of law contained in this ACOC. This ACOC states a claim upon which relief may be granted.
4. Respondent explicitly waives any right to contest the allegations and its right to appeal the proposed final order contained in this ACOC and waives all defenses which have been raised or could have been raised to the claim set forth in the ACOC.
5. Respondent consents to the issuance of the ACOC hereinafter recited and consents to the specific stated Compliance Order, Section VI, of this ACOC.

II. JURISDICTION

6. This ACOC is issued by the EPA pursuant to Section 3008(a) of the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6928(a), as amended by the Hazardous and Solid Waste Amendments of 1984 ("HSWA") and is simultaneously commenced and concluded through the issuance of this ACOC under 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3).
7. Respondent agrees to undertake and complete all actions required by the terms and conditions of this ACOC. In any action by the EPA or the United States to enforce the terms of this ACOC, Respondent agrees not to contest the authority or jurisdiction of the EPA to issue or enforce this ACOC and agrees not to contest the validity of this ACOC or its terms or conditions.

III. STATEMENT OF PURPOSE

8. This ACOC provides for the resolution of EPA Region 6's inspection of Respondent's Facility.

9. In entering into this ACOC, the mutual objectives of EPA, Region 6 and Respondent are to remedy, and/or prevent the potential endangerment to human health and/or the environment from activities involving solid waste and hazardous waste, and to ensure that the injunctive relief that Respondent will complete as described in the Section VI, Compliance Order, is protective of human health and/or the environment.

IV. STATUTORY AND REGULATORY BACKGROUND

10. Federal regulation of hazardous waste is primarily based on RCRA, enacted on October 21, 1976, to amend the Solid Waste Disposal Act, and the Hazardous and Solid Waste Amendments ("HSWA") enacted by Congress in 1984 to further amend the Solid Waste Disposal Act. RCRA establishes a "cradle-to-grave" program to be administered by the Administrator of EPA and authorized states for regulating the generation, transportation, treatment, storage, and disposal of hazardous waste. See 42 U.S.C. § 6901 et seq.
11. RCRA's Subchapter III (RCRA §§ 3001-3023, 42 U.S.C. §§ 6921-6940, known as "Subtitle C") required EPA to promulgate regulations establishing performance standards applicable to facilities that generate, transport, treat, store, or dispose of hazardous wastes. Together, RCRA Subtitle C and its implementing regulations, set forth at 40 C.F.R. Parts 260 – 279, comprise EPA's RCRA hazardous waste program.
12. Pursuant to its authority under RCRA, EPA has promulgated regulations at 40 C.F.R. Parts 260 through 272 applicable to generators, transporters, and treatment, storage, and disposal facilities. These regulations generally prohibit treatment, storage, and disposal of hazardous waste without a permit or equivalent "interim status." They prohibit land

disposal of certain hazardous wastes and provide detailed requirements governing the activities of those who generate hazardous waste and those who are lawfully permitted to store, treat, and dispose of hazardous waste.

13. Pursuant to 40 C.F.R. § 261.2, a "solid waste" is any discarded material that is not otherwise excluded under 40 C.F.R. § 261.4(a), or that is not excluded by variance. A discarded material is any material which is abandoned, recycled, inherently waste-like, or a military munition. Materials are solid waste, as defined in 40 C.F.R. § 261.2, if they are abandoned by being disposed of, burned, or incinerated, or accumulated, stored, or treated (but not recycled) before, or in lieu of, being abandoned by being disposed of, burned, or incinerated.
14. A solid waste is a hazardous waste if it is not excluded from regulation as a hazardous waste under 40 C.F.R. § 261.4(b), and it exhibits any of the characteristics of hazardous waste identified in 40 C.F.R. Part 261, Subpart C, or it is listed in 40 C.F.R. Part 261, Subpart D.
15. Characteristic hazardous wastes are assigned "D" codes in 40 C.F.R. Part 261, Subpart C, depending on the specific hazardous characteristic that the waste exhibits.
16. An ignitable hazardous waste has a flash point of less than 60 degrees centigrade (140 degrees Fahrenheit) and is assigned the D001 hazardous waste code pursuant to 40 C.F.R. § 261.21.
17. A corrosive hazardous waste has a pH of less than or equal to 2.0 or greater than or equal to 12.5 and is assigned the D002 hazardous waste code pursuant to 40 C.F.R. § 261.22, and a

reactive hazardous waste is assigned the D003 hazardous waste code pursuant to 40 C.F.R. § 261.23.

18. Listed wastes are assigned with "F", "K", "P", and "U" codes in 40 C.F.R. Part 261, Subpart D, depending on the specific waste generated from a non-specific source, a specific source, or discarded commercial chemical products, off-specification species, container residues and spill residues therefrom.
19. 40 C.F.R. Parts 264 and/or 265 applies to owners and operators of facilities that treat, store and/or dispose of hazardous waste.
20. The relevant RCRA statutory and regulatory requirements to this ACOC require that generators of solid waste and hazardous waste must, among other things:
 - A. Determine its generator status by meeting the requirements under 40 C.F.R. §262.13.

V. FINDINGS OF FACT AND CONCLUSIONS OF LAW

21. Respondent is an authorized corporation in the State of Texas, authorized in 2000, and is located at 5000 Underwood Road, Pasadena, TX 77507.
22. Respondent is a "person" within the meaning of Section 1004(15) of RCRA, 42 U.S.C. § 6903(15); and 30 Texas Administrative Code ("TEX.ADMIN.CODE") § 3.2(25) [40 C.F.R. § 260.10].
23. The Facility identified in Paragraph 1 of this ACOC is a "facility" within the meaning of 30 TEX.ADMIN.CODE § 335.1(69) [40 C.F.R. § 260.10].

24. Respondent's Registered Agent for Service in the State of Texas is located at 5847 San Felipe Suite 2200, San Felipe Plaza, Houston, TX 77057.
25. Respondent is registered with the Texas Commission on Environmental Quality (TCEQ) as a Conditionally Exempt Small Quantity Generator (now known as a Very Small Quantity Generator as defined by 40 C.F.R. §260.10) of hazardous waste since May 3, 2006.
26. Respondent owns a facility that operates intermediate bulk container rebottling and remanufacturing.
27. On August 21, 2023, EPA Region 6 conducted a RCRA inspection and record review ("Inspection") of the Facility's activities as a generator of hazardous waste, including information provided to EPA by the Respondent after the Inspection.
28. During the TCEQ online record review, the Facility reported the following waste to TCEQ:
 - A. Characteristic of Ignitability: D001 (Ignitability); D002 (Corrosivity)
 - B. Spent Halogenated Solvents: F001: Spent Non-Halogenated Solvents: F003, F005
 - C. U002 (Acetone)
29. The waste stream identified in Paragraph 28 is "solid waste" and "hazardous waste" as defined in 30 TEX.ADMIN.CODE §§ 335.1 (160) and (82) [40 C.F.R. §§ 261.2 and 261.24].
30. From the Inspection and information provided by the Respondent, EPA determined the following:
 - A. Respondent failed to make a generator category determination as required under 40 C.F.R. §262.13. A generator must determine its generator category. A generator's category is based on the amount of hazardous waste generated each month and may

category is based on the amount of hazardous waste generated each month and may change from month to month. This section (40 C.F.R. §262.13) sets forth procedures to determine whether a generator is a very small quantity generator, a small quantity generator, or a large quantity generator for a particular month, as defined in § 40 C.F.R. 260.10.

31. Respondent is a "generator" of "hazardous wastes" at the Facility, as those terms are defined in Sections 1004(5) & (6) of RCRA, 42 U.S.C. §§ 6903(5) & (6), 30 TEX.ADMIN.CODE §§ 335.1(76) & (82) [40 C.F.R. Parts 260 and 261].
32. As a generator of hazardous waste, Respondent is subject to Sections 3002 and 3010 of RCRA, 42 U.S.C. §§ 6922 and 6930, and the regulations set forth at 30 TEX.ADMIN.CODE Chapter 335, Subchapter C [40 C.F.R. Parts 262 and/or 270].

Claims i. Failure to Operate within Its Stated Generator Status

33. The allegations in Paragraphs 1-32 are realleged and incorporated herein by reference.
34. During the Inspection, EPA determined that Respondent either operated as a Very Small Quantity Generator ("VSQG") and/or considered itself to be a VSQG.
35. Pursuant to 30 TEX.ADMIN.CODE § 335.78(b) [40 C.F.R. § 261.5(b)], as long as a VSQG complies with the applicable requirement under 30 TEX.ADMIN.CODE §§ 335.78(e), (f), (g), and (j), [40 C.F.R. §§ 261.5 (e), (f), (g) and (u)] the generator's hazardous waste is not subject to regulation under 30 TEX.ADMIN.CODE, Chapter 335, Subchapters C [40 C.F.R. Parts 262 through 268 and 270].

36. At all times relevant to this ACOC, Respondent was unable to provide relevant documentation to confirm its very small quantity generator status to EPA.
37. Respondent, therefore, violated the requirements of RCRA regulations at 40 C.F.R. § 262.13 by failing to maintain generator status documentation.

VI. COMPLIANCE ORDER

38. Pursuant to Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), Respondent is hereby ordered to take the following actions, and within thirty (30) calendar days of the effective date of the settlement agreement, Respondent shall provide in writing the following:
- A. Respondent shall certify that it has assessed all of its solid waste streams to determine the accurate waste codes and has developed and implemented Standard Operating Procedures ("SOP") to ensure that Respondent is operating in compliance with RCRA and the regulations promulgated thereunder, including, but not limited to, procedures for: (a) making hazardous waste determinations; (b) managing hazardous wastes including (1) recording amount of hazardous waste generated; (2) recording when Micro-Blaze is added to container; (3) recording initial and final VOC readings from Micro-Blaze container; (c) reporting, transporting, and disposing of hazardous waste; (d) preparing the manifests; (e) meeting the requirements of the land disposal restrictions; (f) documenting that Respondent meets the requirements of 40 C.F.R. §§ 262.13 and 262.14.
- B. Respondent shall certify that it has accurately and adequately complied with its RCRA Section 3010 Notification; and

- C. Respondent shall provide, with its certification, a copy of Respondent's SOPs as described in subparagraph A above.
39. Respondent shall submit on a monthly basis the results from the SOP implemented pursuant to subparagraph (a) of Paragraph 38 for a period of ninety (90) days from the completion of Paragraph 38.
40. In all instances in which this ACOC requires written submission to EPA, the submittal made by Respondent shall be signed by the Responsible Official of Schütz Container Systems and shall include the following certification:

"I certify under the penalty of law that this document and all of its attachments were prepared by me or under my direct supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Copies of all documents required by this ACOC shall be sent to the following:

U.S. EPA, Region 6
Enforcement and Compliance Assurance Division (ECDSR)
1201 Elm Street, Suite 500
Dallas, Texas 75270-2102
ATTN: Angela Hays

Where possible, notice shall be sent electronically by email to Angela Hays, at hays.angela@epa.gov.

VII. TERMS OF SETTLEMENT

i. Modification

41. The terms, conditions, and compliance requirements of this ACOC may not be modified or amended except upon the written agreement of both parties, and approved by a Regional Judicial Officer, and such modification or amendment being filed with the Regional Hearing Clerk.

ii. Indemnification

42. Neither EPA nor the United States Government shall be liable for any injuries or damages to person or property resulting from the acts or omissions of Respondent, their officers, directors, employees, agents, receivers, trustees, successors, assigns, or contractors in carrying out the activities required by this ACOC, nor shall EPA or the United States Government be held out as a party to any contract entered into by Respondent in carrying out the activities required by this ACOC.

iii. Record Preservation

43. Respondent shall preserve, during the pendency of this ACOC, all records and documents in its possession or in the possession of its divisions, employees, agents, contractors, or successors, which in any way relate to this ACOC regardless of any document retention policy to the contrary.

iv. Cost

44. Each party shall bear its own costs and attorney's fees. Furthermore, Respondent specifically waives its right to seek reimbursement of its costs and attorney's fees under the

Equal Access to Justice Act (5 U.S.C. § 504), as amended by the Small Business Regulatory Enforcement Fairness Act (P.L. 04-121), and any regulations promulgated pursuant to those Acts.

v. Reservation of Rights

45. Notwithstanding any other provisions of this ACOC, EPA retains all of its authority to take, direct, or order any and all actions necessary to protect public health or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants, or contaminants, or hazardous or solid waste or constituents of such wastes, on, at, or from the Facility, including but not limited to the right to bring enforcement actions under RCRA, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and any other applicable statutes or regulations.
46. EPA reserves all of its statutory and regulatory powers, authorities, rights, remedies, both legal and equitable, that may pertain to Respondent's failure to comply with any of the requirements of this ACOC.
47. This ACOC shall not be construed as a covenant not to sue, release, waiver, or limitation of any rights, remedies, powers, claim, and/or authorities, civil or criminal, which EPA has under RCRA, CERCLA, or any other statutory, regulatory, or common law authority of the United States. Further, this ACOC does not resolve Respondent's liability for Federal civil penalties for the violations and facts set forth herein.

vi. Termination and Satisfaction

48. When Respondent believes that it has complied with all the requirements of this ACOC, including compliance with the Compliance Order, Respondent shall so certify in writing and in accordance with the certification language set forth in Section VI (Compliance Order). Unless the EPA, Region 6 objects in writing within sixty (60) days of EPA's receipt of Respondent's certification, then this ACOC is terminated on the basis of Respondent's certification.

49. EPA and Respondent agree to the use of electronic signatures for this matter. EPA and Respondent further agree to electronic service of this Administrative Compliance Order on Consent, pursuant to 40 C.F.R. § 22.6, by email to the following addresses:

Complainant, EPA:

Angela Hays

hays.angela@epa.gov

Respondent:

Schütz Container Systems

lsilver@lssh-law.com

vii. Effective Date of Settlement

50. This ACOC shall become effective upon filing with the Regional Hearing Clerk.

RCRA-06-2024-0957
Schütz Container Systems

RESPONDENT
SCHÜTZ CONTAINER SYSTEMS

Date: 09-23-24

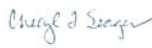
By: Sam Hughes
Signature

Sam Hughes
Print Name

Plant Manager
Title

COMPLAINANT
U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: September 24, 2024

 Digitally signed by
CHERYL SEAGER
Date: 2024.09.24
10:08:09 -05'00'

Cheryl T. Seager
Director
Enforcement and
Compliance Assurance Division
U.S. EPA, Region 6

FINAL ORDER

Pursuant to the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22, the foregoing ACOC resolving this matter is hereby ratified and incorporated by reference into this Final Order.

Respondent is ORDERED to comply with all of the terms of the Compliance Order. In accordance with 40 C.F.R. § 22.31(b), the effective date of the foregoing Compliance Order and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk.

This Final Order shall resolve only those causes of action alleged in the Compliance Order. Nothing in this Final Order shall be construed to waive, extinguish, or otherwise affect Respondent's (or its officers, agents, servants, employees, successors, or assigns) obligation to comply with all applicable federal, state, and local statutes and regulations, including the regulations that were the subject of this action.

IT IS SO ORDERED.

Date: _____

**THOMAS
RUCKI**

Digitally signed by
THOMAS RUCKI
Date: 2024.09.24
13:37:59 -04'00'

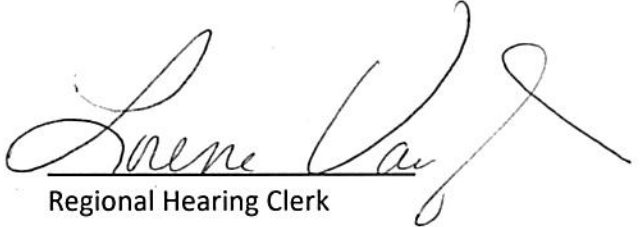
Thomas Rucki
Regional Judicial Officer

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Administrative Compliance Order on Consent was filed with me, the Regional Hearing Clerk, U.S. EPA - Region 6, 1201 Elm Street, Suite 500, Dallas, Texas 75270-2102, and that I sent a true and correct copy was sent this day in the following manner to the email addresses:

Copy via Email to Complainant, EPA:
roland.alexandrea@epa.gov

Copy via Email to Respondent:
lsilver@lssh-law.com



Regional Hearing Clerk
EPA Region 6