UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS TX 75202-2733

June 30, 2011

Certified Mail - Return Receipt Requested # 7009 2820 0004 2109 7030

John W. Traeger
Gallop, Johnson & Neuman
101 South Hanley Road Suite 1700
St. Louis, MO 63105

RE: Hydril Company d/b/a Westwego Manufacturing Plant
Docket No. EPCRA-06-2011-0507
Maverick Tube Corporation
Docket No. EPCRA-06-2010-0508
Maverick Tube Corporation
Docket No. EPCRA-06-2010-0509
Tenaris Coiled Tubes, LLC, d/b/a Precision Tube Technology
Docket No. EPCRA-06-2010-0510
Tenaris Coiled Tubes, LLC, d/b/a SeaCAT
Docket No. EPCRA-06-2010-0511
Maverick Tube Corporation
Docket No. EPCRA-06-2010-0512
Hydril Company d/b/a McCarty Manufacturing Plant
Docket No. EPCRA-06-2010-0513

Dear Mr. Traeger:

Enclosed are the fully executed Complaint and Consent Agreement and Final Orders (CAFOs) that have been filed with the Regional hearing Clerk. You have (30) days from the effective date of the CAFO to pay the associated civil penalties to EPA as set forth in section IV of the CAFO. The effective date of the CAFO is the date of filing with the Regional Hearing Clerk.

In the event you should have any further questions or concerns regarding this matter please contact Stan Lancaster at 214.665.8034 or Angela Hodges at 214.665.2796. Your cooperation in expediting the settlement of this case is most appreciated.

Sincerely yours,

Carl E. Edlund, P.E.
Director
Multimedia Planning and
Permitting Division

Enclosure (7)

FILED

2011 JUN 29 PM 3: 35

REGIONAL HEARING CLERK
EPA REGION VI

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TEXAS

IN THE MATTER OF:	§	
	§	
HYDRIL COMPANY	§	DOCKET NO. EPCRA-06-2011-0513
DBA MCCARTY MANUFACTURING PLANT	§	
HOUSTON, TEXAS	§	
	§	
RESPONDENT	§	
	§	

CONSENT AGREEMENT AND FINAL ORDER

The Director, Multimedia Planning and Permitting Division, United States Environmental Protection Agency (EPA), Region 6 (Complainant), and Hydril Company dba McCarty Manufacturing Plant (Respondent) in the above-referenced proceeding, hereby agree to resolve this matter through the issuance of this Consent Agreement and Final Order (CAFO).

I. PRELIMINARY STATEMENT

1. This proceeding for the assessment of civil penalties pursuant to Section 325(c) of the Emergency Planning and Community Right-to-Know Act (EPCRA), 42 U.S.C. § 11045(c), is simultaneously commenced and concluded by the issuance of this CAFO against the Respondent pursuant to 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3).

2. For the purposes of this proceeding, the Respondent admits the jurisdictional allegations herein; however, the Respondent neither admits nor denies the specific factual allegations contained in this CAFO.

3. The Respondent explicitly waives any right to contest the allegations and its right to appeal the proposed Final Order set forth therein, and waives all defenses which have been raised or could have been raised to the claims set forth in the CAFO.

4. Compliance with all the terms and conditions of this CAFO shall resolve only those violations which are set forth herein.

5. The Respondent consents to the issuance of this CAFO, to the assessment and payment of the stated civil penalty in the amount and by the method set forth in this CAFO.

6. The Respondent represents that it is duly authorized to execute this CAFO and that the party signing this CAFO on behalf of the Respondent is duly authorized to bind the Respondent to the terms and conditions of this CAFO.

7. The Respondent agrees that the provisions of this CAFO shall be binding on its officers, directors, employees, agents, servants, authorized representatives, successors, and assigns.

8. The Respondent hereby certifies that as of the date of the execution of this CAFO, McCarty Manufacturing Plant, Houston, Texas has corrected the violation(s) alleged in this CAFO and is now, to the best of its knowledge, in compliance with all applicable requirements of Section 313 of EPCRA, 42 U.S.C. § 11023, and 40 C.F.R. Part 372.

II. STATUTORY AND REGULATORY BACKGROUND

9. Section 313 of EPCRA, 42 U.S.C. § 11023, and 40 C.F.R. §§ 372.22 and 372.30 require the owner or operator of a facility that: (a) has ten or more full-time employees; (b) is an establishment with a primary Standard Industrial Classification (SIC) major group or industry code listed in 40 C.F.R. § 372.23(a), or a primary North American Industry Classification

System (NAICS) subsector or industry code listed in 40 C.F.R. §§ 372.23(b) or (c); and (c) "manufactured, processed, or otherwise used" a toxic chemical listed under Subsection 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Subsection 313(f) of EPCRA, 42 U.S.C. § 11023(f), and 40 C.F.R. §§ 372.25, 372.27, or 372.28 during the calendar year, to complete and submit a toxic chemical release inventory Form R to the Administrator of EPA and to the State in which the subject facility is located by July 1, for the preceding calendar year, for each toxic chemical known by the owner or operator to be "manufactured, processed, or otherwise used" in quantities exceeding the established threshold quantity during that preceding calendar year.

10. According to Section 313(f) of EPCRA, 42 U.S.C. § 11023(f), and 40 C.F.R. § 372.25, the threshold amount for reporting under Section 313(b) of EPCRA, 42 U.S.C. § 11023(b), and 40 C.F.R. § 372.30, is 25,000 pounds for any toxic chemical "manufactured or processed," and 10,000 pounds for any toxic chemical "otherwise used" for the applicable calendar year. Alternative reporting thresholds are set forth in 40 C.F.R. §§ 372.27 and 372.28.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. PRELIMINARY ALLEGATIONS

11. The Respondent is a corporation established under the laws of the State of Delaware and authorized to do business in the State of Texas.

12. The Respondent is a "person" as defined by Section 329(7) of EPCRA, 42 U.S.C. § 11049(7).

13. The Respondent owns and operates McCarty Manufacturing Plant, which is located at 302 McCarty Street, Houston, Texas, 77029.

14. McCarty Manufacturing Plant, Houston, Texas, identified in Paragraph 13, is a "facility", as that term is defined by Section 329(4) of EPCRA, 42 U.S.C. § 11049(4), and 40 C.F.R. § 372.3.

15. The Respondent's facility has ten (10) or more "full-time employees" as that term is defined by 40 C.F.R. § 372.3.

16. The Respondent's facility is in NAICS subsector or industry code 332996, fabricated pipe and pipe fitting manufacturing, which is listed in 40 C.F.R. § 372.23(b).

17. Lead, manganese, nickel, nitrate compounds, and zinc compounds are "toxic chemicals" within the meaning of 40 C.F.R. §§ 372.3 and 372.65.

18. During calendar year 2005 and 2006, the toxic chemicals in paragraph 17 were "manufactured, processed, or otherwise used" as those terms are defined by 40 C.F.R. § 372.3, at the Respondent's facility.

19. On May 19, 2010, a duly authorized representative of EPA, Region 6, inspected the McCarty Manufacturing Plant located at 302 McCarty, Houston, Texas, 77029.

B. ALLEGED VIOLATIONS

Counts 1, 2, 3, 4 & 5 – Failure to Timely File Form Rs for Calendar Year 2005

20. Paragraphs 1 thorough 19 are realleged and incorporated by reference.

21. During calendar year 2005, the Respondent "manufactured, processed, or otherwise used" lead, manganese, nickel, nitrate compounds, and zinc compounds at the Respondent's facility in excess of the applicable threshold quantities.

22. The Respondent failed to file Form Rs with EPA and the State of Texas for lead, manganese, nickel, nitrate compounds, and zinc compounds by July 1, 2006.

23. Therefore, the Respondent violated Section 313(a) of EPCRA, 42 U.S.C. § 11023(a), and 40 C.F.R. § 372.30 by failing to submit complete and accurate Form Rs for lead, manganese, nickel, nitrate compounds, and zinc compounds for calendar year 2005 to EPA and to the State of Texas by July 1, 2006.

Count 6, 7, 8, 9, & 10 – Failure to Timely File Form R for Calendar Year 2006

24. Paragraphs 1 thorough 19 are realleged and incorporated by reference.

25. During calendar year 2006, the Respondent "manufactured, processed, or otherwise used" lead, manganese, nickel, nitrate compounds, and zinc compounds at the Respondent's facility in excess of the applicable threshold quantities.

26. The Respondent failed to file Form Rs with EPA and the State of Texas for lead, manganese, nickel, nitrate compounds, and zinc compounds by July 1, 2007.

27. Therefore, the Respondent violated Section 313(a) of EPCRA, 42 U.S.C. § 11023(a), and 40 C.F.R. § 372.30 by failing to submit complete and accurate Form Rs lead, manganese, nickel, nitrate compounds, and zinc compounds for calendar year 2006 to EPA and to the State of Texas by July 1, 2007.

IV. TERMS OF SETTLEMENT

A. GENERAL TERMS

28. As to others who are not parties to this CAFO, nothing contained in this Order is an admission by Respondent of wrongdoing or fault on the part of Respondent as to any of the Findings of Fact or Conclusions of Law.

29. As to others who are not parties to this CAFO, this Order is not an admission by Respondent of liability for conditions at or near the Respondent's facility and is not a waiver of any right, cause of action.

A. CIVIL PENALTY

30. For the reasons set forth above, the Respondent has agreed to pay a civil penalty which has been determined in accordance with Section 325(c) of EPCRA, 42 U.S.C. § 11045(c), which authorizes EPA to assess a civil penalty of up to Thirty-Seven Thousand Five Hundred Dollars ($37,500) per day for each violation of EPCRA.[1] Upon consideration of the entire record herein, including the Findings of Fact and Conclusions of Law, which are hereby adopted and made a part hereof, upon consideration of the nature, circumstances, extent and gravity of the alleged violations and, with respect to the Respondent, ability to pay, any prior history of such violations, the degree of culpability, economic benefit or savings (if any) resulting from the violation, and such other matters as justice may require, and upon consideration of Respondent's exemplary attitude, thorough cooperation, and enhanced compliance, it is **ORDERED** that Respondent be assessed a civil penalty of **One hundred forty-one thousand three hundred forty-four dollars and no cents ($141,344).**

31. Within thirty (30) days of the effective date of this CAFO, the Respondent shall pay the assessed civil penalty by certified check, cashier's check, or wire transfer, made payable to "Treasurer, United States of America, EPA - Region 6". Payment shall be remitted in one of

[1] The amount of penalty that can be assessed under Section 325(c) of EPCRA, 42 U.S.C. § 11045(c) was increased by the Civil Monetary Penalty Inflation Adjustment Rule codified at 40 C.F.R. Part 19 to $27,500 per day, for violations occurring between January 30, 1997 and March 15, 2004, and $32,500 per day for violations which occurred between March 15, 2004 and January 12, 2009, and up to $37,500 per day for violations which occurred after January 12, 2009.

three (3) ways: regular U.S. Postal Service mail (including certified mail), overnight shipping, or wire transfer. For regular U.S. Postal Service mail, U.S. Postal Service certified mail, or U.S. Postal Service express mail, the check(s) should be remitted to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

For overnight shipping (non-U.S. Postal Service, e.g. Fed Ex), the check(s) should be remitted to:

U.S. Bank
Government Lockbox 979077 US EPA Fines & Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101
Phone No. (314) 418-1028

For wire transfer, the payment should be remitted to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045

Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

PLEASE NOTE: Docket number EPCRA 06-2011-0513 shall be clearly typed on the check, or other method of payment, to ensure proper credit. If payment is made by check, the check shall also be accompanied by a transmittal letter and shall reference the Respondent's name and address, the case name, and docket number of the CAFO. If payment is made by wire transfer, the wire transfer instructions shall reference the Respondent's name and address, the

case name, and docket number of the CAFO. The Respondent shall also send a simultaneous notice of such payment, including a copy of the check and transmittal letter, or wire transfer instructions to the following:

Stan Lancaster
EPCRA 313 Enforcement
Toxics Section (6PD-T)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733;

Lorena Vaughn
Regional Hearing Clerk (6RC-D)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

The Respondent's adherence to this request will ensure proper credit is given when penalties are received by EPA and acknowledged in the Region.

32. The Respondent agrees not to claim or attempt to claim a federal income tax deduction or credit covering all or any part of the civil penalty paid to the United States Treasurer.

33. If Respondent fails to submit payment within thirty (30) days of the effective date of this Order, Respondent may be subject to a civil action pursuant to Section 325(f) of EPCRA, 42 U.S.C. § 11045(f), to collect any unpaid portion of the assessed penalty, together with interest, handling charges and nonpayment penalties as set forth below.

34. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, unless otherwise prohibited by law, EPA will assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim. Interest on the civil penalty assessed in this CAFO will begin to accrue thirty (30) days after the effective

date of the CAFO and will be recovered by EPA on any amount of the civil penalty that is not paid by the respective due date. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a). Moreover, the costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. *See* 40 C.F.R. § 13.11(b).

35. EPA will also assess a $15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional $15.00 for each subsequent thirty (30) day period that the penalty remains unpaid. In addition, a penalty charge of up to six percent per year will be assessed monthly on any portion of the debt which remains delinquent more than ninety (90) days. *See* 40 C.F.R. § 13.11(c). Should a penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. *See* 31 C.F.R. § 901.9(d). Other penalties for failure to make a payment may also apply.

36. This document is a "Final Order" as that term is defined in the "Enforcement Response Policy for Section 313 of the Emergency Planning and Community Right-to-Know Act (1986) and Section 6607 of the Pollution Prevention Act (1990)," dated August 10, 1992; Amended, April 21, 2001; for the purpose of demonstrating a history of "prior such violations".

B. RETENTION OF ENFORCEMENT RIGHTS

37. The EPA does not waive any rights or remedies available to EPA for any other violations by the Respondent of Federal or State laws, regulations, or permitting conditions.

38. Nothing in this CAFO shall relieve the Respondent of the duty to comply with all applicable provisions of Section 313 of EPCRA, 42 U.S.C. § 11023, and 40 C.F.R. Part 372.

39. Except as specifically provided in this CAFO, nothing herein shall limit the power and authority of EPA or the United States to take, direct, or order all actions to protect public health, welfare, or the environment, or prevent, abate or minimize an actual or threatened release of hazardous substances, pollutants, contaminants, hazardous substances on, at or from the Respondent's facility. Furthermore, nothing in this CAFO shall be construed to prevent or limit EPA's civil and criminal authorities, or that of other Federal, State, or local agencies or departments to obtain penalties or injunctive relief under other Federal, State, or local laws or regulations.

C. COSTS

40. Each party shall bear its own costs and attorney's fees. Furthermore, the Respondent specifically waives its right to seek reimbursement of its costs and attorney's fees under 5 U.S.C. § 504 and 40 C.F.R. Part 17.

THE UNDERSIGNED PARTIES CONSENT TO THE ENTRY OF THIS CONSENT AGREEMENT AND FINAL ORDER:

FOR THE RESPONDENT:

Date: 6/28/2011

Chris North
Attorney-in-Fact
Hydril Company
dba McCarty Manufacturing Plant

David Wrobel
Attorney-in-Fact
Hydril Company
dba McCarty Manufacturing Plant

FOR THE COMPLAINANT:

Date: 6/29/11

Carl E. Edlund, P.E.
Director
Multimedia Planning and
Permitting Division
U.S. EPA Region 6

V. FINAL ORDER

Pursuant to Section 325(c) of EPCRA, 42 U.S.C. § 11045(c), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22, the foregoing Consent Agreement is hereby ratified. This Final Order shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order shall resolve only those causes of action alleged in the Consent Agreement. 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. The Respondent is ordered to comply with the terms of settlement and the civil penalty payment instructions as set forth in the Consent Agreement. In accordance with 40 C.F.R. § 22.31(b), this Final Order shall become effective upon filing with the Regional Hearing Clerk.

Dated 6/29/11

Patrick Rankin
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that on the 29 day of June, 2011, the original and one copy of the foregoing Consent Agreement and Final Order (CAFO) was hand delivered to the Regional Hearing Clerk, U.S. EPA - Region 6, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202-2733, and a true and correct copy of the CAFO was delivered to the following individual(s) by the method indicated below:

CERTIFIED MAIL - RETURN RECEIPT REQUESTED # 7009 2820 0004 2109 7030

John W. Traeger
101 South Hanley Road Suite 1700
St. Louis, MO 63105

Stan Lancaster
EPCRA 313 Enforcement
U.S. EPA Region 6
Dallas, TX 75202