

Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	August 21, 2023	
Media Program:	RCRA	
Regulatory Program(s)	Hazardous Waste Generator	
Company Name:	Schütz Container Systems	
Facility Name:	Schütz Container Systems Pasadena TX Facility	
Facility Physical Location:	5000 Underwood Road	
(city, state, zip code)	Pasadena, Texas 77507	
Mailing address:	5000 Underwood Road	
(city, state, zip code)	Pasadena, Texas 77507	
County/Parish:	Harris County	
Facility Phone Number	281-474-5200	
Facility Contact:	Tijay Smart	Operations Manager of Reconditioned Services
	tijay.smart@schuetz.net	
FRS Number:	110035012223	
Identification/Permit Number:		
Media Identifier Number:	RCRA:TXR000069377	
NAICS:		
SIC:	3089 – Plastic Products	
Personnel participating in inspection:		
John Penland	USEPA Region VI	Senior Environmental Scientist
Sandesh Thapa	USEPA Region VI	Environmental Scientist
Tijay Smart	Schütz Container Systems, Inc.	Operations Manager of Reconditioned Services
EPA Lead Inspector Signature/Date		
	John Penland	Date
Supervisor Signature/Date		
	Debra Pandak	Date

Section I – INTRODUCTION

On August 21, 2023, I, John Penland, conducted an unannounced inspection of the Schütz Container Systems, Inc. (Schütz) facility located at 5000 Underwood Road in Pasadena, Texas, for compliance with the Resource Conservation and Recovery Act (RCRA). I was assisted on this inspection by Environmental Protection Agency (EPA) inspector Sandesh Thapa. The inspection included walkthroughs of the facility's hazardous waste generation and management units and a review of the facility records related to hazardous waste management.

The Schütz facility was targeted for inspection as part of the Region 6 response to EPA's November 2022 Drum Reconditioner Damage Case Report. That report describes a 2015 fire at this facility which resulted from the mixing of incompatible residues.

FACILITY DESCRIPTION

The Schütz Container Systems, Inc. facility in Pasadena, Texas is a reconditioning and remanufacturing facility for used intermediate bulk container (IBC) totes. IBCs are reconditioned through a cleaning conveyor system, as well as a cut-and-scrape area. At the return processing area, the facility classifies return containers by chemical type and groups certain containers together to prevent the possibility of a chemical reaction. The return containers are placed on the assembly line, the inner plastic tank is removed and drained of any residue. The plastic is destroyed, and the steel cage is washed and used for future containers. This process generates wastewater, contaminated personal protective equipment, and the residues of chemicals removed from the containers.

Schütz currently notifies as a Very Small Quantity Generator and was issued the EPA ID number: TXR000069377. The facility last submitted a biennial report in 2017.

Section II – INSPECTION SUMMARY

August 21, 2023

We arrived at the Schütz facility at approximately 10:00am Central Time and began the inspection with an opening conference. During this conference, we presented our credentials to Mr. Tijay Smart and informed him that we were there to conduct an inspection of the facility under the authority of Section 3007 of RCRA. During this conference, we also discussed the purpose and scope of the inspection and notified them of the facility's right to assert a claim for Confidential Business Information for records collected during this inspection.

Following the opening conference, had a tabletop discussion of the facility's process followed by a walkthrough of the facility's process and storage areas to identify activities that could generate hazardous waste and evaluate its subsequent management. Notably we observed that the facility processes IBCs in batches based on the compatibility and hazardous properties of the residues remaining in the empty IBCs. These residues are removed and comingled with other residues with

similar hazardous properties in separate IBC totes. Schütz subsequently treats these wastes in their containers prior to shipping them for offsite disposal as a non-hazardous waste at the Republic Services BlueRidge Landfill in Fresno, TX.

We concluded the inspection day with a closing conference where we discussed our preliminary inspection findings. We departed the facility at approximately 3:30pm Central Time. For our detailed observations, inspection notes, and records request, see the Daily Summary for August 21, 2023, in Appendix 2.

Section III – PRELIMINARY FINDINGS

1) Waste Determination Procedures – 40 CFR 262.11

The RCRA hazardous waste generator standards require all generators to make and maintain records of an accurate waste determination for each waste to ensure wastes are properly managed according to applicable RCRA regulations. During the reconditioning process, Schütz removes chemical residues from used containers for later disposal. These chemical residues are subject to this characterization requirement when removed and prior to any subsequent management or treatment (See EPA RCRA Online document RO14708; later reprinted in 70 FR 57779). Based on our review of facility records, namely Safety Data Sheets and analytical records, and our observations of the facility operations, Schütz generates container residues which could demonstrate the hazardous waste characteristics of ignitibility or corrosivity. Schütz accumulates these wastes onsite in containers prior to shipment for disposal. At the time of this inspection, Schütz does not identify these residues as hazardous waste or maintain individual waste characterization records for each removed chemical residue.

2) Generator Category Determination – 40 CFR 262.13

The RCRA hazardous waste generator standards require all generators to determine their generator category by counting the amount of hazardous waste they generate in a calendar month. The Schütz facility is currently registered as a very small quantity generator, but the time of this inspection Schütz is unable to provide sufficient documentation to show how much hazardous waste it generates. This is in part due to Schütz's failure to properly identify its generated hazardous waste. However, based on the Line Logs for processing containers with flammable liquid residues, Schütz appears to generate more than 100kg per month.

3) Land Disposal Requirements: Unpermitted Treatment of Hazardous Waste– 40 CFR 268

The RCRA regulations prohibit the land disposal of hazardous waste unless it complies with the treatment standards of 40 CFR 268.40 and the recordkeeping requirements 40 CFR 268.7. These regulations require that a generator engaged in treatment of a hazardous waste to meet a hazardous waste treatment standard for the purposes of land disposal must do so through a waste analysis plan and follow the appropriate notification standards in 40 CFR 268.7(a)(5). At the time of this inspection, Schütz accumulates ignitable wastes in containers and then adds the treatment reagent Micro-Blaze to reduce the waste's ignitibility. This treatment method may provide adequate

deactivation of the ignitibility hazard, but this would need to be evaluated under a written waste analysis plan and the underlying hazardous constituents identified and treated prior to land disposal. Schütz does not have a waste analysis plan, nor has it tested its waste for underlying hazardous constituents.

Section IV – LIST OF APPENDICES

Appendix 1 – Photo Log

Appendix 2 – Daily Summary of Inspection Notes and Observations

APPENDIX 1
PHOTGRAPHIC LOG



25
gallons

151480807

3/4

HEAVY
25

HAZARD
IDENTIFICATION LABEL

UN1781

CORROSIVE

Photo 1



Photo 2

APPENDIX 2

DAILY SUMMARIES

Penland, John

From: Penland, John
Sent: Monday, August 21, 2023 9:04 PM
To: Thapa, Sandesh; tijay.smart@schuetz.net
Cc: Pandak, Debra (she/her/hers)
Subject: Daily Summary for 2023 RCRA inspection of Schütz Container Systems, Inc. - Pasadena, TX - August 21, 2023
Attachments: cbi form RCRA 2-19-20.pdf

All, Here is a summary of my notes from today's inspection. If there are any errors or omissions please let me know.

Introduction

On August 21, 2023, I, John Penland, will be conducting an unannounced inspection of the Schütz Container Systems, Inc. facility located at 5000 Underwood Rd. in Pasadena, Texas, for compliance with the Resource Conservation and Recovery Act (RCRA). I will be assisted on this inspection by Environmental Protection Agency (EPA) inspector Sandesh Thapa. The inspection will include walkthroughs of the facility's hazardous waste generation and management units and a review of the facility records related to hazardous waste management.

Purpose

The Schütz facility was targeted for inspection as part of the Region 6 response to EPA's November 2022 [Drum Reconditioner Damage Case Report](#).

Inspection Attendees:

NAME	TITLE	REPRESENTING	PHONE	EMAIL
John Penland	Lead Hazardous Waste Inspector	US EPA Region 6	214-665-9717	Penland.john@epa.gov
Sandesh Thapa	Asst. Hazardous Waste Inspector	US EPA Region 6	214-665-2265	Thapa.sandesh@epa.gov
Tijay Smart	Operations Manager of Reconditioned Services	Schütz	281-474-5200	Tijay.smart@schuetz.net

Daily Summary

- Initial Entry to the facility - approximately 10:00 am
- Opening meeting start – 10:05 am
 - I presented my credentials to Mr. Tijay Smart and informed him that we were there to conduct an inspection of the facility under the authority of section 3007 of the Resource Conservation and Recovery Act
 - We discussed the authority for the inspection – RCRA Section 3007 - For purposes of developing or assisting in the development of any regulation or enforcing the provisions of this chapter, any person who generates, stores, treats, transports, disposes of, or otherwise handles or has handled hazardous wastes shall, upon request of any officer, employee or representative of the Environmental Protection Agency, duly designated by the Administrator, or upon request of any duly designated officer, employee or representative of a State having an authorized hazardous waste program, furnish information relating to such wastes and permit such person at all reasonable times to have access to, and to copy all records relating to such wastes. For the purposes of developing or assisting in the development of any

regulation or enforcing the provisions of this chapter, such officers, employees or representatives are authorized—

- (1) to enter at reasonable times any establishment or other place where hazardous wastes are or have been generated, stored, treated, disposed of, or transported from;
 - (2) to inspect and obtain samples from any person of any such wastes and samples of any containers or labeling for such wastes.
 - We discussed the purpose of EPA's inspection – In response to the Drum Reconditioner Damage Case Report, this inspection is intended to: Assess the Schütz facility's regulatory status (ie, VSQG, SQG, or LQG); Evaluate the facility's waste identification and characterization procedures; and Identify facility operations which could pose a risk of release of hazardous waste or hazardous constituents to the air, water, or land.
 - Discussed the right of Schütz to assert a Confidential Business Information claim for records requested by EPA (see attachment)
 - Discussed the process for transferring electronic records – EPA has set up a  [Microsoft OneDrive folder](#) with access limited to the inspection participants.
 - Discussed the inspection process – the onsite inspection will be conducted on August 21, 2023. The records review will be conducted by the inspectors independently offsite who will remain in the area throughout the week for additional records delivery if needed. Daily summaries will be provided by the inspectors at the end of the onsite inspection day to ensure a clear communication of questions and findings.
- General Facility Process – The Schütz facility is a container manufacturing and reconditioning facility located in Pasadena, Texas. This process generates: wastewater; used ppe; and residues removed from the containers.
 - Initial request for compliance records, including:
 - Facility Maps identifying solid waste management units, if available
 - Facility waste profiles for any solid waste generated since 2020. Include documentation relevant to the waste determination made for each waste (i.e. analytical reports or documentation to support generator knowledge; see 40 CFR 262.11(f))
 - Facility SOPs and documents related to the exclusion of certain categories of container residues
 - Facility SOPs and documents related to the characterization of container residues
 - Facility SOPs and documents related to the generation or management of container residues
 - Facility SOPs related to the stabilization or neutralization of container residues
 - Operation logs recording the processing of containers which previously held materials characterized by Schütz as Flammable Liquids (FL) for January 1, 2023 to August 21, 2023.
 - Facility Walkthrough
 - Beginning at approximately 10:30am- This walkthrough of the facility was focused on familiarizing the inspection team with the function and layout of the process and to identify readily apparent management concerns.
 - Container Receiving Warehouse
 - Receive containers from offsite at Reconditioning dock.
 - Containers are visually inspected and weighed to ensure that they are received RCRA empty
 - Overweight or non-empty containers are set aside in a "quarantine area" and rejected to the originator
 - Container last held contents are reviewed by facility chemists and chemical engineers to classify the containers for processing
 - The facility may determine that some containers with last-held contents that present a respiratory hazard or meet another of the facility's predetermined hazard categories (see SOPs) may need to be shipped offsite for washing prior to processing onsite.
 - Container Emptying and Processing

- Containers are processed in groups based on the last held classification which is intended to prevent the mixing of incompatible residues.
 - Cages are disassembled and poly-bottles removed for emptying and recycling.
 - Bottles are cut and any residues are poured or scraped out into a residuals tote which is contained within a secondary containment fire suppressant box.
 - Box is capable of extinguishing fire in the event of unintended chemical reaction. (this is an engineering control designed to operate only in the event that the administrative control described above fails)
 - ENU and Waste Storage Area
 - The containers used to accumulate residues are moved to an outdoor concrete-lined area for storage.
 - These containers are used for the pre-transport treatment of the residues prior to shipment for offsite disposal as non-hazardous waste.
 - Treatment methods include: elementary neutralization for corrosive residues and biotreatment, Microblaze, of low-flash organic liquids. (Facility SOPs describe both as elementary neutralization)
- Facility Operations Discussion
 - Following the facility walkthrough we discussed the regulatory applicability of RCRA to the processes we observed during the walkthrough.
 - Especially of note is that the exemption that applies to residues remaining in RCRA-empty containers only applies while those residues remain in their original container. Any residues removed from the container are subject to full regulation at the time they are removed. This includes the waste determination provisions of 40 CFR 262.11; the waste counting provisions of 40 CFR 262.13; and the Land disposal restrictions in 40 CFR part 268.
 - Please note that this is distinct from rinsates generated during the washing of containers which, while also subject to regulation when removed from the container, may exhibit different properties than the original residues and may also be a wastewater which may be managed in a CWA tank system.
 - Facility documents describe all of the pre-transport treatment procedures carried out by the facility in the residue accumulation containers as elementary neutralization. However, for the purpose of the RCRA regulations Elementary neutralization is defined in 40 CFR 260.10 unit means a device which: (1) Is used for neutralizing wastes that are hazardous *only* because they exhibit the corrosivity characteristic defined in § 261.22 of this chapter, or they are listed in subpart D of part 261 of the chapter *only* for this reason; and (2) Meets the definition of tank, tank system, container, transport vehicle, or vessel in § 260.10 of this chapter. Therefore, the treatment of residues which are hazardous for any other listing or characteristic can not be managed in a unit enjoying the elementary neutralization unit exemption.
 - Our initial review of SDS records associated with containers which last held flammable liquids (FL) show that these residues are likely to exhibit the hazardous waste characteristic of ignitibility due to their flash point of <140F.
 - The operating records which show the processing of containers do not record the quantity of residues removed. As of this inspection we are unable to count the waste generation at the facility due to the insufficiency of these records. Operators interviewed during today's inspection estimated that the facility generates approximately three 275 gallon totes of FL waste per calendar month.
- Preliminary Findings
 - 40 CFR 262.11 – Waste Determination procedures.
 - The Schütz facility has failed to recognize that residues removed from containers, even those that are RCRA empty, are subject to full RCRA subtitle C regulation. As a result, the facility has generated and treated hazardous wastes, specifically D001 ignitable hazardous waste, without proper identification and characterization.
 - 40 CFR 262.13 – Generator Category determination
 - The Schütz facility is currently registered as a very small quantity generator. However, through its misapplication of the elementary neutralization unit definition; its failure to identify

hazardous waste (see previous); and its failure to maintain an operating record showing the quantity of residual generation; the facility has also failed to properly determine its generator status.

- 40 CFR 268 – Land Disposal Restrictions
 - Generators of a hazardous waste are subject to the prohibitions for land disposal of hazardous wastes in 40 CFR 268.40 and the recordkeeping requirements 40 CFR 268.7. These regulations require that a generator engaged in treatment of a hazardous waste to meet a hazardous waste treatment standard for the purposes of land disposal must do so through a waste analysis plan and follow the appropriate notification standards. See 40 CFR 268.7(a)(5)
- Departed Facility at approximately 3:30pm