

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 4

In the Matter of:

AFH Logistics Services LLC,

Respondent.

Docket No. **CAA-04-2023-0210(b)**

CONSENT AGREEMENT

I. NATURE OF ACTION

1. This is an administrative penalty assessment proceeding brought under Section 113(d) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7413(d), and Sections 22.13(b) and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at Title 40 of the Code of Federal Regulations (C.F.R.), Part 22.
2. This Consent Agreement and the attached Final Order shall collectively be referred to as the CAFO.
3. Having found that settlement is consistent with the provisions and objectives of the Act and applicable regulations, the Parties have agreed to settle this action pursuant to 40 C.F.R. § 22.18 and consent to the entry of this CAFO without Respondent’s admission of violation or any adjudication of any issues of law or fact herein.

II. PARTIES

4. Complainant is the Director of the Enforcement and Compliance Assurance Division, United States Environmental Protection Agency (EPA), Region 4, who has been delegated the authority on behalf of the Administrator of the EPA to enter into this CAFO pursuant to 40 C.F.R. Part 22 and Section 113(d) of the Act.
5. Respondent is **AFH Logistics Services LLC**, a limited liability company doing business in the State of Alabama. This proceeding pertains to Respondent’s facility located at 400 Industrial Drive, Birmingham, Alabama 35211 (Facility).

III. GOVERNING LAW

6. Any person who violates Section 112(r) of the CAA, 42 U.S.C. § 7412(r), or rule promulgated thereunder, may be assessed a civil penalty pursuant to Section 113(d) of the Act, 42 U.S.C. § 7413(d), and 40 C.F.R. Part 19. Each day a violation continues may constitute a separate violation. Civil penalties under Section 113(d) of the Act, 42 U.S.C. § 7413(d), may be assessed by an administrative order.
7. Section 112(r) of the Act 42 U.S.C. § 7412(r), addresses the prevention of release of substances listed pursuant to Section 112(r)(3) of the Act, 42 U.S.C. § 7412(r)(3), and other extremely hazardous substances. The purpose of this section is to prevent the accidental release of extremely hazardous substances and to minimize the consequences of such releases. Pursuant to Section 112(r)(7) of the Act, 42 U.S.C. § 7412(r)(7), the EPA is authorized to promulgate regulations for accidental release prevention.
8. Pursuant to Sections 112(r)(3) and 112(r)(7) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(7), the EPA promulgated rules codified at 40 C.F.R. Part 68, Chemical Accident Prevention Provisions. These regulations are collectively referred to as the “Risk Management Program” (RMProgram) and apply to an owner or operator of a stationary source that has a threshold quantity of a regulated substance in a process. Pursuant to Sections 112(r)(3) and 112(r)(5) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(5), the list of regulated substances and threshold levels are codified at 40 C.F.R. § 68.130.
9. Pursuant to Section 112(r)(7)(B)(iii) of the Act, 42 U.S.C. § 7412(r)(7)(B)(iii), and 40 C.F.R. §§ 68.10 and 68.150, the owner or operator of a stationary source that has a regulated substance in an amount equal to or in excess of the applicable RMProgram threshold in a “process” as defined in 40 C.F.R. § 68.3, must develop an RMProgram accidental release prevention program, and submit and register a single Risk Management Plan (RMPlan) to the EPA.
10. The EPA and the United States Department of Justice jointly determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for an administrative penalty assessment. 42 U.S.C. § 7413(d); 40 C.F.R. § 19.4.

IV. FINDINGS OF FACTS

11. Respondent is the owner and/or operator of the Facility, which is a “stationary source” as that term is defined by Section 112(r)(2)(C) of the Act, 42 U.S.C. § 7412(r)(2)(C).
12. Respondent has registered an RMPlan with the EPA for its Facility and has developed an RMProgram accidental release prevention program for the Facility.
13. On April 20, 2022, the EPA issued to Respondent a Notice of Potential Violation and Opportunity to Confer (“NOPVOC”), providing notice that the EPA found that Respondent potentially committed the alleged violations described in Section V of this Agreement and providing Respondent an opportunity to confer with the EPA. On May 24, 2022, representatives of Respondent and the EPA held a meeting to discuss the NOPVOC.

14. At its Facility:

- a. Respondent operates an ammonia refrigeration facility.
- b. Respondent has on-site for use 30,000 pounds of anhydrous ammonia.
- c. Respondent has one RMProgram level 3 covered process, which stores or otherwise uses anhydrous ammonia in an amount exceeding its applicable threshold of 10,000 pounds.

15. On September 29, 2021, the EPA conducted an on-site inspection of the RMProgram related records and equipment for the purpose of assessing the Respondent's compliance with the RMProgram requirements including the implemented recognized and generally accepted good engineering practices (RAGAGEP) for its covered process at its Facility.

16. At the time of the inspection, EPA observed the following:

- a. The Respondent did not document that equipment complies with RAGAGEP:
 - Corrosion, rusting, and degradation damage were observed on inlet piping to the RC1 High Side Compressor, on water piping in the ammonia machine room (AMR), and on piping near the low side compressors. According to Section 11.1 of the American National Standard Institute/International Institute of Ammonia Refrigeration (ANSI/IIAR) 6 (2019), inspection, testing, and maintenance *"tasks shall be performed on carbon steel and stainless-steel piping at the indicated frequencies set forth in Table 11.1 or per manufacturers' instructions, unless a different frequency is justified in accordance with Section 5.2.1."*
 - Not all piping was labeled to indicate contents, direction of flow, physical state, or pressure level, particularly on long ammonia piping runs located on the roof of the Facility. ANSI/IIAR 2-2014 Section 5.14.5 states, *"Ammonia piping mains, headers, and branches shall be identified with the following information:*
 1. *"AMMONIA."*
 2. *Physical state of the ammonia.*
 3. *Relative pressure level of ammonia, being low or high as applicable.*
 4. *Pipe service, which shall be permitted to be abbreviated.*
 5. *Direction of flow."**"The marking system shall either be one established by a recognized model code or standard or one described and documented by the facility owner."*
 - Heavy ice buildup was observed on uninsulated inlet piping to the RB1 Low Side Compressor and to the RC1 High Side Compressor, and on uninsulated piping at the base and leading into Accumulator 2 (ACC-2), as well as around the ACC-2 nameplate. Section 5.6.8 of ANSI/IIAR 6 (2019) states, *"Equipment and piping shall be kept free from excessive ice buildup."*
 - Maintenance equipment and combustible materials (e.g., ladders, equipment carts, wooden pallets, cardboard boxes) were staged in the AMR, partially obstructing access to ammonia refrigeration equipment in the AMR. Section 6.3.1 of ANSI/IIAR 2 (2014)

states, “Equipment installed in machinery rooms shall be located in such a manner as to allow egress from any part of the room in the event of an emergency, as required by Section 5.17.7, and to provide clearances required for maintenance, operation, and inspection according to manufacturer’s instructions.”

- An open electrical box with exposed wiring and electrical connections was observed in the AMR near the high-stage compressors. There was no protection around the electrical box and it was exposed to potential physical damage. Section 110.27(B) of the National Fire Protection Association 70 (2011) states, “In locations where electrical equipment is likely to be exposed to physical damage, enclosures or guards shall be so arranged and of such strength as to prevent from damage.”
 - The low-level visible and audible alarm set points for the ammonia sensors located in the AMR were set below industry standards. Ammonia sensors in the AMR were set to visibly and audibly alarm at a detection level of 50 parts per million (ppm) of ammonia, with a high-alarm level at 125 ppm of ammonia and an automatic compressor shutdown level set at 200 ppm of ammonia. Section 6.13.1 of ANSI/IIAR-2 (2014) states, “Machinery rooms shall be provided with ammonia detection and alarm in accordance with Sections 17.2-17.6 and the following features: 2. The detector shall activate an alarm that reports to a monitored location so that corrective action can be taken at an indicated concentration of 25 ppm or higher.”
- b. The Respondent was unable to demonstrate whether it was certifying its ammonia refrigeration system operating procedures annually between 2017 and 2020.
- c. The inspection and testing procedures did not follow RAGAGEP:
- The Respondent was not able to provide documentation to demonstrate that it had been conducting ammonia system safety checks annually for the past five years, though it is completing various ammonia refrigeration system maintenance and inspection tasks on a periodic basis. Section 5.1.1.3 of ANSI/IIAR 6 (2019) states, “Each inspection and test performed shall be documented and include the following information:
 - Date of the inspection or test;
 - Name of the individual or individuals who performed the inspection or test;
 - Serial number or other identifier of the equipment on which the inspection or test was performed;
 - Description of the inspection or test performed;
 - Recommended corrective action(s) for each deficiency identified;
 - Description of corrective action(s) for each deficiency identified;
 - Identification of each designated responsible person assigned and authorized to remedy each deficiency identified;
 - Results based on the conditions at commencement of the inspection or test, including instrumentation readings;
 - Expected activation set points (+/-) including a functional description of the control logic;
 - Results based on the conditions after completion of the inspection or test, including instrumentation readings;

- *Expected completion date(s); and*
 - *Actual completion date(s).*”
 - The Respondent was not conducting ammonia sensor testing according to manufacturers’ recommendations. Facility personnel indicated that the ammonia sensors used at the Facility were manufactured by Calibration Technologies, Inc. (CTI) and are model number GG-NH3 Ammonia Gas Sensors. The Respondent calibrates these ammonia sensors annually. However, maintenance guidelines developed by CTI for the model number GG-NH3 sensor type state that owners/operators should “*Calibrate the detector at least once every 6 months.*”
- d. An ammonia odor was observed in sections of the AMR, which increased in intensity near the intercooler and accumulators. Though Facility personnel indicated that they had recently discovered a leak associated with the Accumulator 1 (ACC-1) sight-glass and had ordered a replacement part to address the ongoing leak, the presence of a persistent ammonia odor in the AMR presents a hazard to Facility staff and indicates that the Facility does not have a system in place to correct deficiencies in ammonia refrigeration equipment that are outside acceptable limits (e.g., a leaking component) before further use or in a timely manner to assure safe operations.
- e. The emergency contact in the most recent RMP submission was “Mike Baker,” who is no longer in this role at the Facility and was replaced by Britt Sherbet. The emergency contact information had not been changed within thirty days of this change.

V. ALLEGED VIOLATIONS

17. Respondent is a “person” as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).
18. Based on EPA’s compliance monitoring investigation, the EPA alleges that the Respondent violated 40 C.F.R. Part 68, the codified rules governing the Act’s Chemical Accident Prevention Provisions and Section 112(r) of the Act, 42 U.S.C. § 7412(r), when it:
- a. Failed to document that equipment complies with RAGAGEP, as required by 40 C.F.R. § 68.65(d)(2);
 - b. Failed to certify annually that the operating procedures are current and accurate, as required by 40 C.F.R. § 68.69(c);
 - c. Failed to follow RAGAGEP when performing inspections and tests as required by 40 C.F.R. § 68.73(d)(2);
 - d. Failed to correct deficiencies in equipment that are outside acceptable limits before further use or in a safe and timely manner when necessary means are taken to assure safe operation, as required by 40 C.F.R. § 68.73(e); and
 - e. Failed to submit corrected emergency contact information in the most recent RMP submission within one month of a change, as required by 40 C.F.R. § 68.195(b).

VI. STIPULATIONS

19. The issuance of this CAFO simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

20. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- a. admits that EPA has jurisdiction over the subject matter alleged in this CAFO;
- b. neither admits nor denies the factual allegations set forth in Section IV (Findings of Facts) of this CAFO;
- c. consents to the assessment of a civil penalty as stated below;
- d. consents to the conditions specified in this CAFO;
- e. waives any right to contest the allegations set forth in Section V (Alleged Violations) of this CAFO; and
- f. waives its rights to appeal the Final Order accompanying this CAFO.

21. For the purpose of this proceeding, Respondent:

- a. agrees that this CAFO states a claim upon which relief may be granted against Respondent;
- b. acknowledges that this CAFO constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
- c. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the CAFO, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action;
- d. by executing this CAFO, certifies to the best of its knowledge that Respondent is currently in compliance with all relevant requirements of the Act and its implementing regulations, and that all violations alleged herein, which are neither admitted nor denied, have been corrected;
- e. waives any right it may have pursuant to 40 C.F.R. § 22.8 to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion, memorandum, or communication is to persuade such official to accept and issue this CAFO; and
- f. agrees to comply with the terms of this CAFO.

22. In accordance with 40 C.F.R. § 22.5, the individuals named in the certificate of service are authorized to receive service related to this proceeding and the parties agree to receive service by electronic means.

VII. TERMS OF PAYMENT

23. Based on the Respondent's substantiated ability to pay claim, Respondent consents to the payment of a civil penalty, which was calculated in accordance with the Act, in the amount of **\$3,000**, which is to be paid within thirty (30) calendar days of the Effective Date of this CAFO.

24. Payment(s) shall be made by cashier's check, certified check, by electronic funds transfer (EFT), or by Automated Clearing House (ACH) (also known as REX or remittance express). If paying by check, the check shall be payable to: Treasurer, United States of America, and the Facility name and docket number for this matter shall be referenced on the face of the check. If Respondent sends payment by the U.S. Postal Service, the payment shall be addressed to:

U.S. Environmental Protection Agency
P.O. Box 979078
St. Louis, Missouri 63197-9000

If Respondent sends payment by non-U.S. Postal express mail delivery, the payment shall be sent to:

U.S. Environmental Protection Agency
Government Lockbox 979078
1005 Convention Plaza
Mail Station: SL-MO-C2-GL
St. Louis, Missouri 63101

If paying by EFT, Respondent shall transfer the payment to:

Federal Reserve Bank of New York
ABA: 021030004
Account Number: 68010727
SWIFT address: FRNYUS33
33 Liberty Street
New York, New York 10045
Beneficiary: "Environmental Protection Agency"

If paying by ACH, Respondent shall remit payment to:

US Treasury REX / Cashlink ACH Receiver
ABA: 051036706
Account Number: 310006, Environmental Protection Agency
CTX Format Transaction Code 22 – checking
Physical location of US Treasury facility:
5700 Rivertech Court
Riverdale, Maryland 20737
REX (Remittance Express): 1-866-234-5681

25. Respondent shall send proof of payment within 24 hours of payment of the civil penalty, to:

Regional Hearing Clerk
r4_regional_hearing_clerk@epa.gov

and

Jordan Noles
Air Enforcement Branch
Enforcement and Compliance Assurance Division
noles.jordan@epa.gov

26. "Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA

requirements, in the amount due, and identified with the Facility name and Docket No. **CAA-04-2023-0210(b)**.

27. Pursuant to 42 U.S.C. § 7413(d)(5), if Respondent fails to timely pay any portion of the penalty assessed under this CAFO, EPA may recover in addition to the amount of the unpaid penalty assessed, the following amounts on any amount overdue:
- a. Interest. Interest will begin to accrue on the civil penalty from the Effective Date of this CAFO. If the civil penalty is paid within 30 days of the Effective Date of this CAFO, Interest is waived. However, if the civil penalty is not paid in full within 30 days of the Effective Date of this CAFO, Interest will continue to accrue on any unpaid portion until the unpaid portion of the civil penalty and accrued Interest are paid. Interest will be assessed at rates established pursuant to 26 U.S.C. § 6621(a)(2).
 - b. Non-Payment Penalty. A 10 percent quarterly nonpayment penalty pursuant to 42 U.S.C. § 7413(d)(5).
 - c. Attorneys' Fees and Costs of Collection. The United States enforcement expenses, including, but not limited to, attorneys' fees and cost of collection.
28. If Respondent fails to timely pay any portion of the penalty assessed under this CAFO, EPA may:
- a. Refer the debt to a credit reporting agency or a collection agency pursuant to 40 C.F.R. §§ 13.13 and 13.14;
 - b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. Part 13, Subparts C and H;
 - c. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, 40 C.F.R. § 13.17; and/or
 - d. Request that the Attorney General bring a civil action in the appropriate district court to recover the amount assessed, in addition to the amounts described above, pursuant to 42 U.S.C. § 7413(d)(5). In any such action, the validity, amount, and appropriateness of the penalty and of this CAFO shall not be subject to review.
29. Penalties paid pursuant to this CAFO shall not be deductible for purposes of federal taxes.

VIII. EFFECT OF CAFO

30. In accordance with 40 C.F.R. § 22.18(c), Respondent's full compliance with this CAFO shall only resolve Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.
31. Full payment of the civil penalty, as provided in Section VII (Terms of Payment) shall satisfy the requirements of this CAFO; but 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. 40 C.F.R. § 22.18(c).

32. Any violation of this CAFO may result in a civil judicial action for civil penalties as provided in Section 113(b) of the Act, 42 U.S.C. § 7413(b), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.
33. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit, except as expressly provided herein.
34. Nothing herein shall be construed to limit the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment as provided under the Act.
35. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except upon the written agreement of both Parties, and approval of the Regional Judicial Officer.
36. The provisions of this CAFO shall apply to and be binding upon Respondent and its successors and assigns. Respondent shall direct its officers, directors, employees, agents, trustees, and authorized representatives to comply with the provisions of this CAFO.
37. Any change in the legal status of the Respondent, or change in ownership, partnership, corporate or legal status relating to the Facility, will not in any way alter Respondent's obligations and responsibilities under this CAFO.
38. By signing this Consent Agreement, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.
39. By signing this Consent Agreement, the Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this CAFO and has the legal capacity to bind the party he or she represents to this CAFO.
40. By signing this Consent Agreement, both Parties agree that each party's obligations under this CAFO constitute sufficient consideration for the other party's obligations.
41. By signing this Consent Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and continues to be, true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
42. EPA also reserves the right to revoke this CAFO and settlement penalty if and to the extent that EPA finds, after signing this CAFO, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to EPA. If such false or inaccurate material was provided, EPA reserves the right to assess and collect any and all civil

penalties for any violation described herein. EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent in writing.

43. It is the intent of the parties that the provisions of this CAFO are severable. If any provision or authority of this CAFO or the application of this CAFO to any party or circumstances is held by any judicial or administrative authority to be invalid or unenforceable, the application of such provisions to other parties or circumstances and the remainder of the CAFO shall remain in force and shall not be affected thereby.
44. Unless specifically stated otherwise in this CAFO, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

IX. EFFECTIVE DATE

45. This CAFO shall become effective after execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

Remainder of Page Intentionally Left Blank

Complainant and Respondent will Each Sign on Separate Pages

The foregoing Consent Agreement in the Matter of **AFH Logistics Services LLC, Docket No. CAA-04-2023-0210(b)**, is Hereby Stipulated, Agreed, and Approved for Entry.

FOR COMPLAINANT:

for _____
Keriema S. Newman
Acting Director
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region 4

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

In the Matter of:

AFH Logistics Services LLC,

Respondent.

Docket No. **CAA-04-2023-0210(b)**

FINAL ORDER

The Regional Judicial Officer is authorized to ratify this Consent Agreement which memorializes a settlement between Complainant and Respondent. 40 C.F.R. §§ 22.4(b) and 22.18(b)(3). The foregoing Consent Agreement is, therefore, hereby approved, ratified and incorporated by reference into this Final Order in accordance with 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 Respondent is hereby ORDERED to comply with all of the terms of the foregoing Consent Agreement effective immediately upon filing of this Consent Agreement and Final Order with the Regional Hearing Clerk. This Final Order disposes of this matter pursuant to 40 C.F.R. §§ 22.18 and 22.31.

BEING AGREED, IT IS SO ORDERED.

Tanya Floyd
Regional Judicial Officer

CERTIFICATE OF SERVICE

I certify that the foregoing Consent Agreement and Final Order, in the Matter of **AFH Logistics Services LLC, Docket No. CAA-04-2023-0210(b)**, were filed and copies of the same were emailed to the parties as indicated below.

Via email to all parties at the following email addresses:

To Respondent: Britt Sherbet, Site Manager
 AFH Logistics Services LLC
 britt.sherbet@tru-nor.com
 400 Industrial Drive
 Birmingham, Alabama 35211
 (205) 405-1902

To EPA: Jordan Noles, Case Development Officer
 noles.jordan@epa.gov

 Ellen Rouch, Attorney-Advisor
 rouch.ellen@epa.gov

Shannon L. Richardson, Regional Hearing Clerk
r4_regional_hearing_clerk@epa.gov