

BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

)
In the Matter of:)
)
Kanto Corporation)
)
Respondent.)

Docket Number TSCA-HQ-2007-5011

FINAL ORDER

The United States Environmental Protection Agency as Complainant, and Kanto Corporation as Respondent, the Parties herein, having signed and consented to entry of the attached Consent Agreement incorporated by reference into this Final Order,

NOW, THEREFORE, IT IS ORDERED THAT:

1. Respondent, Kanto Corporation, shall comply with all terms of the Consent Agreement;
2. Respondent is assessed a civil penalty of **Ninety-Five Thousand Three Hundred and Seventy Dollars (\$95,370)**; and
3. Respondent shall, in accordance with the payment provisions set forth in the Consent Agreement, make payment via a certified or cashier's check or through a wire transfer as described in the Consent Agreement.

IT IS SO ORDERED.

By: *Anna L. Wojcik*
Environmental Appeals Board

Dated: *October 5, 2007*

CERTIFICATE OF SERVICE

I certify that the foregoing "Consent Agreement and Final Order," *Kanto Corporation*,
Docket No. TSCA-HQ-2007-5011, was filed and copies of the same were mailed to the parties as
indicated below:

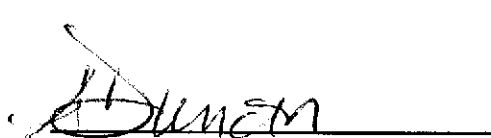
(Interoffice)

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Office of Civil Enforcement
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W. (Mail Code 2245A)
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Annette Duncan

Secretary

U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460-0001

OCT 10 2007
Dated: _____

**BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.**

In the Matter of :)	
)	
Kanto Corporation)	Docket Number TSCA-HQ-2007-5011
Portland, OR)	
)	
Respondent)	
)	

CONSENT AGREEMENT

Complainant, United States Environmental Protection Agency (EPA or Agency) and Respondent, Kanto Corporation (Respondent or the Company)(collectively, the Parties), having consented to the entry of this Consent Agreement before the taking of any testimony and without adjudication of any issues of law or fact, consent to the terms of this Consent Agreement and attached Final Order.

I. PRELIMINARY STATEMENT

1. This civil administrative proceeding for the assessment of penalties pursuant to section 16(a) of the Toxic Substances Control Act (TSCA), 15 U.S.C. § 2615(a), is being simultaneously commenced and concluded pursuant to 40 C.F.R. §§ 22.13(b) and 22.18(b)(2)-(3).
2. To avoid the disruption of orderly business activities and expense of protracted and costly litigation, Respondent, for purposes of this proceeding: (1) admits that EPA has jurisdiction over the subject matter in this Consent Agreement, and (2) consents to the terms of this Consent Agreement and Final Order.

II. EPA'S FINDINGS OF FACT AND LAW

COUNT I

3. EPA promulgated the Inventory Update Reporting (IUR) regulations (IUR Rule), 40 C.F.R. Part 710, pursuant to section 8(a) of TSCA, 15 U.S.C. § 2607(a).
4. Respondent, a corporation, located at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, is a "person" as defined by the IUR Rule, 40 C.F.R. § 710.3.
5. Respondent "manufactures" a "chemical substance," as defined by sections 3(2)(A) and 3(7) of TSCA, 15 U.S.C. §§ 2602(2)(A) and (7), and the IUR Rule, 40 C.F.R. § 710.3.
6. Respondent is subject to TSCA and regulations promulgated thereunder.
7. Pursuant to the IUR Rule, 40 C.F.R. § 710.28(b), unless an exclusion applies, "[a]ny person who manufactured for commercial purposes 10,000 pounds (4,540 kilograms) or more of a chemical substance [which is in the TSCA Master Inventory File] . . . at any single site owned or controlled by that person at any time during the person's latest complete corporate fiscal year before August 25, 1990, or before August 25 at four-year intervals thereafter" is subject to recurring IUR reporting during the applicable reporting period.
8. A person subject to IUR reporting is required to file a Partial Updating of TSCA Inventory Data Base Production and Site Report (Form U) with EPA.
9. The deadline for Form U submissions for the 2002 IUR period was December 23, 2002, 40 C.F.R. § 710.33(b).

10. During Respondent's latest complete corporate fiscal year prior to August 25, 2002, Respondent manufactured or imported for commercial purposes 10,000 pounds (4,540 kilograms) or more of the chemical substance, Hydrochloric acid, hereinafter identified as chemical abstract service number (CASN) 7647-01-0.
11. The chemical substance CASN 7647-01-0 is included in the TSCA Master Inventory File, and is not excluded from reporting under the IUR Rule, 40 C.F.R. § 710.26.
12. Pursuant to 40 C.F.R. § 710.33(b), a rule promulgated under TSCA section 8(a), Respondent was required to file a Form U by December 23, 2002.
13. On June 30, 2006 by telephone and by an inspection letter of notification, EPA notified Respondent that the Agency would conduct an inspection to determine compliance with TSCA.
14. On July 13, 2006, an authorized representative of EPA conducted an inspection of Respondent's place of business at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, pursuant to section 11 of TSCA, 15 U.S.C. § 2610.
15. On or about July 26, 2006, Respondent filed a continuation/correction 2002 Form U to include the chemical substance CASN 7647-01-0.
16. Respondent's failure to submit a Form U for CAS N 7647-01-0 by December 23, 2002 constitutes a failure to submit a report, notice or other information as required by 40 C.F.R. § 710.33(b).
17. Pursuant to section 15(3)(B) of TSCA, 15 U.S.C. § 2614 (3)(B), it is unlawful for any person to fail or refuse to submit reports, notices, or other information as required by TSCA or a rule thereunder.

18. A violation of section 15(3)(B) of TSCA subjects an entity to civil penalties pursuant to section 16(a) of TSCA, 15 U.S.C. 2615(a).

COUNT II

19. Paragraphs 3 through 9 are re-alleged and incorporated herein by reference.

20. During Respondent's latest complete corporate fiscal year prior to August 25, 2002, Respondent manufactured or imported for commercial purposes 10,000 pounds (4,540 kilograms) or more of the chemical substance, Hydrofluoric acid, hereinafter identified as CASN 7664-39-3.

21. The chemical substance CASN 7664-39-3 is included in the TSCA Master Inventory File, and is not excluded from reporting under the IUR Rule, 40 C.F.R. § 710.26.

22. Pursuant to 40 C.F.R. § 710.33(b), a rule promulgated under TSCA section 8(a), Respondent was required to file a Form U by December 23, 2002.

23. On June 30, 2006 by telephone and by an inspection letter of notification, EPA notified Respondent that the Agency would conduct an inspection to determine compliance with TSCA.

24. On July 13, 2006, an authorized representative of EPA conducted an inspection of Respondent's place of business at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, pursuant to section 11 of TSCA, 15 U.S.C. § 2610.

25. On or about July 26, 2006, Respondent filed a continuation/correction 2002 Form U to include the chemical substance CASN 7664-39-3.

26. Respondent's failure to submit a Form U for CASN 7664-39-3 by December 23, 2002 constitutes a failure to submit a report, notice or other information as required by 40 C.F.R. § 710.33(b).

27. Pursuant to section 15(3)(B) of TSCA, 15 U.S.C. § 2614 (3)(B), it is unlawful for any person to fail or refuse to submit reports, notices, or other information as required by TSCA or a rule thereunder.

28. A violation of section 15(3)(B) of TSCA subjects an entity to civil penalties pursuant to section 16(a) of TSCA, 15 U.S.C. 2615(a).

COUNT III

29. Paragraphs 3 through 9 are re-alleged and incorporated herein by reference.

30. During Respondent's latest complete corporate fiscal year prior to August 25, 2002, Respondent manufactured or imported for commercial purposes 10,000 pounds (4,540 kilograms) or more of the chemical substance, 4-methyl-2-pentanone, hereinafter identified as CASN 108-10-1.

31. The chemical substance CASN 108-10-1 is included in the TSCA Master Inventory File, and is not excluded from reporting under the IUR Rule, 40 C.F.R. § 710.26.

32. Pursuant to 40 C.F.R. § 710.33(b), a rule promulgated under TSCA section 8(a), Respondent was required to file a Form U by December 23, 2002.

33. On June 30, 2006 by telephone and by an inspection letter of notification, EPA notified Respondent that the Agency would conduct an inspection to determine compliance with TSCA.

34. On July 13, 2006, an authorized representative of EPA conducted an inspection of Respondent's place of business at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, pursuant to section 11 of TSCA, 15 U.S.C. § 2610.

35. On or about July 26, 2006, Respondent filed a continuation/correction 2002 Form U to include the chemical substance CASN 108-10-1.

36. Respondent's failure to submit a Form U for CASN 108-10-1 by December 23, 2002 constitutes a failure to submit a report, notice or other information as required by 40 C.F.R. § 710.33(b).

37. Pursuant to section 15(3)(B) of TSCA, 15 U.S.C. § 2614 (3)(B), it is unlawful for any person to fail or refuse to submit reports, notices, or other information as required by TSCA or a rule thereunder.

38. A violation of section 15(3)(B) of TSCA subjects an entity to civil penalties pursuant to section 16(a) of TSCA, 15 U.S.C. 2615(a).

COUNT IV

39. Paragraphs 3 through 9 are re-alleged and incorporated herein by reference.

40. During Respondent's latest complete corporate fiscal year prior to August 25, 2002, Respondent manufactured or imported for commercial purposes 10,000 pounds (4,540 kilograms) or more of the chemical substance, 2-propanol, hereinafter identified as CASN 67-63-0.

41. The chemical substance CASN 67-63-0 is included in the TSCA Master Inventory File, and is not excluded from reporting under the IUR Rule, 40 C.F.R. § 710.26.

42. Pursuant to 40 C.F.R. § 710.33(b), a rule promulgated under TSCA section 8(a), Respondent was required to file a Form U by December 23, 2002.

43. On June 30, 2006 by telephone and by an inspection letter of notification, EPA notified Respondent that the Agency would conduct an inspection to determine compliance with TSCA.

44. On July 13, 2006, an authorized representative of EPA conducted an inspection of Respondent's place of business at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, pursuant to section 11 of TSCA, 15 U.S.C. § 2610.

45. On or about July 26, 2006, Respondent filed a continuation/correction 2002 Form U to include the chemical substance CASN 67-63-0.

46. Respondent's failure to submit a Form U for CASN 67-63-0 by December 23, 2002 constitutes a failure to submit a report, notice or other information as required by 40 C.F.R. § 710.33(b).

47. Pursuant to section 15(3)(B) of TSCA, 15 U.S.C. § 2614 (3)(B), it is unlawful for any person to fail or refuse to submit reports, notices, or other information as required by TSCA or a rule thereunder.

48. A violation of section 15(3)(B) of TSCA subjects an entity to civil penalties pursuant to section 16(a) of TSCA, 15 U.S.C. 2615(a).

COUNT V

49. Paragraphs 3 through 9 are re-alleged and incorporated herein by reference.

50. During Respondent's latest complete corporate fiscal year prior to August 25, 2002, Respondent manufactured or imported for commercial purposes 10,000 pounds (4,540 kilograms) or more of the chemical substance, Acetic acid, hereinafter identified as CASN 64-19-7.

51. The chemical substance CASN 64-19-7 is included in the TSCA Master Inventory File, and is not excluded from reporting under the IUR Rule, 40 C.F.R. § 710.26.

52. Pursuant to 40 C.F.R. § 710.33(b), a rule promulgated under TSCA section 8(a), Respondent was required to file a Form U by December 23, 2002.

53. On June 30, 2006 by telephone and by an inspection letter of notification, EPA notified Respondent that the Agency would conduct an inspection to determine compliance with TSCA.

54. On July 13, 2006, an authorized representative of EPA conducted an inspection of Respondent's place of business at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, pursuant to section 11 of TSCA, 15 U.S.C. § 2610.
55. On or about July 26, 2006, Respondent filed a continuation/correction 2002 Form U to include the chemical substance CASN 64-19-7.
56. Respondent's failure to submit a Form U for CASN 64-19-7 by December 23, 2002 constitutes a failure to submit a report, notice or other information as required by 40 C.F.R. § 710.33(b).
57. Pursuant to section 15(3)(B) of TSCA, 15 U.S.C. § 2614 (3)(B), it is unlawful for any person to fail or refuse to submit reports, notices, or other information as required by TSCA or a rule thereunder.
58. A violation of section 15(3)(B) of TSCA subjects an entity to civil penalties pursuant to section 16(a) of TSCA, 15 U.S.C. 2615(a).

COUNT VI

59. Paragraphs 3 through 9 are re-alleged and incorporated herein by reference.
60. During Respondent's latest complete corporate fiscal year prior to August 25, 2002, Respondent manufactured or imported for commercial purposes 10,000 pounds (4,540 kilograms) or more of the chemical substance, Tetramethylammonium hydroxide, hereinafter identified as CASN 75-59-2.
61. The chemical substance CASN 75-59-2 is included in the TSCA Master Inventory File, and is not excluded from reporting under the IUR Rule, 40 C.F.R. § 710.26.

62. Pursuant to 40 C.F.R. § 710.33(b), a rule promulgated under TSCA section 8(a), Respondent was required to file a Form U by December 23, 2002.
63. On June 30, 2006 by telephone and by an inspection letter of notification, EPA notified Respondent that the Agency would conduct an inspection to determine compliance with TSCA.
64. On July 13, 2006, an authorized representative of EPA conducted an inspection of Respondent's place of business at 13424 N. Woodrush Way, Portland, Oregon 97203-6417, pursuant to section 11 of TSCA, 15 U.S.C. § 2610.
65. On or about July 26, 2006, Respondent filed a continuation/correction 2002 Form U to include the chemical substance CASN 75-59-2.
66. Respondent's failure to submit a Form U for CASN 75-59-2 by December 23, 2002 constitutes a failure to submit a report, notice or other information as required by 40 C.F.R. § 710.33(b).
67. Pursuant to section 15(3)(B) of TSCA, 15 U.S.C. § 2614 (3)(B), it is unlawful for any person to fail or refuse to submit reports, notices, or other information as required by TSCA or a rule thereunder.
68. A violation of section 15(3)(B) of TSCA subjects an entity to civil penalties pursuant to section 16(a) of TSCA, 15 U.S.C. 2615(a).

III. CIVIL PENALTY

69. The proposed penalty in this matter is consistent with the *Enforcement Response Policy for Reporting and Recordkeeping Rules and Requirements for TSCA Sections 8, 12 and 13* (revised March 31, 1999; effective June 1, 1999)(*TSCA ERP*). The *TSCA ERP* was developed in accordance with the *Guidelines for Assessment of Civil Penalties Under Section 16 of the Toxic Substances Control Act; PCB Penalty Policy*, which sets forth a general penalty assessment policy for TSCA violations. 45 Fed. Reg. 59770 (Sept. 10, 1980). The *TSCA ERP*, though not a regulation, establishes a framework for applying the statutory factors to be considered in assessing a civil penalty, *i.e.*: “the nature, circumstances, extent and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require.” Section 16(a)(2)(B) of TSCA, 15 U.S.C. § 2615(a)(2)(B).

70. The proposed civil penalty in this case reflects: (1) a determination of the Gravity-based Penalty (GBP), in accordance with the statutory factors nature, circumstances, extent and gravity; and (2) adjustments to the GBP, taking into account the statutory factors ability to pay, effect on ability to continue business, prior violations, culpability, and such other matters as justice may require.

71. The GBP is determined by evaluating the nature, circumstances, and extent of the violation. In accordance with the *TSCA ERP*, the nature of the violation set forth in Count I is “Hazard Assessment,” the circumstance level is “Level 1,” and the extent level is “Significant.” The gravity factor is determined by the value at which, on the *TSCA ERP*’s GBP Matrix (page 8),

the “circumstances” factor (vertical axis) intersects the “extent” factor (horizontal axis). In accordance with the *TSCA ERP* the GBP for Counts I through VI (\$18,700 x 6) is \$112,200.

72. For purposes of settlement, pursuant to section 16(a) of TSCA and the *TSCA ERP*, EPA has reduced the GBP by fifteen percent (15%) to reflect other relevant factors such as the Company’s cooperation, general attitude to comply with TSCA, and the promptness of the violator’s corrective actions. EPA has, therefore, determined that an appropriate and fair civil penalty to settle this action is \$95,370.

IV. TERMS OF SETTLEMENT

73. This settlement resolves only the civil administrative claims alleged in this Consent Agreement for Respondent’s facility located at 13424 N. Woodrush Way, Portland, Oregon 97203-6417.

74. Respondent waives its right to request an administrative hearing pursuant to section 16(a)(2)(A) of TSCA, 15 U.S.C. § 2615(a)(2)(A) and waives its right to file a petition for judicial review of the Final Order assessing the civil penalty pursuant to section 16(a)(3) of TSCA, 15 U.S.C. § 2615(a)(3).

75. For the sole purpose of establishing Respondent’s compliance history in any future enforcement proceeding that EPA may bring against Respondent within five (5) years of the date of the execution of the Final Order, Respondent admits that it is liable for the violations alleged in this Consent Agreement. Otherwise, Respondent neither admits nor denies the allegations, but consents to the terms and conditions of this Consent Agreement and Final Order.

76. By executing this Consent Agreement, Respondent certifies that regarding the violations alleged herein, Respondent is in compliance with sections 8 and 15 of TSCA; 15 U.S.C. §§ 2607 and 2614.

77. Respondent represents and warrants that the facts it has certified and referenced in this Consent Agreement are true.

78. The effect of this settlement (provided in paragraph 73) is conditioned upon the thoroughness and accuracy of the representations in Respondent's Form U submission and the certification referenced in paragraph 76.

79. Respondent agrees to pay a civil penalty in the sum of **Ninety-Five Thousand Three Hundred and Seventy Dollars (\$95,370)** in accordance with the following terms:

- A. Not more than thirty (30) calendar days after the effective date of the Final Order, Respondent shall either submit a cashier's or certified check with a notation of "Kanto Corporation, Civil Penalty Docket No. TSCA-HQ-2007-5011," payable to the order of the "Treasurer, United States of America," to:

EPA-Washington
(Hearing Clerk)
Docket No. TSCA-HQ-2007-5011
P.O. Box 360277
Pittsburgh, PA 15251-6277

or pay by wire transfer with a notation of "Kanto Corporation, Civil Penalty Docket No. TSCA-HQ-2007-5011" by using the following instructions:

Name of Beneficiary:	EPA
Number of Account for deposit:	68010099
The Bank Holding Acct:	Treas_NYC
The ABA routing Number:	021030004

B. Respondent shall forward a copy of the check or documentation of a wire transfer

to: Tony R. Ellis, Case Development Officer
Waste and Chemical Enforcement Division (2245A)
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W. (Room No. 5041-A)
Washington, D.C. 20460
(202) 564-4167
Fax (202) 564-0035

C. If Respondent fails to make the payment in a timely manner as required by paragraph 79.A., then Respondent shall pay a stipulated penalty of **One Thousand Dollars (\$1,000.00)** per calendar day for every day the penalty payment is late, unless EPA in writing excuses or mitigates the stipulated penalty. EPA may excuse or mitigate the stipulated penalty if EPA determines that the failure to comply occurred despite Respondent's exercise of good faith and due diligence.

V. OTHER MATTERS

80. This Consent Agreement shall be binding upon the Parties, and their respective officers, directors, employees, successors and assigns. The undersigned representative of each Party certifies that he or she is duly authorized by his or her respective Party to enter into this binding Consent Agreement.

81. This Consent Agreement shall take full effect upon the signing and filing of the Final Order by EPA's Environmental Appeals Board.

82. Respondent's obligations under this Consent Agreement shall end when it has paid in full the scheduled civil penalty, paid any stipulated penalties, and submitted the documentation required by the Consent Agreement and Final Order.

83. All of the terms and conditions of this Consent Agreement together comprise one settlement agreement, and each of the terms and conditions is in consideration for all of the other terms and conditions. This Consent Agreement shall be null and void if any term or condition of this Consent Agreement is held invalid or is not executed by all of the signatory parties in identical form, or is not approved in such identical form by EPA's Environmental Appeals Board.

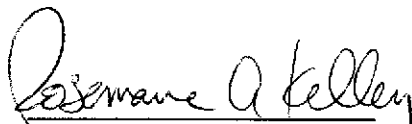
84. The penalty, including any stipulated penalties, specified above represents civil penalties assessed by EPA, and shall not be deductible for purposes of federal taxes.

85. Failure of Respondent to remit the civil penalties provided herein will result in this matter being forwarded to the United States Department of Justice for collection of the amount due, plus stipulated penalties and interest at the statutory judgment rate provided in 28 U.S.C. § 1961.

86. The Parties agree to bear their own costs.

WE HEREBY AGREE TO THIS:

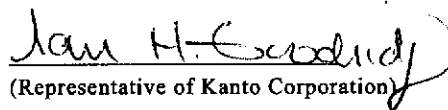
For Complainant:



Rosemarie A. Kelley, Director
Waste and Chemical Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency

Aug. 27, 2007
Date

For Respondent:



(Representative of Kanto Corporation)

June 12, 2007
Date