



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7  
901 NORTH 5<sup>TH</sup> STREET  
KANSAS CITY, KANSAS 66101

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ENVIRONMENTAL PROTECTION  
AGENCY-REGION VII  
REGIONAL HEARING CLERK

**EXPEDITED SETTLEMENT AGREEMENT (ESA)**

**DOCKET NO.:** CAA-07-2008-0023

**This ESA is issued to:** The Procter and Gamble Manufacturing Company

**At:** 1900 Kansas Avenue, Kansas City, Kansas 66105

**for violating Section 112(r)(7) of the Clean Air Act.**

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The United States Environmental Protection Agency, Region 7 (EPA) and The Procter and Gamble Manufacturing Company, 1900 Kansas Avenue, Kansas City, Kansas 66105 (Respondent), have agreed to a settlement of this action before filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(B)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. §§ 22.13(b), 22.18(b)(2).

The Complainant, by delegation of the Administrator of EPA, is the Director of the Air, and Waste Management Division. The Respondent is The Procter and Gamble Manufacturing Company, 1900 Kansas Avenue, Kansas City, Kansas 66105.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act. Pursuant to Section 113(d) of the Clean Air Act, 42 U.S.C. § 7413(d), the Administrator and the Attorney General jointly determined that this matter, where the total penalty exceeds \$270,000 or where the first alleged date of violation occurred more than 12 months prior to the initiation of the administrative action, was appropriate for administrative penalty action.

**ALLEGED VIOLATIONS**

On June 26, 2007, an authorized representative of the EPA conducted a compliance inspection of the Respondent's facility located at 1900 Kansas Avenue, Kansas City, Kansas 66105, to determine compliance with the Risk Management Plan (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the Clean Air Act. The EPA found that the Respondent had violated regulations implementing Section 112(r) of the Clean Air Act by failing to comply with the regulations as noted on the enclosed Risk Management Program Inspection Findings, Alleged Violations and Proposed Penalty Sheet (RMP Findings), which is hereby incorporated by reference.

**SETTLEMENT**

In consideration of Respondent's size of business, its full compliance history, its good faith effort to comply, and other factors as justice may require, and upon consideration of the

entire record, the parties enter into the ESA in order to settle the violations, described in the enclosed RMP Findings, for the total penalty amount of **\$7275**.

This settlement is subject to the following terms and conditions:

The Respondent by signing below waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained in herein and in the RMP Findings, and consents to the assessment of the penalty as stated above. Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the Clean Air Act, 42 U.S.C. § 7413(d)(2)(A), and to appeal this ESA. Each party to this action shall bear its own costs and fees, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the violations listed in the enclosed RMP Findings and has sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$7275** in payment of the full penalty amount to the following address:

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

The Docket Number of this ESA is CAA-07-2008-0023, and must be included on the check.

This original ESA, a copy of the completed RMP Findings, and a copy of the check must be sent by certified mail to:

Deanna Smith  
Office of Regional Counsel  
U.S. Environmental Protection Agency, Region 7  
901 North 5<sup>th</sup> Street  
Kansas City, Kansas 66101.

A copy of the check must also be sent to:

Kathy M. Robinson  
Regional Hearing Clerk  
U.S. Environmental Protection Agency, Region 7  
901 North 5<sup>th</sup> Street  
Kansas City, Kansas 66101.

Upon Respondent's submission of the signed original ESA, EPA will take no further civil action against Respondent for the alleged violations of the Clean Air Act referenced in the RMP

Findings. The EPA does not waive any other enforcement action for any other violations of the Clean Air Act or any other statute.

If the signed original ESA with an attached copy of the check is not returned to the EPA Region 7 office at the above address in correct form by the Respondent within 45 days of the date of Respondent's receipt of it (90 days if an extension is granted), the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein and in the RMP Findings.

This ESA is binding on the parties signing below.

This ESA is effective upon filing with the Regional Hearing Clerk.

FOR RESPONDENT:

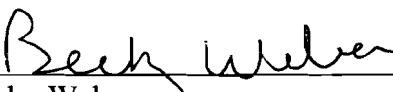
Shawn M. Hopkins

Date: 7/18/08


Name (print): Shawn M. Hopkins

Title (print): Plant Engineering Manager  
The Procter and Gamble Manufacturing Company

FOR COMPLAINANT:

  
\_\_\_\_\_  
Becky Weber  
Director  
Air and Waste Management Division  
EPA Region 7

Date: 8/6/08

  
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Sarah Thibos LaBoda  
Assistant Regional Counsel  
EPA Region 7

Date: 7.31.08

I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.

Karina Borromeo  
Karina Borromeo  
Regional Judicial Officer

Date: Aug. 19, 2008

**Risk Management Program Inspection Findings**

The Procter and Gamble Manufacturing Company  
1900 Kansas Avenue  
Kansas City, Kansas 66105

CAA § 112(r) Violations

**VIOLATIONS**

**PENALTY AMOUNT**

General

Management [§ 68.15]

The owner or operator failed to document other persons responsible for implementing individual requirements of the risk management program and define the lines of authority through an organization chart or similar document. [§ 68.15(c)]

\$300

*How was this addressed:*

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Hazard Assessment

Review and Update [§ 68.36]

The owner or operator failed to review and update the off-site consequence analyses at least once every five years. [§ 68.36(a)]

\$600

*How was this addressed:*

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Hazard Assessment

Documentation [§ 68.39]

- For worst-case scenarios, the owner or operator failed to provide a description of the vessel or pipeline and substance

\$300

**VIOLATIONS**

**PENALTY AMOUNT**

selected, assumptions and parameters used, the rationale for selection, and anticipated effect of the administrative controls and mitigation on the release quantity and rate. [§ 68.39(a)]

- For alternative release scenarios, the owner or operator failed to provide a description of the scenarios identified, assumptions and parameters used, the rationale for the selection of specific scenarios, and the effect of the controls and mitigation on the release quantity and rate. [§ 68.39(b)]

\$300

*How was this addressed:*

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Hazard Assessment & Risk Management Plan  
Five-Year Accident History [§ 68.42 & 68.168]

The owner or operator failed to include all accidental releases from covered processes that resulted in deaths, injuries, or significant property damage on site, or known offsite deaths, injuries, evacuations, sheltering in place, property damage or environmental damage. [§ 68.42 & 68.168]

\$750

*How was this addressed:*

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Prevention Program

Process Hazard Analysis [§ 68.67]

The owner or operator failed to establish a system to promptly address the team's findings and recommendations; assure that the

\$750



**VIOLATIONS**

**PENALTY AMOUNT**

recommendations are resolved in a timely manner and documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; and communicate the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations. [§ 68.67(e)]

*How was this addressed:*

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Prevention Program

Operating Procedures [§ 68.69]

The owner or operator failed to develop and implement written operating procedures that provide instructions or steps for conducting activities associated with each covered process consistent with the safety information. [§ 68.69(a)]

\$750

*How was this addressed:*

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Prevention Program

Operating Procedures [§ 68.69]

The owner or operator failed to review the operating procedures as often as necessary to assure that they reflect current operating practice and to certify annually that the operating procedures are current and accurate. [§ 69.69(c)]

\$600

**VIOLATIONS**

**PENALTY AMOUNT**

*How was this addressed:*

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Prevention Program  
Training [§ 68.71]

The owner or operator failed to provide adequate refresher training at least every three years, or more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process. [§ 68.71(b)]

\$750

*How was this addressed:*

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Prevention Program  
Management of Change [§ 68.75]

The owner or operator failed to provide adequate management of change authorization requirements for the proposed change. [§ 68.75(b)(5)]

\$150

*How was this addressed:*

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**VIOLATIONS**

**PENALTY AMOUNT**

Emergency Response [§ 68.95]

The owner or operator failed to provide in the emergency response plan documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures.

\$375

[§ 68.95(a)(1)(ii)]

*How was this addressed:*

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Emergency Response [§ 68.95]

The owner or operator failed to develop and implement procedures to review and update, as appropriate, the emergency response plan to reflect changes at the stationary source and ensure that employees are informed of changes. [§ 68.95(a)(4)]

\$750

*How was this addressed:*

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Risk Management Plan

Executive Summary [§ 68.155]

- The owner or operator failed to adequately address the accidental release prevention and emergency response policies. [§ 68.155(a)]
- The owner or operator failed to adequately address the planned changes to improve safety. [§ 68.155(f)]

No Penalty Assessed

**VIOLATIONS**

**PENALTY AMOUNT**

*How was this addressed:*

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See Attached

Total Unadjusted Penalty \$7275

**Calculation of Adjusted Penalty**

- 1<sup>st</sup> Reference the Multipliers for calculating proposed penalties for violations found during RMP inspection matrix for Private Industry. Number of employees is greater than 100 and the threshold quantity falls into the greater than 10 times range, which gives it a multiplier factor of 1.
- 2<sup>nd</sup> Adjusted Penalty = \$7275 (Unadjusted Penalty) X 1 (Size-Threshold Multiplier) is \$7275.
- 3<sup>rd</sup> An Adjusted Penalty of \$7275 would be assessed to The Procter and Gamble Manufacturing Company for violations found during the RMP Compliance Inspection. This amount will be found in the Expedited Settlement Agreement (ESA).

TOTAL ADJUSTED PENALTY \$7275

The approximate cost to correct the above items: \$ \_\_\_\_\_

Compliance staff name: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## Risk Management Program Inspection Findings

The Procter & Gamble Manufacturing Company  
1900 Kansas Avenue  
Kansas City, KS 66105

CAA § 112(r) Violations

### VIOLATIONS

### PENALTY AMOUNT

**1. General Management [§ 68.15]**

**\$300**

The owner or operator failed to document other persons responsible for implementing individual requirements of the risk management program and define the lines of authority through an organization chart or similar document. [§ 68.15(c)]

How was this addressed:

P&G updated its risk management system documents to more clearly document the lines of authority for implementation with an organization chart on September 4, 2007.

**2. Hazard Assessment Review and Update [§ 68.36]**

**\$600**

The owner or operator failed to review and update the off-site consequence analyses at least once every five years. [§68.36(a)]

How was this addressed:

P&G updated its tracking schedule/calendar to include required review timing, and ensure the off-site consequence analyses are reviewed at least once every five years. The last review was completed in October of 2007.

**3. Hazard Assessment Documentation [§68.39]**

- For worst-case scenarios, the owner or operator failed to provide a description of the vessel or pipeline and substance selected, assumptions and parameters used, the rationale for selection, and anticipated effect of the administrative controls and migration on the release quantity and rate. [§ 68.39(a)]

**\$300**

- For alternative release scenarios, the owner or operator failed to provide a description of the scenarios identified, assumptions and parameters used, the rationale for the selection of specific scenarios, and the effect of the controls

**\$300**

and migration on the release quantity and rate. [§ 68.39(b)]

How was this addressed:

For worst-case scenarios and alternative release scenarios, P&G updated the vessel and pipe assumptions and consequence analyses. On February 11, 2008 P&G resubmitted the Risk Management Plan to the U.S.E.P.A. with the new results.

**4. Hazard Assessment & Risk Management Plan Five-Year Accident History [§ 68.42 & 68.168] \$750**

The owner or operator failed to include all accidental releases from covered processes that resulted in deaths, injuries or significant property damage on site, or known offsite deaths, injuries, evacuations, sheltering in place, property damage or environmental damage. [§ 68.42 & 68.168]

How was this addressed:

In the last five years, there have been no accidental releases that resulted in deaths, significant property damage on site, or known offsite deaths, evacuations, sheltering in place, property damage or environmental damage. P&G updated the five-year incident history data of the RMP submit to include the April 19, 2004 report. On February 11, 2008 P&G resubmitted the Risk Management Plan to the U.S.E.P.A

**5. Prevention Program Process Hazard Analysis [§ 68.67] \$750**

The owner or operator failed to establish a system to promptly address the team's findings and recommendations; assure that the recommendations are resolved in a timely manner and documented; document what actions are to be taken; complete action as soon as possible; develop a written schedule of when these actions are to be completed; and communicate the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations. [§68.67(e)]

How was this addressed:

All follow-up from P&G's Process Hazard Analysis requiring action have been completed. Immediate action, to include process changes, operating procedures, and administrative controls, were planned and completed immediately following the completion of our hazard analysis. In addition to the immediate actions, we identified engineering design changes that required

additional time to study and implement the improvements; these have also been completed.

6. **Prevention Program Operating Procedures [§ 68.69]** **\$750**  
The owner or operator failed to develop and implement written operating procedures that provide instructions or steps for conducting activities associated with each covered process consistent with the safety information. [§ 68.69(a)]

How was this addressed:

P&G's existing Prevention Program Operating Procedures have been consolidated into one document to include both operating limits & consequences of deviation.

7. **Prevention Program Operating Procedures [§ 68.69]** **\$600**  
The owner or operator failed to review the operating procedures as often as necessary to assure that they reflect current operating practice and to certify annually that the operating procedures are current and accurate. [§ 68.69(c)]

How was this addressed:

P&G has strengthened our system for creating, storing and reviewing operating procedures for RMP. The process for reviewing and certifying is now included in one annual document. P&G also has an internal review program that reviews the procedures.

8. **Prevention Program Training [§ 68.71]** **\$750**  
The owner or operator failed to provide adequate refresher training at least every three years, or more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process. [§ 68.71(b)]

How was this addressed:

P&G tests operators on RMP chemical processes every year to ensure they maintain a high level of skill in process operations. We improved our tracking system for training, making it easier to track who needs refresher training & who needs annual tests.

9. **Prevention Program Management of Change [§ 68.75]** **\$150**



The owner or operator failed to provide adequate management of change authorization requirements for the proposed change. [§ 68.75(b)(5)]

How was this addressed:

Prior to the inspection we were finalizing the process for improving the site's Change Management System. This work has been completed and included modifying our follow-up tracking and identification of work process ownership.

**10. Prevention Program Compliance Audits [§ 68.79] \$300**

The owner or operator failed to certify that the stationary source has evaluated compliance with the provisions of the prevention program at least every three years to verify that the developed procedures and practices are adequate and being followed. [§ 69.79(a)]

How was this addressed:

P&G has a documented process that now includes certifying that it has evaluated compliance with the provisions of the prevention program at least every three years. Our last audit was completed in January 2006 .

**11. Prevention Program Incident Investigations [ 68.81] \$600**

The owner or operator failed to review incident investigation findings with all affected personnel whose job tasks are relevant to the incident findings including contract employees, where applicable. [§ 68.81(f)]

How was this addressed:

P&G has reinforced with each employee our incident investigation procedures. P&G uses an established, systemic approach to investigate incidents occurring onsite. This includes conducting a multi-cause analysis to identify root cause of an incident, and developing an action plan to address the root cause(s) identified. P&G improved the tracking to create a more user friendly system to better document the resolution of items and track completion.

**12. Emergency Response [68.95] \$375**

The owner or operator failed to provide in the emergency response plan documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures. [§ 68.95(a)(1)(ii)]

How was this addressed:

Our first aid procedures and emergency medical treatment were listed in a separate document, and have now been included in our emergency response plan.

**13. Emergency Response [68.95]**

**\$750**

The owner or operator failed to develop and implement procedures to review and update, as appropriate, the emergency response plan to reflect changes at the stationary source and ensure that employees are informed of changes. [§ 68.95(a)(4)]

How was this addressed:

The emergency response plan is reviewed annually and now includes the date on it, to insure annual review. P&G also has an internal review program that also reviews the procedures for updating the plan.

**14. Risk Management Plan Executive Summary [§ 68.155]**

**No Penalty Assessed**

- The owner or operator failed to adequately address the accidental release prevention and emergency response policies. [68.155(a)]
- The owner or operator failed to adequately address the planned changes to improve safety. [68.155(f)]

How was this addressed:

P&G's Risk Management Plan executive summary now also includes a section on the "planned changes to improve safety". This section was included in the February 11, 2008 submittal.

IN THE MATTER OF The Procter and Gamble Manufacturing Company, Respondent  
Docket No. CAA-07-2008-0023

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Expedited Settlement Agreement (ESA) was sent this day in the following manner to the addressees:

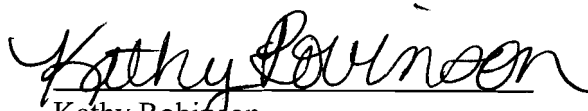
Copy hand delivered to  
Attorney for Complainant:

Sarah Thibos LaBoda  
Assistant Regional Counsel  
Region VII  
United States Environmental Protection Agency  
901 N. 5<sup>th</sup> Street  
Kansas City, Kansas 66101

Original by Certified Mail Return Receipt to:

Shawn M. Hopkins  
Plant Engineering Manager  
The Procter and Gamble Manufacturing Company  
1900 Kansas Avenue  
Kansas City, Kansas 66105

Dated: 8/19/08

  
Kathy Robinson  
Hearing Clerk, Region 7